



co-operative governance
& traditional affairs

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA SECTION 47 REPORT

Consolidated Annual Municipal Performance

2015/16





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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
PPP	Public Private Partnerships
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

1. MEC'S EXECUTIVE SUMMARY

The Section 47 of the Municipal Systems Act, 32 of 2000 gives an account of a consolidated performance of the municipalities in the 2015/16 financial year. The report is presented as a high level summary of the accomplishments and challenges by the municipalities. The overall performance was measured on five (5) Key Performance Areas (KPA) as follows:

(a) Public Participation and Good Governance

TROIKAs were functional and meeting on a regular basis in all municipalities with the exception of Dr. Pixley Ka Isaka Seme. There was misunderstanding of the roles and responsibilities of TROIKA members in Dr. Pixley Ka Isaka Seme, however the department intervened and the roles and responsibilities clarified to solve the matter. The Department developed guidelines and a schedule of meetings to support the functionality of TROIKA and the frequency of their meetings. The intervention bore good results in all municipalities in the three Districts of the province. However, the fact that the TROIKAs are not a legislated structure, municipalities are hampered to enforce the implementation of decisions in as far as their operations are concerned.

Notwithstanding the establishment of Oversight Committees (MPACs, S79&80 and Audit Committees) to perform their duties, however, it was observed that not all resolutions adopted by the municipalities were all implemented. Lack of relevant skills owing to insufficient budgets to train the relevant staff, is one of the contributing factors. In addition their functionality was crippled by the lack of crucial support staff, mainly researchers and secretaries. This was exacerbated by the status of Chairpersons who work on a part time basis.

The role of Community Development Workers (CDWs) as catalysts of change was observed. They continued to bring services to the doorsteps of those whose access to government services is restricted.

(b) Service Delivery and Infrastructure Development

A significant increase of the number of households with access to potable water in the province was observed. Statistically, the number of households rose from 1 075 488 to 1 238 860 households. In 2015/16 financial year a total of 1 123 038 households were receiving electricity in province. There has been an overall increase in most areas of service delivery. This is attributed to the influx of people who were not taken into consideration during the planning processes of the affected municipalities.

(c) Financial Performance Management

A slight improvement of the municipal audit outcomes was recorded in the 2015/16 financial year. Two (2) districts and one (1) local municipality achieved clean audits. Eight (8) municipalities obtained unqualified audit outcomes with findings whilst eight (8) achieved qualified outcomes with findings. Two (2) out of four (4) municipalities with disclaimers have improved their audit outcomes by obtaining qualified audits with findings. The non-achievement of clean audits remains a cause for concern for the Department, despite efforts to turn around the poor audit outcomes. The achievement of clean audits by three municipalities only in the 2015/16 financial year indicates the need to do more in pursuit of this target.

(d) Local Economic Development

In the 2015/16 financial year a further 8 842 jobs were created in addition to the 16 138 totalling to 24 980 jobs created altogether. Significantly, 2.5% of these jobs were occupied by women and 61% by the youth. The institutional capacity to lead and manage LED is crucial element and fundamental imperative in the success of municipal LED programme. In the 2015/16 financial year 30 posts in various municipalities in the province were filled. All municipalities reviewed their LED strategies except in four local municipalities, namely Mkhondo, Dr Pixley Ka Isaka Seme and Thembisile Hani. Three of the local municipalities, namely Umjindi, Msukaligwa and Lekwa, did not implement their LED strategies.

(e) Institutional Development

Municipalities continued with their efforts to fill vacant Senior Management posts. Notwithstanding the delay in the filling of posts for Municipal Managers, however 18 posts were filled by the end of the municipal financial year. The Department coordinated the training of 3 871 councillors and municipal officials as part of capacity building.

The Department remains committed to improve the poor audit outcomes, with the support of SALGA, the Provincial Treasury, Office of the Premier and the Districts.



MS RM MTSHWENI

MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 21/12/2017

2. HOD'S EXECUTIVE SUMMARY OF PERFORMANCE

Provision of basic services in a sustainable manner to communities is not only a Constitutional requirement but is a core business of municipalities. Notably, the number of people with access to basic services has increased during the period under review, however, not enough revenue is collected by the municipalities. This constitutes an adverse effect in the delivery of basic services in a sustainable manner. To make matters worse, the majority of municipalities are grant-dependent and are operating under serious budgetary constraints with a high number of people who must be provided with services for free as indigents.

Most municipalities did not budget for Local Economic Development (LED) and those having budgeted recorded a poor spending in the Local Economic Development (LED) sector over the past three (3) financial years. This is a cause for concern as the budget worth millions of rands could have contributed towards the development of the local economy. This poor spending can also be attributed to the growing number of indigents.

Municipalities are faced with backlogs and ageing infrastructure. Proper spending of the Municipal Infrastructure Grant (MIG) is a solution to address this challenge. However, poor spending as a result of poor planning by municipalities contributes to the ageing infrastructure.

Despite the identified challenges in the 2015/16 financial year, the department remains committed to provide support to all our municipalities in an attempt to make local government responsive, effective efficient and accountable.



MR TP NYONI

HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 21/12/17

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
- (d) 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 2015/16 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, the total population in Mpumalanga is 4,04 million residing in 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 41, 8% at 1, 69 million people, followed by Nkangala District Municipality at 34, 4% for an estimate 1, 31 million people and lastly, the Gert Sibande District Municipality accounting for the remainder of 25, 8% of the population at 1, 04 million people. Table 1 below provides a summary of the population in the province per district including the household breakdown. Sub-sections 2.1.1 to 2.1.3 provide a local level population breakdown per district area.

Table1: Demographic Profile for Mpumalanga as per National Census, 2011 & Statistics SA 2016

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Ehlanzeni District Municipality	1 688 614	41.8	445 087	41.4	483 902	39
Nkangala District Municipality	1 308 129	32.4	356 911	33.2	421 143	33.9
Gert Sibande District Municipality	1 043 094	25.8	273 490	25.4	333 815	26.9
Mpumalanga	4 039 837	100	1 075 488	100	1 238 860	100

(Source: SERO 2015)

4.1.1 Ehlanzeni District Municipal Demographic Profile

Ehlanzeni District Municipality comprises five local municipalities namely, Mbombela, Umjindi, Nkomazi, Bushbuckridge and Thaba Chweu local municipalities. Mbombela Local Municipality accounts for the largest population estimate at 588 794 or 35% closely followed by Bushbuckridge Local Municipality with a population estimate of 541 248 or 32%, Nkomazi Local Municipality at 393 030 or 23%, Thaba Chweu Local Municipality at 98 387 or 5.8% and Umjindi Local Municipality at 67 156 or 4.1% are the two smallest municipalities within the District. Table 2 below provides a summary of the population estimates in the Ehlanzeni District Municipality as per the National Census by Stats SA, 2011.

Table 2: Ehlanzeni District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Mbombela Municipality	588 794	35	161 773	36	181 794	37.5
Bushbuckridge Municipality	541 248	32	134 197	30	137 419	28
Nkomazi Municipality	393 030	23	96 202	22	103 965	21
Thaba Chweu Municipality	98 387	5.8	33 352	7.5	37 022	8
Umjindi Municipality	67 156	4.1	19 563	5	23 702	5

(Source: SERO 2015)

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 395 466 or 30% followed by Thembisile Hani Local Municipality with a population estimate of 310 458 or 23.7%, Dr JS Moroka Local Municipality at 249 705 or 19%, Steve Tshwete Municipality at 229 831 or 18%. Victor Khanye Local Municipality at 75 452 or 5.8% and Emakhazeni Local Municipality at 47 216 or 3.6% are the two smallest municipalities within the District. Table 3 below provides a summary of the population estimates in the Nkangala District Municipality as per the National Census by Stats SA, 2011.

Table 3: Nkangala District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Emalahleni Municipality	395 466	30	119 874	34	150 420	36
Thembisile Hani Municipality	310 458	23.7	75 634	21	82 740	20
Dr JS Moroka Municipality	249 705	19	62 162	17	62 367	15
Steve Tshwete Municipality	229 831	18	64 971	18	86 713	21
Victor Khanye Municipality	75 452	5.8	20 548	6	24 270	6
Emakhazeni	47 216	3.6	13 722	4	14 633	3

(Source: SERO 2015)

4.1.3 Gert Sibande District Demographic Profile

Gert Sibande District Municipality comprises 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 at 294 538 or 28% followed by Chief Albert Luthuli Local Municipality with a population estimate of 186 010 or 18%, Mkhondo Local Municipality at 171 982 or 17%, Msukaligwa Local Municipality at 149 377 or 14 %, Lekwa Local Municipality at 115 662 or 11%. Dr. Pixley Ka Isaka Seme Local Municipality at 83 235 or 8% and Dipaleseng Local Municipality at 42 390 or 4% are the two smallest municipalities within the District. Table 4 below provides a summary of the population estimates in the Gert Sibande District Municipality as per the National Census by Stats SA, 2011.

Table 4: Gert Sibande District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Govan Mbeki Municipality	294 538	28	83 874	31	108 894	33
Chief Albert Luthuli	186 010	18	47 705	18	53 480	16
Mkhondo Municipality	171 982	17	37 433	14	45 595	14
Msukaligwa Municipality	149 377	14	40 932	15	51 089	15
Lekwa Municipality	115 662	11	31 071	11	37 334	11
Dr Pixley Ka Isaka Seme	83 235	8	19 838	7	22 546	7
Dipaleseng	42 390	4	12 637	5	14 877	4

(Source: SERO Report 2015)

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 has the highest average household income in the province at R134 026, with Bushbuckridge Local Municipality the having lowest average household income of R36 569.

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
Umjindi	R35 244	R81 864	8
Victor Khanye	R35 281	R80 239	9
Emakhazeni	R36 170	R72 310	10
Dr. Pixley Ka Isaka Seme	R23 399	R64 990	11
Dipaleseng	R19 454	R61 492	12
Mkhondo	R26 935	R53 398	13
Chief Albert Luthuli	R22 832	R48 790	14
Thembisile Hani	R18 229	R45 864	15
Nkomazi	R19 195	R45 731	16
Dr. JS Moroka	R17 328	R40 421	17

Bushbuckridge	R17 041	R36 569	18
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4.2.2 Unemployment and Socio-economic challenges

Ehlanzeni District's household income of R64 403 is 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 are - 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 22.91%, youth unemployment rate high at 38.4%.The leading industries in terms of employment in the Gert Sibande District are - trade (18.8%), community service (17%), mining (14.5%) and agriculture (13.9%).

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

The district's contribution to Mpumalanga economy was 31.0% 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 are finance (21.8%), community services (24.9%) and trade (17.3%).The leading industries in terms of percentage contribution to Nkangala's economy are 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 Relations	Council sittings	Protest Action
EHLANZENI	Bushbuckridge	Frequently meeting with good relations. 18 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	21 Protest Actions
	Mbombela	Frequently meeting with good relations. 32 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 14 Meetings held.	21 Protest Actions
	Nkomazi	Frequently meeting with good relations. 22 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 16 Meetings held.	02 Protest action
	Thaba Chweu	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 13 Meetings held.	07 Protest Actions
	Umjindi	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 14 Meetings held.	01 Protest Actions
	Ehlanzeni	Frequently meeting with good relations. 21 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	Not Applicable
	District Totals	123	77	52

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
GERT SIBANDE	Chief Albert Luthuli	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	05 Protest Actions
	Dipaleseng	Frequently meeting with good relations. 14 Meetings held	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 4 Meetings held.	01 Protest Action
	Govan Mbeki	Frequently meeting with good relations. 19 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	01 Protest Action
	Lekwa	Frequently meeting with good relations. 16 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	0
	Mkhondo	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special Sittings of Council were convened as per the need. 12 Meeting held.	02 Protest Actions
	Msukaligwa	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	04 Protest Actions
	Dr. Pixley Ka Isaka Seme	Not Functional	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 13 Meetings held.	02 Protest Actions
	Gert Sibande	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	Not Applicable
	District Totals	109	71	15
	Dr. JS Moroka	Frequently meeting with good relations. 17 Meeting held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 12 Meetings held.	03 Protest Actions
NKANGALA	Emakhazeni	Frequently meeting with good relations. 20 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	01 Protest Action
	Emalaheni	Frequently meeting with good relations. 9 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 7 Meetings held.	02 Protest Actions
	Steve Tshwete	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 15 Meetings held.	03 Protest Actions
	Thembisile Hani	Frequently meeting with good relations. 19 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 11 Meetings held.	02 Protest Actions
	Victor Khanye	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 21 Meetings held.	01 Protest Actions
	Nkangala District	Frequently meets with good relations	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 13 meetings held.	Not Applicable
		District Totals	95	89

(Source: Section 46 reports from municipalities)

Analysis of Municipal Performance on Good Governance: Political Stability

Findings

- Functionality of TROIKA, municipal Councils and protests per district is detailed below as follows:

Ehlanzeni District

The findings that were made at Ehlanzeni District are that all municipal TROIKAs were functional and altogether had a total of 123 (on average each municipality held 6 meetings) meetings. In as far as the sitting of municipal Councils is concerned, all municipalities held a total of 72 normal as well as special sittings as and when required amongst them. All municipalities in this district also experienced about 74 service delivery protests, Bushbuckridge and Mbombela municipalities had the highest number of protests, each had 21 protests and Umjindi being the lowest with only one (1).

Gert Sibande District

The findings that were made at Gert Sibande District are that all municipal TROIKAs were functional except for one at Dr Pixley Ka Isaka Seme. In total municipalities in this district held 109 TROIKA meetings amongst them. In as far as the sitting of municipal Councils is concerned, all municipalities held their meetings accordingly totalling 76 normal sittings as well as special sittings amongst them as and when required. Municipalities in this district also experienced fifteen (15) service delivery protests Chief Albert Luthuli had five (5) protests which is the highest and four in Msukaligwa, Lekwa had no protest recorded on the year under review.

Nkangala District

The findings that were made at Nkangala District are that all municipal TROIKAs were functional; in total they held 109 meetings amongst themselves. However, Nkangala District Municipality did not specify as to how many meetings were held except to say that the TROIKA was meeting regularly. In as far as the sitting of municipal Council is concerned, all seven (7) municipalities as required by law held their sittings accordingly totalling eighty (80) normal as well as special sittings amongst themselves. However, Nkangala District Municipality did not specify as to how many Council sittings were held except to say that the meetings were held as required by law. Municipalities in this district also experienced twelve (12) service delivery protests, Dr JS Moroka and Steve Tshwete had the highest incidents three (3) each and Emakhazeni and Victor Khanye having had only one (1) each.

5.1.1 Municipal performance on Good Governance

In analysing the functionality of the Governance Structures in the municipalities, special attention on the municipal annual reports was paid on their existence, in terms of members forming the committee and attendance registers, this enabled confirmation that meetings did indeed take place and if they meet regularly.

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"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Mbombela	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 committee is functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Nkomazi	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Thaba Chweu	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Umjindi	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Ehlanzeni	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
GERT SIBANDE	Chief Albert Luthuli	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Dipaleseng	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Govan Mbeki	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Lekwa	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 committee is functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Mkhondo	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Msukaligwa	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Dr. Pixley Ka Isaka Seme	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Gert Sibande	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
NKANGALA	Emalahleni	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Emakhazeni	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Steve Tshwete	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Victor Khanye	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Dr. JS Moroka	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Thembisile Hani	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Nkangala	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.

(Source: Section 46 reports from municipalities)

5.1.2 Functionality of Oversight Committees

Findings

All municipalities across the three districts have established oversight committees e.g. Municipal Public Accounts Committees (MPACs), Section 79 & 80 committees. The following local municipalities only established Section 79 committees without Section 80 Committees; Lekwa, Emalahleni and Mbombela local municipalities. Mbombela local municipality uses a different model called a cluster approach. However, there are challenges affecting the optimal functionality of the oversight committees as follows:

Challenges

TROIKA

The following challenges were noted with the functionality of the TROIKA in the province

- TROIKA is not a legislated structure;
- TROIKA did not have a schedule of meetings resulting in unplanned meetings;
- Service delivery was not a standing item on their agenda

MPACs

The following challenges were noted with oversight structures MPACs, Section 79 & 80 committees, Internal Audit Units and Audit Committees:

- MPAC reporting lines are not clearly defined (some are reporting to the Executive Mayor)
- No dedicated staff members (Secretary & Researcher) to assist MPACs with administrative issues

Internal Audit Committees

The following challenges were noted with internal audits:

- Poor implementation of Internal Audit and Audit Committee resolutions,
- Insufficient budget for training of oversight committees,

Section 79 & 80 Committees

- Mbombela municipality is not using a standard model of S79 & 80 committees instead they are using a cluster approach
- Lekwa and Emalahlani local municipalities' Section 80 committees were not established at the time of conducting the assessment for functionality of oversight committees, but were later established.

Support Interventions by National and Provincial government

- The department developed guidelines to be followed when dealing with TROIKA issues,
- Supported TROIKA to develop schedule of meetings in order to improve on their functionality
- TROIKA's were advised to have service delivery as a standing item in their agenda so they could be able to provide sound advice to council
- SALGA is busy developing the Governance Model for the Province which will enable all municipalities to use a uniform model.
- All MPACs were trained on their roles and responsibilities

Recommendations

Municipalities need to do the following:

- Increase budget allocation for training of internal auditors,
- Create posts of MPAC researchers and secretaries during organogram reviewal

5.1.3 Anti-corruption Measures & Policies

Table 8: Anti-Corruption prevention plans implemented

District	Municipality	2013/14		2014/15		2015/16	
		Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Compiled	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
	Mbombela	Yes	Yes	Yes	Yes	No	No
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes
	Umjindi	Yes	No	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	Yes	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	No	No	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)

Findings

The following findings were made after the analysis of the municipal annual reports on the development of Anti-corruption Measures and Policies, all municipalities in the Province have Anti-corruption Measures, Policies developed and adopted by council except for Mbombela municipality.

Challenges

- Mbombela Local Municipality did not develop and adopt the Anti-corruption plan, and no reasons put forth why this did not happen,
- Late approval of Risk Management related policies by council even though submission were made on time

Support Interventions by National and Provincial government

A provincial Anti-Corruption Working Group was established to coordinate anti-corruption activities including cases reported and concluded in municipalities and provided workshop on Local Government Anti-Corruption Strategy assisted by DcOG to all municipalities.

Recommendations

The following is therefore recommended:

- That Mbombela local municipality should immediately develop and adopt this strategy (Anti-corruption plan and policy);
- That council consider the reports as and when they are submitted and take resolutions accordingly.

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.

The District IGR structures both technical and political, where the District Municipal Manager meets all local Municipal Managers and the District Executive Mayor meets all Executive Mayors on quarterly basis to share best practices as well as service delivery.

The Department (COGTA) has entered into Memorandum of Understanding with Provincial Treasury, to promote coordination of activities and optimal utilisation of resources particularly with the implementation of MFMA where the two departments (COGTA and Provincial Treasury) have distinct roles and responsibilities.

There are Provincial structures, both technical and political, where the Head of Department for (COGTA) and Provincial Treasury meet all Municipal Managers, Chief Financial Officers, The MEC for COGTA as well as the MEC for Provincial Treasury meet 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 escalate to Premier's Coordinating Forum (PCF).

The Premier's Coordinating Forum meets quarterly and is chaired by the Honourable 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 (2013/14)

DISTRICT	Municipality	2013/14														
		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 areas with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Municipal Management	IDP representative forum	Council	Executive Mayoral committee					
EHLANZENI	Bushbuckridge	No	No	Yes	8	8	7	3	2	None	None	Yes	No	Yes	None	
	Mbombela	No	No	Yes	3	4	1	6	1	None	None	Yes	No	Yes	None	
	Nkomazi	Yes	Yes	Yes	11	9	6	None	None	Yes	No	Yes	None	Yes	Yes	
	Thaba Chweu	Yes	Yes	Yes	13	12	9	None	None	Yes	No	Yes	None	Yes	Yes	
	Umjindi	Yes	Yes	Yes	12	12	13	None	None	Yes	Yes	Yes	None	Yes	Yes	
	Ehlanzeni District	No	No	Yes	9	8	4	None	None	Yes	No	Yes	None	No	No	
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	14	11	12	None	None	Yes	No	Yes	None	Yes	Yes	
	Dipaleseng	No	No	Yes	13	12	12	None	None	Yes	No	Yes	None	No	No	
	Govan Mbeki	Yes	Yes	Yes	12	12	13	None	None	Yes	Yes	Yes	None	Yes	Yes	
	Lekwa	No	No	Yes	9	7	0	None	None	Yes	No	Yes	None	No	No	
	Mkhondo	No	No	Yes	12	8	6	None	None	Yes	No	Yes	None	No	No	
	Msukaligwa	No	No	Yes	8	8	0	None	None	Yes	No	Yes	None	No	No	
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	11	8	0	None	None	Yes	No	Yes	None	Yes	Yes	
	Gert Sibande	Yes	Yes	Yes	8	12	7	None	None	Yes	No	Yes	None	Yes	Yes	
NKANGALA	Emalahleni	Yes	Yes	Yes	7	11	8	None	None	Yes	No	Yes	None	Yes	Yes	
	Emakhazeni	No	No	Yes	10	10	9	None	None	Yes	No	Yes	None	No	No	
	Steve Tshwete	Yes	Yes	Yes	9	0	0	None	None	Yes	No	Yes	None	Yes	Yes	
	Victor Khanye	Yes	Yes	Yes	16	10	10	None	None	Yes	No	Yes	None	Yes	Yes	
	Dr JS Moroka	Yes	Yes	Yes	10	12	9	None	None	Yes	No	Yes	None	Yes	Yes	
	Thembisile Hani	Yes	Yes	Yes	12	7	7	None	None	Yes	No	Yes	None	Yes	Yes	
Nkangala District	Yes	Yes	Yes	13	12	10	None	None	Yes	No	Yes	None	Yes	Yes		

(Source: Section 46 reports from municipalities)

Table 10: Indicate effectiveness of Council Committees (2014/15)

DISTRICT	Municipality	2014/15											
		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 areas with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral Committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	No	Yes	None
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Thaba Chweu	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	None	None	No	Yes	Yes	Yes
	Msukaligwa		Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	No	Yes	None
	Dr JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	None	None	No	No	No	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes

(Source: Municipal section 46 reports)

Table 11: 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 areas 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
	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	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 register	As per Audited AFS
	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
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	52	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	Yes	Yes	Yes	13	12	10	None	None	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

Findings (2015/16 Financial year)

Delegations adoption

In the 2015/16 and 2014/15 financial years 19 municipalities out of 21 adopted their delegations which indicates an improvement as compared to 2013/14 financial year wherein only 13 municipalities adopted their delegations

Roles of committees and political office bearers

In the 2015/16 and 2013/14 financial years all 21 municipalities had roles of political office bearers and committees defined which indicates an improvement as compared to 2014/15 financial year wherein only 20 municipalities had roles of councillors defined.

Code of conduct adopted for staff and conduct adopted

In the 2015/16 financial year all 21 municipalities had adopted the code of conduct for councillors and staff which indicate an improvement as compared to 2014/15 financial year in which only 18 municipalities had adopted the code of conduct for staff and councillors. The code of conduct for councillors and staff members was communicated to the community.

Declaration of Councillors and Staff interest

In the 2015/16 financial year 20 municipalities out of 21 had their councillors and staff who declared their interest which indicates an improvement as compared to 19 in the 2014/15 financial year and 15 in the 2013/14 financial year. Lekwa did not register/declare interest of the councillors and staff.

Councillors and Staff in arrears with municipal accounts

In the 2015/16 financial year 7 out of 21 municipalities had their councillors and staff who were in areas with municipal accounts which is a huge improvement as compared 17 in the 2014/15 financial year which was also lower than in 2013/14 financial year.

5.1.6 Analysis on Performance of Council Committees

The performance of Council Committees in the province, as well as the challenges that were noted in some on their performance can be summarised as follows:

Findings

The following findings were made with regards to the performance of municipal committees that:

- There are 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 and Nkangala District Municipality.
- There is no indication if any action has been taken to correct the situation.

Challenges:

- No challenges were specified on why the municipalities did not comply with S70 of the Municipal Systems Act 32 of 2000;
- Municipalities are not enforcing or fully implementing financial policies especially with regards to councillors and officials.

Support Interventions by National and Provincial government

Municipalities were conscientized to be mindful of S70 (2) (b) of the Municipal Systems Act, 32 of 2000 in order to ensure that the communities are aware on how councillors should conduct themselves when dealing with them.

Recommendations:

- Municipalities to be reminded to enforce their policies with regard to debt collection in particular to defaulting councillors and staff members

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 portable water, Access to adequate sanitation, and Access to electricity
- Free basis 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	2014/15							2015/16						
	Total No of Households	Water		To date	Sanitation		To date	Total No of Households	Water		To date	Sanitation		To date
Mbombela	161 773	156 567	96.78%	96.78%	75 877	46.90%	46.90%	181 794	140 782	77.44%	77.44%	174 715	96.11%	96.11%
Bushbuckridge	134 197	115 289	85.91%	85.91%	100 320	74.76%	74.76%	137 419	122 202	88.93%	88.93%	130 240	94.78%	94.78%
Nkomazi	96 202	90 829	94.41%	94.41%	80 777	83.97%	83.97%	103 965	88 675	85.29%	85.29%	97 504	93.78%	93.78%
Umjindi	19 563	19 316	98.74%	98.74%	13 839	70.74%	70.74%	23 702	21 141	89.20%	89.20%	22 520	95.05%	95.05%
Thaba Chweu	33 352	32 181	96.49%	96.49%	31 684	94.99%	94.99%	37 022	32 940	88.97%	88.97%	36 696	99%	99%
EHLANZENI	445 087	414 182	93.06%	93.06%	302 497	67.96%	67.96%	483 902	405 740	83.85%	83.85%	461 675	95.41%	95.41%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, Ehlanzeni District had 483 902 households compared to 445 087 in 2014/15 financial year. In 2015/16 financial year, households in Ehlanzeni District increased by 38 815. Out of the 483 902 households in Ehlanzeni District in 2015/16 financial year, 405 740 had access to potable water which indicates a decrease by 8 442. A total of 461 675 households had access to sanitation in 2015/16 from 302 497 in 2014/15 financial year which shows an increase by 159 178 households as at June 2016.

Gert Sibande District

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

Municipality	2014/15							2015/16						
	Total No of Households	Water		To date	Sanitation	To date	Total No of Households	Water		To date	Sanitation		To date	
Govan Mbeki	83 874	83 874	100%	100%	82,355	98.19%	98.19%	108 894	107 191	98.44%	98.44%	108 168	99.33%	99.33%
Chief Albert Luthuli	47 705	46 858	98.22%	98.22%	47,705	100%	100%	53 480	43 656	81.63%	81.63%	51 679	96.63%	96.63%
Msakaligwa	40 932	38 884	95.00%	95.00%	38 000	92.84%	92.84%	51 089	46 846	91.70%	91.70%	49 794	97.47%	97.47%
Lekwa	31 071	30 198	97.19%	97.19%	29 570	95.17%	95.17%	37 334	34 987	93.71%	93.71%	36 220	97.01%	97.01%
Mkhondo	37 433	36 617	97.82%	97.82%	34 248	91.49%	91.49%	45 595	38 789	85.10%	85.10%	43 630	95.69%	95.69%
Dipaleseng	12 637	12 007	95%	95%	9 946	78.70%	78.70%	14 877	13 479	90.60%	90.60%	13 976	93.94%	93.94%
Dr Pixley Ka Isaka Seme	19 838	19 838	100%	100%	19 838	100%	100%	22 546	20 334	90.19%	90.19%	21 587	95.75%	95.75%
GERT SIBANDE	273 490	268 276	98.09%	98.09%	261 662	95.68%	95.68%	333 815	305 282	91.45%	91.45%	325 054	97.38%	97.38%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, Gert Sibande District had 333 815 households as compared to 273 490 in 2014/15 financial year. In the 2015/16 financial year in Gert Sibande households increased by 60 325. Out of the 333 815 households in Gert Sibande District in 2015/16 financial year 305 282 had access to potable water as compared to 268 276 in 2014/15, this indicates an increase by 37 006. In 2015/16 financial year out of a total of 333 815 households 325 054 had access to sanitation, as compared to 261 662 in 2014/15, which indicates an increase of 63 392 more households being served.

Nkangala District

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

Municipality	2014/15							2015/16						
	Total No of Households	Water		To date	Sanitation		To date	Total No of Households	Water		To date	Sanitation		To date
Emalahleni	119 874	118 202	98.61%	96.61%	116 498	97.18%	97.18%	150 420	136 628	90.83%	90.83%	148 234	98.55%	98.5%
Thembisile Hani	75 634	75 634	100%	100%	75 090	99.28%	99.28%	82 740	77 972	94.24%	94.24%	80 623	97.44%	97.44%
Dr JS Moroka	62 162	55 946	90%	90%	54 273	87.31%	87.31%	62 367	48 599	77.92%	77.92%	61 599	98.77%	98.77%
Steve Tshwete	64 971	64 971	100%	100%	64 971	100%	100%	86 713	82 631	95.29%	95.29%	85 671	98.80%	98.80%
Emakhazeni	13 722	13 620	99.26%	99.26%	13 721	99.99%	99.99%	14 633	12 947	88.48%	88.48%	13 877	94.83%	94.83%
Victor Khanye	20 548	20 548	100%	100%	20 548	100%	100%	24 270	21 093	86.91%	86.91%	23 952	98.69%	98.69%
NKANGALA	356 911	348 921	97.76%	97.76%	345 101	96.69%	96.69%	421 143	379 870	90.20%	90.20%	413 956	98.29%	98.29%
PROVINCIAL TOTAL	1 075 488	1 031 379	95.90%	95.90%	909 260	84.54%	84.54%	1 238 860	1 090 892	88.06%	88.06%	1 200 693	96.92%	96.92%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, Nkangala District had 421 143 households as compared to 356 911 in 2014/15 financial year. In 2015/16 financial year households in Nkangala District increased by 64 232. Out of the 421 143 households in Nkangala District 379 870 had access to potable water as at June 2016. This shows that there has been an increase of 30 949 households that were receiving water. In 2015/16 financial year a total of 413 956 households had access to sanitation as compared to 345 101 in 2014/15 which indicates an increase of 68 855 households as at June 2016.

5.2.1.2 Households with access to Free Basic Water

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

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number Indigents of	Served FBW With	% Served with FBW
Mbombela	161 773	38 268	38 268	100%	181 794	12 037	12 037	100%
Bushbuckridge	134 197	5 919	5 919	100%	137 419	45 132	45 132	100%
Nkomazi	96 202	12 937	12 937	100%	103 965	20 952	20 952	100%
Umjindi	19 563	2 242	1 206	53.79%	23 702	2 225	2 225	100%
Thaba Chweu	33 352	3 750	3 750	100%	37 022	4 935	4 935	100%
TOTAL	445 087	63 116	62 080	98.36	483 902	85 281	85 281	100%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, a total of **85 281** indigent households in Ehlanzeni District were served with free basic water as compared to **62 080** in 2014/15 financial year. This shows an increase of 23 201 more households that were served with free basic sanitation.

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

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number Indigents of	Served with FBW	% Served with FBW
Govan Mbeki	83 874	8 489	7 566	89.13%	108 894	8 970	8 970	100%
Chief Albert Luthuli	47 705	17 182	17 182	100%	53 480	7 525	7 525	100%
Msukaligwa	40 932	10 830	10 830	100%	51 089	10 916	10 916	100%
Lekwa	31 071	2 242	2 242	100%	37 334	3 937	3 937	100%
Mkhondo	37 433	263	263	100%	45 595	442	442	100%
Dipaleseng	12 637	1000	1000	100%	14 877	1 859	1 859	100%
Dr Pixley Ka Isaka Seme	19 838	2 184	2 184	100%	22 546	6 577	6 577	100%
TOTAL	273 490	42 190	41 267	97.81%	333 815	40 226	40 226	100%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, a total of **40 226** indigent households in Gert Sibande District were served with free basic water as compared to **41 267** in 2014/15 financial year, indicating a decrease of 1 041

Table 17: Status Quo on Free Basic Water in Nkangala District

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number Indigents of	Served with FBW	% Served with FBW
Emalahleni	119 874	12 893	12 893	100%	150 420	11 000	11 000	100%
Thembisile Hani	75 634	0	0	0%	82 740	5 529	5 529	100%
Dr JS Moroka	62 162	4 500	2 310	51.33%	62 367	1 368	759	55.48%
Steve Tshwete	64 971	18 200	14 388	79.05%	86 713	18 107	14 326	79.11%
Emakhazeni	13 722	1064	1 064	100%	14 633	1 473	1 473	100%
Victor Khanye	20 548	2 720	2 720	100%	24 270	2 571	2 571	100%
Total	356 911	39 377	33 375	84.76%	421 143	40 048	35 658	89.04%
Provincial Total	1 075 488	144 683	136 722	94.50%	1 238 860	165 555	161 165	97.35%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, a total of **35 658** indigent households were served with free basic water in Nkangala District as compared to **33 375** in 2014/15 financial year. An additional 2 283 indigents were served with water which indicates an increase from 84.76% to 89.04% by 4.28%.

5.2.1.3 Households with access to Sanitation

Table 18: Households with access to sanitation

Municipality	2014/15			2015/16		
	Total No of Households	Sanitation	%	Total No of Households	Sanitation	%
Mbombela	161 773	75 877	46.90%	181 794	174 715	96.11%
Bushbuckridge	134 197	100 320	74.76%	137 419	130 240	94.78%
Nkomazi	96 202	80 777	83.97%	103 965	97 504	93.78%
Umjindi	19 563	13 839	70.74%	23 702	22 520	95.05%
Thaba Chweu	33 352	31 684	94.99%	37 022	36 696	99%
EHLANZENI	445 087	302 497	67.96%	483 902	461 675	95.41%
Emalahleni	119 874	116 498	97.18%	150 420	148 234	98.55%
Thembisile Hani	75 634	75 090	99.28%	82 740	80 623	97.44%
Dr JS Moroka	62 162	54 273	87.31%	62 367	61 599	98.77%
Steve Tshwete	64 971	64 971	100%	86 713	85 671	98.80%
Emakhazeni	13 722	13 721	100%	14 633	13 877	94.83%
Victor Khanye	20 548	20 548	100%	24 270	23 952	98.69%
NKANGALA	356 911	345 101	96.69%	421 143	413 956	98%
Govan Mbeki	83 874	82,355	98.19%	108 894	108 168	99.33%
Chief Albert Luthuli	47 705	47 705	100%	53 480	51 679	96.63%
Msakaligwa	40 932	38 000	92.84%	51 089	49 794	97.47%
Lekwa	31 071	29 570	95.17%	37 334	36 220	97.01%
Mkhondo	37 433	34 248	91.49%	45 595	43 630	95.69%
Dipaleseng	12 637	9 946	78.71%	14 877	13 976	93.94%
Dr Pixley Ka Isaka Seme	19 838	19 838	100%	22 546	21 587	95.75%
GERT SIBANDE	273 490	261 662	95.68%	333 815	325 054	97.38%
PROVINCIAL TOTAL	1 075 488	909 260	84.54%	1 238 860	1 200 685	96.92%

(Source: Stats SA, general household survey 2016)

Table 19: Status Quo on Free Basic Sanitation in Ehlanzeni

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Mbombela	161 773	38 268	2 670	7%	181 794	12 037	12 037	100%
Bushbuckridge	134 197	5 919	5 919	100%	137 419	45 132	45 132	100%
Nkomazi	96 202	12 937	0	0%	103 965	20 952	0	0%
Umjindi	19 563	2 242	1 598	71.28%	23 702	2 225	1 494	67.15%
Thaba Chweu	33 352	3 750	3 750	100%	37 022	4 935	4 935	100%
TOTAL	445 087	63 116	13 937	22.08%	483 902	85 281	63 598	74.57 %

(Source: Stats SA, general household survey 2016)

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

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total no Households	Number of Indigents	Served with FBS	% Served with FBS
Govan Mbeki	83 874	8 489	7 566	89.13%	108 894	8 970	8 970	100%
Chief Albert Luthuli	47 705	17 182	17 182	100%	53 480	7 525	7 525	100%
Msukaligwa	40 932	10 830	8 996	83.07%	51 089	10 916	10 916	100%
Lekwa	31 071	2 242	1 598	71.28%	37 334	3 937	3937	100%
Mkhondo	37 433	263	0	0%	45 595	442	442	100%
Dipaleseng	12 637	1 000	1 000	100%	14 877	1 859	1 859	100%
Dr Pixley Ka Isaka	19 838	2 184	2 184	100%	22 546	6 577	6 577	100%
GERT SIBANDE	273 490	42 190	38 526	91.32%	333 815	40 226	40 226	100%

(Source: Stats SA, general household survey 2016)

Table 21: Status Quo on Free Basic Sanitation at Nkangala

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Emalahleni	119 874	12 893	12 893	100%	150 420	11000	11000	100%
Thembisile	75 634	0	0	0%	82 740	5 529	5 529	100%
Dr JS Moroka	62 162	4 500	2 310	51.33%	62 367	1 368	759	55.48%
Steve Tshwete	64 971	18 200	18 199	99.99%	86 713	18 107	18 107	100%
Emakhazeni	13 722	1 064	1 064	100%	14 633	1473	1473	100%
Victor Khanye	20 548	2 720	2 720	100%	24 270	2 571	2 571	100%
Total	356 911	39 377	37 186	94.44%	421 143	40 048	39 439	98.52%
Provincial Total	1 075 488	144 683	89 649	61.96%	1 238 860	165 555	143 263	86.53%

(Source: Stats SA, general household survey 2016)

A Provincial Summary Status Quo on Free Basic Sanitation

Findings

In 2015/16 financial year there was a total of **165 555** indigents of which **143 263** were served with free basic sanitation as compared to **89 649** that were served in 2014/15 financial year which is an increase of **53 614**.

5.2.1.4 Bucket System Eradication

Table 22: Indicate Bucket System

Municipality	2014/15				2015/16			
	Village/ Town	Number of Buckets	Project Value	Comments	Village/ Town	Number of Buckets	Project Value	Comments
Victor Khanye	None	0	0	Bucket system-eradicate d	Mandela Infor- mal Settlement	51	R3 Million	Provided chemical toilets

(Source: Stats SA, general household survey)

The bucket system at Victor Khanye municipality was eradicated in 2014/15 financial year, however, emerged again in 2015/16 due to an illegal land invasion which resulted in 51 bucket toilets.

5.2.1.5 Households with access to Electricity Services

Table 23: Households with access to electricity at Ehlanzeni

Municipality	2014/15				2015/16			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Mbombela	161 773	148 948	92.09%	92.09%	181 794	175 378	96.47%	96.47%
Bushbuckridge	134 197	130 568	97.30%	97.30%	137 419	133 892	97.43%	97.43%
Nkomazi	96 202	92 892	96.56%	96.56%	103 965	99 678	95.88%	95.88%
Umjindi	19 563	19 563	100%	100%	23 702	21 102	89.03%	89.03%
Thaba Chweu	33 352	31 301	93.85%	93.85%	37 022	33 261	89.84%	89.84%
EHLANZENI	445 087	423 272	95.10%	95.10%	483 903	463 311	95.74%	95.74%

(Source: Stats SA, general household survey)

Findings

Out of the **483 903** households in Ehlanzeni District in 2015/16 financial year **463 311** had access to electricity as compared to **423 272** in 2014/15, this indicates an increase by **40 039**.

Table 24: Households with access to electricity at Nkangala

Municipality	2014/15				2015/16			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Emalahleni	119 874	91 272	76.14%	76.14%	150 420	106 306	70.67%	70.67%
Thembisile Hani	75 634	72 691	96.11%	96.11%	82 740	80 839	97.70%	97.70%
Dr JS Moroka	62 162	61 362	99.71%	99.71%	62 367	61 362	98.39%	98.39%
Steve Tshwete	64 971	64 375	99.08%	99.08%	86 713	78 147	90.12%	90.12%
Emakhazeni	13 722	12 472	90.89%	90.89%	14 633	12 288	83.97%	83.97%
Victor Khanye	20 548	20 184	98.23%	98.23%	24 270	22 324	91.98%	91.98%
Nkangala	356 911	322 356	90.32%	90.32%	421 143	361 266	85.80%	85.80%

(Source: Stats SA, general household survey)

Findings

Out of the **421 143** households in Nkangala District in 2015/16 financial year **361 266** had access to electricity as compared to **322 356** in 2014/15, this indicates an increase by **38 910**.

Table 25: Households with access to electricity in Gert Sibande

Municipality	2014/15				2015/16			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Govan Mbeki	83 874	77 472	92.37%	92.37%	108 894	102 752	94.36%	94.36%
Chief Albert Luthuli	47 705	44 621	93.54%	93.54%	53 480	51 383	96.08%	96.08%
Lekwa	31 071	30 111	96.91%	96.91%	37 334	33 991	91.05%	91.08%
Mkhondo	37 433	27 886	74.50%	74.50%	45 595	36 163	79.31%	79.31%
Dipaleseng	12 637	10 427	82.51%	82.51%	14 877	12 126	81.51%	81.51%
Dr Pixley Ka Isaka Seme	19 838	19 623	98.92%	98.92%	22 546	19 824	87.93%	87.93%
Msukaligwa	40 932	34 341	83.90%	83.90%	51 089	42 222	82.64%	82.64%
Gert Sibande	273 490	244 481	89.39%	89.39%	333 815	298 461	89.41%	89.41%
PROVINCIAL TOTAL	1 075 488	990 109	92.06%	92.06%	1 238 860	1 123 038	90.65%	90.65%

(Source: Stats SA, general household survey)

Findings

Out of the **333 815** households in Ehlanzeni District in 2015/16 financial year **298 461** had access to electricity as compared to **244 481** in 2014/15, this indicates an increase by **53 980**.

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	2014/15				2015/16			
	Total H/H	Total indigents	Total served energy	%	Total H/H	Total indigents	Total served energy	%
Govan Mbeki	83 874	8 489	7 566	89.13%	108 894	8 970	8 970	100%
Chief Albert Luthuli	47 705	17 182	17 182	100%	53 480	7 525	7 525	100%
Lekwa	31 071	2 242	1 273	56.78%	37 334	3 937	3 937	100%
Mkhondo	37 433	263	263	100%	45 595	442	442	100%
Dipaleseng	12 637	1 000	1 000	100%	14 877	1 859	1 859	100%
Dr Pixley Ka Isaka Seme	19 838	2 184	2 184	100%	22 546	6 577	6 577	100%
Msukaligwa	40 932	10 830	5 794	53.50%	51 089	10 916	10 916	100%
Gert Sibande District	273 490	42 190	35 262	83.57%	333 815	40 226	40 226	100%
Emalaheni	119 874	12 893	12 893	100%	150 420	11 000	11 000	100%
Thembisile Hani	75 634	0	0	0%	82 740	5 529	5 529	100%
Dr JS Moroka	62 162	4 500	2 310	51.33%	62 367	1 368	759	55.48%
Steve Tshwete	64 971	18 200	18 199	99.99%	86 713	18 107	4 058	22.41%
Emakhazeni	13 722	1 064	1 064	100%	14 633	1 473	1 473	100%
Victor Khanye	20 548	2 720	2 720	100%	24 270	2 571	2 571	100%
Nkangala District	356 911	39 377	37 186	94.44%	421 143	40 048	25 390	63.40%
Mbombela	161 773	38 268	2 670	6%	181 794	12 037	12 037	100%
Bushbuckridge	134 197	5 919	5 919	100%	137 419	45 132	45 132	100%
Nkomazi	96 202	12 937	12 937	95%	103 965	20 952	20 952	100%
Umjindi	19 563	2 242	1 273	56%	23 702	2 225	1 223	55%
Thaba Chweu	33 352	3 750	3 750	100%	37 022	4 935	4 935	100%
Ehlanzeni District	445 087	63 116	26 549	42.06%	483 902	85 281	84 279	98.82%
Provincial total	1 075 488	144 683	98 997	68.42%	1 238 860	165 555	149 895	90.54%

(Source: Stats SA, general household survey)

A Provincial Summary Status Quo on Free Basic Electricity

Findings

In 2015/16 financial year there was a total of **165 555** indigents of which **149 895** were served with free basic electricity as compared to **98 997** that were served in 2014/15 financial year which is a 22.12% increase in the province.

5.2.1.7 Households with access to Roads

Ehlanzeni District

Table 27: Total KM of tarred and gravel roads in Ehlanzeni

Municipality	2014/15			2015/16		
	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
Mbombela	3199	650	2549	3 529,1	588,2	2 940,9
Bushbuckridge	4650	973	3713	4 650	345	4 305
Nkomazi	1702	4 road	121	2 265	266	1 999
Umjindi	0	0	0	310	120	190
Thaba Chweu	INP	INP	INP	INP	INP	INP

(Source: Stats SA, general household survey)

Finding

In 2015/16 financial year there was a total of 10 754.1 Kilometres of roads at Ehlanzeni district as a whole, 1 319.2 was either tarred or paved and, 9 434.9 kilometres remained gravelled.

Gert Sibande District

Table 28: Total KM of tarred and gravel roads in Gert Sibande

Municipality	2014/15			2015/16		
	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	904	19	241	903	505	398
Chief Albert Luthuli	1580	82	1498	649	559	90
Msukaligwa	446.96	229.31	217.65	599.5	249.4	350.1
Lekwa	INP	INP	INP	423	175.1	247.8
Mkhondo	951	461.3	496	980	392	588
Dipaleseng	238	97	50	147	97.3	49.7
Dr. Pixley Ka Isaka Seme	278	85	193	278	85	193

(Source: Stats SA, general household survey)

Finding

In 2015/16 financial year there was a total of 3 979.5 Kilometres of roads at Gert Sibande district as a whole, 2 062.8 was either tarred or paved and, 1 916.6 kilometres remained gravelled.

Nkangala District

Table 29: Total KM of tarred and gravel roads in Nkangala

Municipality	2014/15			2015/16		
	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	0	0	0	1400	843	557
Thembisile Hani	967.37	0	13.1	946.38	77.6	868.78
Dr JS Moroka	0	0	0	2 720	85	2 635
Steve Tshwete	0	0	0	819	661	158
Emakhazeni	2 617.3	24.6	2 592.76	2 617.3	24.6	2 592.76
Victor Khanye	678	300	400	340	127	213

(Source: Stats SA, general household survey)

Finding

In 2015/16 financial year there was a total of 8 842.68 Kilometres of roads at Nkangala district as a whole, 1 818.2 was either tarred or paved and, 7 024.54 kilometres remained gravelled.

Analysis of performance on Service Delivery and Infrastructure Development

- In 2015/16 financial year there was a total of 165 555 indigents in the province, of which 149 895 were served with free basic electricity as compared to 98 997 that were served in 2014/15 financial year which is a 22.12% increase.
- In 2015/16 financial year, Ehlanzeni District had 483 902 households compared to 445 087 in 2014/15 financial year. In 2015/16 financial year, households in Ehlanzeni District increased by 38 815. Out of the 483 902 households in Ehlanzeni District in 2015/16 financial year, 405 740 had access to potable water which indicates a decrease by 8 442. A total of 461 675 households had access to sanitation in 2015/16 from 302 497 in 2014/15 financial year which shows an increase by 159 178 households as at June 2016.
- In 2015/16 financial year, Gert Sibande District had 333 815 households as compared to 273 490 in 2014/15 financial year. In the 2015/16 financial year in Gert Sibande households increased by 60 325. Out of the 333 815 households in Gert Sibande District in 2015/16 financial year 305 282 had access to potable water as compared to 268 276 in 2014/15, this indicates an increase by 37 006. In 2015/16 financial year out of a total of 333 815 households 325 054 had access to sanitation, as compared 261 662 in 2014/15, which indicates an increase of 63 392 more households being served.
- In 2015/16 financial year, Nkangala District had 421 143 households as compared to 356 911 in 2014/15 financial year. In 2015/16 financial year households in Nkangala District increased by 64 232. Out of the 421 143 households in Nkangala District 379 870 had access to potable water as at June 2016. This shows that there has been an increase of 30 949 households that are receiving water. In 2015/16 financial year a total of 413 956 households had access to sanitation as compared to 345 101 in 2014/15 which indicates an increase of 68 855 households as at June 2016.

- In 2015/16 financial year there was a total of **165 555** indigents in the province, of which **143 263** were served with free basic sanitation as compared to **89 649** that were served in 2014/15 financial year which reflects an increase by **53 614**.
- In 2015/16 financial year there was a total of **40 048** indigents in Nkangala District of which **39 439** were served with free basic sanitation as compared to **37 186** that were served in 2014/15 financial year which is a slight increase.
- In 2015/16 financial year there was a total of **40 226** indigents in Gert Sibande District of which **40 226** were served with free basic sanitation as compared to **38 526** that were served in 2014/15 financial year which reflects a slight increase by **1 700**.
- In 2015/16 financial year there was a total of **85 281** indigents in Ehlanzeni District of which **63 598** were served with free basic sanitation as compared to **13 937** that were served in 2014/15 financial year which reflects an increase by **49 661**.

Challenges on access to water

- Illegal connections in the bulk Municipal Infrastructure resulting in water losses
- Poor planning and budgeting for implementation of the infrastructure development plans 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)
- Ageing infrastructure
- Increase in distribution loss
- Mushrooming of informal settlements result in increases in the water demand
- Poor maintenance of bulk water infrastructure
- Thembisile Hani Municipality does not have an own revenue source of water supply and is dependent on the supply from three external suppliers of which the supply is also inconsistent/ unreliable. Of the three suppliers; being Rand Water, Dr JS Moroka and City of Tshwane, Rand water is the Major supplier and most challenges emanate from City of Tshwane.

Challenges on access to Sanitation

- Inadequate bulk water source for the implementation of waterborne sanitation especially in rural areas
- Poor planning and budgeting for implementation of the infrastructure development plans that encompass the maintenance of the entire sanitation facilities including wastewater treatment works
- Huge backlog on sanitation.

Challenges on access to Electricity

- Infrastructure in local municipalities is operated above the designed capacity and this had also contributed on the current Eskom debt account due to penalties that are imposed by Eskom on the Notified Maximum Demand (NMD).
- Some municipalities do not have any electricity licenses.

Support interventions by National and Provincial government

Sanitation

The department provided support to Chief Albert Luthuli and Thembisile Hani Local municipalities as follows:

Chief Albert Luthuli Local Municipality

- Was assisted on the planning of a twenty (20) year plan to address sanitation backlogs, project design have been completed.

Thembisile Hani Local Municipality

- The department assisted the municipality in the planning and designing of the Tweefontein waste water treatment works, and designs are in progress for a 10 year plan to address sanitation backlog.

ESKOM DEBT

- The department played 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, Dr JS Moroka and Emakhazeni.

5.3 SPATIAL RATIONALE

Progress in municipal performance in this KPA has been assessed in the following focus areas:

- Spatial Development Framework (SDF);
- Municipal readiness on SPLUMA implementation
- Effective Integrated Development Planning process for the period under review;
- District Municipalities with developed Disaster management Policies.

5.3.1 Performance of municipalities on Spatial Development Frameworks

The disintegrated nature of development planning confronted the government during its first term into democracy. The situation was compounded by a lack of clear guiding planning principles that support strategic interventions to address the country's skewed spatial settlement patterns. In 2003 government published the guiding principles in the National Spatial Development Perspective (NSDP). As part of the implementation of the NSDP principles, Cabinet approved the intergovernmental planning framework which crystallized the harmonization and alignment of the NSDP, Provincial Growth and Development Strategies and IDP's.

As provided in the Municipal Systems Act, the IDP's of municipalities must include Spatial Development Frameworks (SDF's). The intergovernmental planning framework thus sets the tone for spatial frameworks of all three spheres to be aligned and be guided by the NSDP principles. Failure by some municipalities to adopt Spatial Development Frameworks had resulted in continuous misdirected public and private sector investment. The development outcome of creating sustainable human settlements cannot be achieved if municipalities fail to create a development environment that is well planned.

Table 30: Indicate municipalities with approved SDFs

DISTRICT	Municipality	2013/14			2014/15			2015/16			Reasons
		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	None
	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
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Ehlanzeni District	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalahleni	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	Yes	None
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

Findings on Spatial Development Framework

Findings

All municipalities in the Province have maintained a good record with regard to having approved Spatial Development Frameworks for the past three financial years. However, a number of challenges were observed in all municipalities.

Challenges

The challenges on spatial rationale are as follows:

- Lack of a land invasion strategy to deal with illegal occupation of land in the province and within municipalities is leading to further informal settlements land invasions,
- housing backlog and lack of sufficient serviced land for human settlements
- More informal settlements are established in various parts of the municipal areas
- Misalignment of IDP projects with SDF proposals
- Municipal services infrastructure is limited to formal areas
- Water infrastructure and electricity network has been recently installed in new informal settlements
- Targeted human settlement areas are not properly planned by the municipality, and the residents end up occupying them on the influence of unknown individuals or traditional authorities
- No budget allocations are made by the council to respond to the targets as set out in the Spatial Development Framework (SDF)
- Misalignment of plans/strategies by municipalities, private business and sector departments across the province.

The Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) came into effect on the 01 July 2015; therefore, making its implementation compulsory to all municipalities. The table below highlights the performance of municipalities on their readiness regarding SPLUMA implementation during the period of reporting. The National Department of Rural Development and Land Reform, SALGA, and COGTA collectively worked in supporting municipalities to be ready for SPLUMA implementation.

Table 31: Municipal readiness on SPLUMA implementation

District	Municipality	2015/16							Reasons
		Municipal Co-operation on SPLUMA preparation	Planning Tribunal Delegation	Appeal Mechanism	Preparation of By-Laws	Urban Renewal Programme	Budget Allocation		
EHLANZENI	Bushbuckridge	Y	Y	Y	Y	Y	Y	Y	None
	Mbombela	Y	Y	Y	Y	Y	Y	Y	None
	Nkomazi	Y	N	Y	Y	Y	Y	N	Municipal delay and unavailability of budget
	Thaba Chweu	Y	N	Y	Y	Y	Y	N	Municipal delay and unavailability of budget
	Umjindi	Y	N	N	Y	Y	Y	N	Municipal delay and unavailability of budget
GERT SIBANDE	Chief Albert Luthuli	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Dipaleseng	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Govan Mbeki	Y	N	N	Y	Y	Y	Y	Municipal delay
	Lekwa	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Mkhondo	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Msukaligwa	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
NKANGALA	Dr Pixley Ka Isaka Seme	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Emalahleni	Y	N	Y	Y	Y	Y	Y	Municipal delay
	Emakhazeni	Y	Y	Y	Y	Y	Y	Y	None
	Steve Tshwete	Y	N	Y	Y	Y	Y	Y	Municipal delay
	Victor Khanye	Y	Y	Y	Y	Y	Y	N	Unavailability of budget
	Dr. JS Moroka	Y	Y	Y	Y	Y	Y	Y	None
	Thembisile Hani	Y	Y	Y	Y	Y	Y	N	Unavailability of budget

(Source: COGTA / State of SPLUMA Readiness report)

5.3.2 Analysis of municipal performance on SPLUMA

Findings

The above table shows that all municipalities were cooperative in the process of preparing for SPLUMA implementation. Further, the results illustrate that six municipalities (Nkomazi, Thaba Chweu, Umjindi, Govan Mbeki, Emalahleni and Steve Tshwete) did not have municipal planning tribunal (MPT). The failure to establish these MPTs was a non-compliance with SPLUMA and failure to put in place a planning governance structure that is crucial for decision making.

Notably, all municipalities in Gert Sibande and the Umjindi Local Municipality failed to adopt delegations on SPLUMA functions. The failure of Umjindi Local Municipality to adopt delegations may be associated with the uncertainty that existed during the amalgamation process. The failure to adopt these delegations meant that no clear roles and responsibilities on SPLUMA functions existed in these municipalities. On the contrary, all municipalities in the Nkangala District and four municipalities in the Ehlanzeni District adopted these delegations.

On appeal mechanisms, all municipalities performed very well because by default in terms of SPLUMA the executive authority of the municipality is the appeal authority. In this regard, the appeal mechanisms were readily available.

It is apparent in the above table that all municipalities had prepared by-laws and tariffs for the processing of SPLUMA related applications and other matters. However, during the period of reporting, only seven municipalities were able to allocate budget for the implementation of SPLUMA. The failure of the other municipalities to allocate sufficient budget to implement SPLUMA is a cause for concern. It is important to note that SPLUMA underscores and espouses the municipal function enshrined in the Constitution of the Republic. In this context, municipalities have a constitutional exclusive obligation on municipal planning in this case governed by SPLUMA and other related legislations to perform municipal planning.

Challenges

The above findings emanates from the following challenges:

Slow pace of municipalities to perform administrative tasks.

- Failure by municipal councils to resolve on tasks related to SPLUMA implementation such as delegations, municipal planning tribunal etc.
- Lack of budget allocating for the implementation of SPLUMA

Support Interventions by National and Provincial government

- Continuous support and monitoring of municipalities on SPLUMA implementation.

Recommendation

- The Department continue to support and monitor Municipalities on land use management in line with SPLUMA

5.4 INTEGRATED DEVELOPMENT PLANNING PROCESS

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 (a-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, districts and its local municipalities within its areas and with the plans, strategies and programme of national and provincial organs of state; and

Section 105 1 (d)

- d) Establish mechanisms processes and procedures to monitor and assess the support needed by municipalities to manage their own affairs, exercise their powers and perform their functions.

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 32: Indicate municipalities with reviewed IDPs

DISTRICTS	Municipality	2013/14		2014/15		2015/16	
		No of Municipalities that reviewed their IDP's	No of stakeholder who participated	No of Municipalities that reviewed their IDP's	No of stakeholder who participated	No of Municipalities that reviewed their IDP's	No of stakeholder who participated
EHLANZENI	Bushbuckridge	Reviewed	1458	Reviewed	34	Reviewed	2200
	Mbombela	Reviewed		Reviewed	INP	Reviewed	30
	Nkomazi	Reviewed		Reviewed	INP	Reviewed	8
	Thaba Chweu	Reviewed		Reviewed	INP	Reviewed	14
	Umjindi	Reviewed		Reviewed	874	Reviewed	20
	Ehlanzeni District	Reviewed	14	Reviewed	INP	Reviewed	INP
GERT SIBANDE	Chief Albert Luthuli	Reviewed		Reviewed	325	Reviewed	INP
	Dipaleseng	Reviewed		Reviewed	INP	Reviewed	13
	Govan Mbeki	Reviewed		Reviewed	28	Reviewed	32
	Lekwa	Reviewed		Reviewed	INP	Reviewed	78
	Mkhondo	Reviewed		Reviewed	60	Reviewed	INP
	Msukaligwa	Reviewed		Reviewed	11	Reviewed	INP
	Dr. Pixley Ka Isaka Seme	Reviewed		Reviewed	1 940	Reviewed	2180
	Gert Sibande	Reviewed		Reviewed	23	Reviewed	27
NKANGALA	Emalahleni	Reviewed		Reviewed	All the 34 wards participated during the IDP Moyoral Izimbizo. IDP Representative forum were also held.	Reviewed	INP
	Emakhazeni	Reviewed		Reviewed	INP	Reviewed	INP
	Steve Tshwete	Reviewed		Reviewed	13	Reviewed	13
	Victor Khanye	Reviewed		Reviewed	20	Reviewed	21
	Dr. JS Moroka	Reviewed		Reviewed	9	Reviewed	INP
	Thembisile Hani	Reviewed		Reviewed	144	Reviewed	38
	Nkangala District	Reviewed		Reviewed	INP	Reviewed	INP

(Source: Section 46 reports from municipalities)

Table 32 above provides an indication of the reviewed Integrated Development Plans in the Province.

Table 33: Status on the adoption of reviewed IDPs

District	Municipality	Tabling to Council	Council Resolution	Submission to MEC	Ranking after Assessment
Nkangala District	Nkangala	25 March 2015	DM 347/03/2015	02 April 2015	Medium
	Steve Tshwete	31 March 2015	SC30/03/2015	10 April 2015	High
	Dr JS Moroka	24 March 2015	R424.03.2015MB	02 April 2015	Low
	Emalahleni	19 March 2015	A.002/15	26 March 2015	Medium
	Victor Khanye	24 March 2015	S03/03/2015	31 March 2015	Low
	Emakhazeni	24 March 2015	21/03/2015	10 April 2015	Medium
	Thembisile Hani	28 May 2015	TH-NDC185/05 /2015	09 June 2015	Medium
Gert Sibande District	Gert Sibande	30 March 2015	C24/032015	21 April 2015	Medium
	Mkhondo	26 March 2015	15/03/341A	08 April 2015	Medium
	Govan Mbeki	31 March 2015	A23/03/2015	07 April 2015	Medium
	Chief Albert Luthuli	31 March 2015	C01/03/15/R	09 April 2015	Medium
	Dr Pixley Ka Isaka Seme	31 March 2015	C31/03/2015A	09 April 2015	Medium
	Msukaligwa	28 May 2015	LM 67/05/2015\ (A/151)	05 June 2015	Medium
	Lekwa	03 June 2015	A48	03 June 2015	Medium
Ehlanzeni District	Dipaleseng	29 May 2015	C49/05/2015	24 June 2015	Low
	Ehlanzeni	28 May 2015	A167/2015	07 June 2015	Medium
	Umjindi	29 May 2015	FA.42/2014	05 June 2015	Medium
	Bushbuckridge	29 May 2015	BLM/137/28/05/15 /2014/15	08 June 2015	Low
	Mbombela	28 May 2015	A1	05 June 2015	High
	Thaba Chweu	29 May 2015	A50/2015	03 June 2015	Low
	Nkomazi	08 June 2015	NKM:A062/2015	15 June 2015	Medium

(Source: Mpumalanga CoGTA IDP Directorate)

5.4.1 Analysis on compliance with the IDP development process

Findings

All 21 municipalities have successfully reviewed their IDPs with the support from sector departments, i.e. CoGTA, Provincial Treasury and Office of the Premier to ensure the alignment of IDP and budget.

Despite challenges, municipalities were able to review their IDPs as required in terms of the law.

However, some challenges were experienced with some municipalities.

Nkangala District

In Nkangala only the district municipality did not fully comply with the IDP process particularly on consultation on its draft IDP. The MEC advised the municipality to consult on the IDP before the IDP was adopted. The municipality did respond to the MEC's advice for compliance purposes. Victor Khanye and Dr JS Moroka were ranked low because their IDPs had too many projects considered to be wish list due to lack of funding for implementation.

Gert Sibande District

All municipalities in the Gert Sibande with the exception of the district municipality did comply with the process during the reviews for the 2015/16 financial year. A letter of compliance was issued by the MEC for the district municipality to comply on consulting its local municipalities on their priorities and projects and also on the inclusion of projects in draft IDP for consultation before adoption of IDP by Council. The IDP was amended and compliance was realized. Dipaleseng IDP fared badly in project planning to address priorities hence it is ranked low.

Ehlanzeni District

All the municipalities followed the prescribed process and complied with legal requirements in the Ehlanzeni district. Bushbuckridge and Thaba Chweu IDPs were ranked low due to a lot of unfunded mandates in their IDPs which do not directly respond to the needs of communities.

Challenges

Despite support provided by the department to municipalities in the development and review of IDPs, there are still challenges experienced in the IDP process. These challenges lead to inadequacies in the development and/or implementation of municipal IDPs and includes amongst others:

- In most cases IDP reviews and development are merely for compliance purposes;
- Lack of framework for practical application of the IDP;
- Poor 5 year IDPs without proper 5 year performance plans ;
- Lack of separation of methodologies for IDP development and review;
- Poor sector planning and alignment within the municipalities and also with other spheres of government;
- Poor stakeholder mobilization and participation;
- Complex IDP format guide;
- Failure by some municipalities to implement the advices on how to align the IDP, budget and SDBIP, and
- Insufficient budget to address competing priorities such as roads infrastructure and waste removal.

Support Interventions by National and Provincial government

- The department conducted IDP analysis sessions to assist municipalities in ensuring that they produce credible IDPs which;
- Co-ordinated sector departments to participate in IDP representative forums to ensure alignment between provincial plans and municipal plans.

Recommendations

The following is recommended to municipalities:

- That they budget for the reviewal of outdated/ or development of sector plans in their medium term expenditure framework during the development of next generation IDPs;
- Limit the use of private service providers to facilitate municipal strategic planning sessions, municipalities should rather use sector departments such as CoGTA, Office of the Premier and Provincial Treasury to provide the required support in this regard;

5.4.2 Developed Disaster Management Policy Frameworks and Plans

Table 34: Indicate municipalities with Disaster Management Policy Framework and Plans

District	Municipality	2014/15			2015/16		
		Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
EHLANZENI	Bushbuckridge	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Mbombela	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Nkomazi	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Thaba Chweu	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Umjindi	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes

District	Municipality	2014/15			2015/16		
		Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes (adopted by council)	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Dipaleseng	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Govan Mbeki	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Lekwa	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Mkhondo	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Msukaligwa	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Dr. Pixley Ka Isaka Seme	Construction underway	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Gert Sibande	Established satellite centres in the local municipalities	Yes	Yes	Established satellite centres in its local municipalities	Yes	Yes
NKANGALA	Emalahleni	Yes located at district level	Yes	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Emakhazeni	Yes	No framework	Yes (Level one plan)	Not a statutory obligation	Not a statutory obligation	Yes
	Steve Tshwete	No, it is a competency of the District Municipality as stipulated in the Disaster management Act 56 of 2002 Chapter 5 section 43 2b may operate such centre in partnership with those local municipalities.	Yes, Approved by Council, Resolution no: m18/8/2011	Yes, Level 1 plan Approved by Council resolution no: M18/8/2011. Level 2 & 3 plan will serve before Council financial year.	Not a statutory obligation	Not a statutory obligation	Yes
	Victor Khanye	Yes	Yes	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Dr. JS Moroka	No	Not a statutory obligation	Yes	No	Not a statutory obligation	Yes
	Thembisile Hani	No	Yes	Yes	No	No	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes
Total		17/21	17/21	8/21	2/3	3/3	21/21

(Source: Section 46 reports from municipalities)

5.4.3 Analysis of municipalities' performance on readiness to mitigate disasters

Disaster Management Centres

- Of the three District Municipalities in the 2015/16 financial year, only 2 district municipalities (Ehlanzeni & Nkangala) had established Disaster Management Centres. However, Gert Sibande District Municipality did not establish a Disaster Management Centre, instead they established satellite Disaster Management Centres through their local municipalities.

Disaster Management Frameworks

- In as far as Disaster Management Frameworks are concerned all district municipalities had the Disaster Management frameworks.

Disaster Management Plans

- In as far as Disaster Management Plans are concerned all three districts municipalities had frameworks developed. All 21 local municipalities had disaster management plans in place.

Challenges

- Inadequate funding,
- shortage of staff,
- Lack of relief materials; and Old fire-fighting equipment.

Support Interventions by National and Provincial government

- The province provided real time information and alerts to municipalities on a regular basis on weather conditions that could lead to a disasters;
- The province coordinated teams to municipalities where disasters were experienced; and the province also provided relief materials where there was a need

Recommendations

- All districts to provide necessary support to local municipalities on disaster management
- Municipalities to budget for fire-fighting equipment

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 35: % Capacity of planning and implementing LED functions in municipalities through effective LED Unit

Districts	Municipality	2013/14		2014/15		2015/16	
		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	7	4	9	3	9	3
	Mbombela	41	11	20	14	41	11
	Nkomazi	5	5	5	5	10	6
	Thaba Chweu	1	1	2	2	2	1
	Umjindi	3	3	2	1	3	2
	TOTAL	57	24	38	25	65	23
GERT	Chief Albert Luthuli	8	3	8	3	8	3
SIBANDE	Dipaleseng	7	2	7	2	7	2
	Govan Mbeki	3	3	3	3	4	2
	Lekwa	2	2	2	2	2	2
	Mkhondo	3	3	3	3	4	3
	Msukaligwa	3	3	3	3	3	2
	Dr. Pixley Ka Isaka Seme	3	2	2	2	2	2
	TOTAL	29	18	28	18	30	16
NKANGALA	Emalahleni	4	4	4	4	5	5
	Emakhazeni	2	2	2	2	2	2
	Steve Tshwete	3	3	3	3	2	2
	Victor Khanye	2	1	1	1	2	1
	Dr. JS Moroka	2	2	2	2	1	1
	Thembisile Hani	2	2	3	3	3	3
	TOTAL	15	14	15	15	15	14

(Source: Section 46 reports from municipalities)

5.5.1.1.1 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 across all three districts in the province that; in 2013/14 financial year there were 101 LED posts that were approved and only 56 were filled. In the 2014/15 financial year there were 81 approved posts and 58 were filled and in 2015/16 financial year 110 posts were approved and only 53 were filled.

5.5.2 Budget spent on LED related activities

Table 36: % of budget spent on LED related activities

Districts	Municipality	2013/14			2014/15			2015/16		
		budget	amount spent	percentage %	budget	amount spent	percentage %	budget	amount spent	percentage %
EHLANZENI	Bushbuck-ridge	R1 305 000	R290 478	22.25 %	R7 966	R3 210	40%	R4 471 000	R844 000	18%
	Mbombela	R12 100 000	R1 331 000	11%	R6 070 000	R4 257 656	70%	R2 257 370	R1 257 800	56%
	Nkomazi	-	-	-	R8 418 100	R5 548 315	65%	R2 350 000	R1 350 00	57%
	Thaba Chweu	-	-	-	-	-	-	R736 899	R736 899	100%
	Umjindi	R1 465 256	R709 189	49%	R2 181 737	R 652 474	30%	R1200 000	R1200,000	100%
	Ehlanzeni	R13 464 347 (LED, Tourism and Rural Development, including operational budget)	R11 499 54 1.00 (LED, Tourism and Rural Development, including operational budget)	85%	R7 382 317 (LED, Tourism and Rural Development, including operational budget)	R6 606 801 (LED, Tourism and rural Development, including operational budget)	89%	R15,072,188 (LED and Tourism operational Budget)	R 14,410,008	95.61 %
GERT SIBANDE	Chief Albert Luthuli	0	0	0%	0	0	0%	R800 000	R800 000	100%
	Dipaleseng	0	0	0%	R77 000	R77 000	100%	0	0	0%
	Govan Mbeki	0	0	0%	R375 000	R375 000	100%	R 7 500 000	R 7 500 000	100%
	Lekwa	0	0	0%	INP	INP	INP	0	0	0%
	Mkhondo	R1 000 000	R600 000	60%	R1000 000	R552 764	55%	R732 679.00	R88 200.00	120%
	Msukaligwa	0	0	0%	0	0	0%	0	0	0%
	Dr. Pixley Ka Isaka Seme	0	0	0%	R1 369 850	R802 924.37	59%	R 2 220 000	R 1 586 000	71%
	Gert Sibande	0	0	0%	R1 000 000	R789 000	79%	R12 767 759	R10 724 609	84%
NKAMALA	Emalahleni	0	0	0%	0	0	0%	0	0	0%
	Emakhazeni	0	0	0%	0	0	0%	0	0	0%
	Steve Tshwete	0	0	0%	R1 225 687	R784 500	64%	R 323 400	R 270 425	83.61 %
	Victor Khanye	R3 624 726	R3 198 348	88%	0	0	0%	R 1 530 300	R 1 295 457	84.6%
	Dr. JS Moroka	0	0	0%	0	0	0%	0	0	0%
	Thembisile Hani	R2 700 000	R2 595 205	96%	0	0	0%	0	0	0%
	Nkangala	0	0	0%	R31 617 977 .02	R25 206 966.94	70%	R20 117 648.78	R13 049 745.63	65%

5.5.2.1 Analysis of budget spent on LED related activities

Findings

The following findings have been made on LED budgets and actual spending. In 2013/14 financial year municipalities across the three districts in the province had a total budget of **R 35 662 329** and, municipalities only spent **R 10 405 347** that means a total of **R 25 256 982** was not spent. In 2014/15 year municipalities across the three districts in the province had a total budget of **R 60 725 634** and, municipalities only spent **R 45 656 610** that means a total of **R 15 069 024** was not spent. In 2015/16 financial year municipalities across the three districts in the province had a total budget of **R 72 079 243** and, municipalities only spent **R 55 113 143** that means a total of **R 16 966 100** was not spent.

5.5.3 Existence of LED strategies and plans

Table 37: Indicate municipalities with LED strategies and plans

DISTRICT	Municipality	2013/14			2014/15			2015/16			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
	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
	Umjindi	Yes	Yes	No	Yes	Yes	No	No	No	No	Municipality in the process of merging with Mbombela
Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not applicable
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	Yes	Yes	Yes	Yes	Yes	Yes	No	Updated and revised LED strategy submitted by council by the end July
	Mkhondo	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Partially implemented
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	In a process of developing the growth and development strategy
	Dr. Pixley Ka Isaka Seme	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No	Not implemented due to lack of funds.
Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	No	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	Yes	None
	Thembisile Hani	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkangala	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

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

Findings

With regard to the development or reviewal of LED during the 2013/14 financial year all municipalities had either reviewed or developed their LED strategies. However, LED strategies of Mkhondo and Thembisile Hani municipalities were not approved therefore not implemented. In the 2014/15 financial year all municipalities had either reviewed or developed their LED strategies. However, Umjindi and Emakhazeni local municipalities did not implement their LED strategies. In 2015/16 financial year all municipalities had either 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.

5.5.4 Functionality of LED stakeholder forum

Table 38: Municipalities with functional LED stakeholder forum

Districts	Municipality	2013/14	2014/15	2015/16
EHLANZENI	Bushbuckridge	Yes	Yes	No
	Mbombela	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Umjindi	Yes	No	No
	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	Yes
	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	No	No	Yes
	Thembisile Hani	No	Yes	Yes
	Nkangala	Yes	Yes	Yes

(Section 46 reports from municipalities)

5.5.4.1 Analysis on the existence Local Economic Development Forums in municipalities

Finding

Regarding the functionality of LED Stakeholders Forums in the 2013/14 financial year all municipalities had LED stakeholder forums except Msukaligwa, Dr.JS Moroka and Thembisile Hani local municipalities. In the 2014/15 financial year all municipalities had LED stakeholder forums except for Umjindi, Msukaligwa and Dr.JS Moroka. In the 2015/16 financial year all municipalities had LED stakeholder forums except for Bushbuckridge, Umjindi and Msukaligwa.

5.5.5 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 2015/2016 financial year:

Table 39: Indicate activities in support of SMME

Districts	Municipality	Activity	Outcome
GERT SIBANDE	Chief Albert Luthuli	<input type="checkbox"/> SMMEs and cooperative trained and assisted to register in the Central Database to comply with the National Treasury requirements.	<input type="checkbox"/> 10 Cooperatives appointed by the Municipality for Catering Service <input type="checkbox"/> 5 Cooperatives appointed by the Municipality for Transport Service
	Msukaligwa	<input type="checkbox"/> Through the municipal engagement with Eskom, 11 local companies and SMMEs benefited from the project. In terms of skills development and the following skills (outcomes) were transferred to locals.	<input type="checkbox"/> Artisan assistants <input type="checkbox"/> Environmental officer <input type="checkbox"/> Laboratory technicians <input type="checkbox"/> Operators and Quality
	Lekwa	<input type="checkbox"/> Four training interventions coordinated for SMMEs and Co-operatives annually	<input type="checkbox"/> Two training interventions were coordinated <input type="checkbox"/> SMMEs exhibition not held
	Govan Mbeki	<input type="checkbox"/> Job creation through LED <input type="checkbox"/> Training of SMME's and co-operatives <input type="checkbox"/> Issue business licenses <input type="checkbox"/> Two High Impact Projects	<input type="checkbox"/> 131 Jobs were created through LED Initiatives <input type="checkbox"/> 141 SMME's/ Co-operatives were trained <input type="checkbox"/> 97 business licenses concluded and issued <input type="checkbox"/> Fly-Ash Projects Implemented <input type="checkbox"/> Industrial Park Feasibility study underway
	Dipaleseng	<input type="checkbox"/> None	<input type="checkbox"/> None
	Mkhondo	<input type="checkbox"/> Support 9 co-operatives with tools and materials	<input type="checkbox"/> Create more jobs
	Pixley ka Isaka Seme	<input type="checkbox"/> Co-operatives/SMMEs: day for register on the stakeholder data, i.e. <input type="checkbox"/> DARDLEA, DPWRT, DOE and the municipality <input type="checkbox"/> Tendering skills training skills: in partnership with SEDA <input type="checkbox"/> Financial Management Workshop: Municipality in partnership with MTPA and GSDM <input type="checkbox"/> Municipality in partnership with SARS, CAPITEC and ABSA Bank and SEDA SMMEs were supported by being given training on how to open a business bank account, applying for funding, and how to register their business with SARS- by the municipality in partnership with ABSA, Capitec bank, SARS and SEDA	<input type="checkbox"/> Co-operative and SMMEs were assisted to register on the CSD database <input type="checkbox"/> How to tender and fill tender documents and documents required to tender <input type="checkbox"/> How to manage their finances and being accountable for it and to gain insight on how sustain their business.
NKANGALA	Victor Khanye	<input type="checkbox"/> Funding workshop by Small Enterprise <input type="checkbox"/> Finance Agency (SEFA) <input type="checkbox"/> Workshop with Street vendors <input type="checkbox"/> Hosted Incubation Day <input type="checkbox"/> Registration to Centralized Database <input type="checkbox"/> Tendering and Procurement processes workshop	<input type="checkbox"/> Access to funding <input type="checkbox"/> Facilitated the formation of the Street Vendors Committee <input type="checkbox"/> Information sharing session on available economic opportunities <input type="checkbox"/> To be eligible to get Government economic opportunities <input type="checkbox"/> Understanding of procurement processes
	Emakhazeni	<input type="checkbox"/> The main aim of the programme is to ensure that these SMMEs are developed, they assist in creating employment.	<input type="checkbox"/> To ensure a coordinated approach to SMME and co-operatives, the municipality played a role in the development of the draft –wide NDM cooperative policy.

Districts	Municipality	Activity	Outcome
	Dr JS Moroka	<input type="checkbox"/> Training of cooperative <input type="checkbox"/> SMME training	<input type="checkbox"/> Training of cooperatives conducted on the 27/07/2015 <input type="checkbox"/> SMME trained from 08/04/20175 to 10/04/2015 <input type="checkbox"/> SMME Nedbank training 26-30 January 2015
	Thembisile Hani	<input type="checkbox"/> Business show <input type="checkbox"/> Market Stores <input type="checkbox"/> Training of SMME	<input type="checkbox"/> Business owners became aware of business opportunity by interacting with other business <input type="checkbox"/> SMME's are able to sell their products <input type="checkbox"/> 20 SMME and Cooperatives
	Emalaheni	<input type="checkbox"/> Promotion of SMMEs and co-operative development	<input type="checkbox"/> Inadequate support of SMMEs leading to ineffective growth and sustainability.
	Nkangala	<input type="checkbox"/> skill development program coordinated by June 2016	Three skills development programmes co-ordinated; <input type="checkbox"/> Nedbank SMMEs training 28 September to 1 October 2015 <input type="checkbox"/> Nedbank Training 5 to 9 October <input type="checkbox"/> Community Works program training
	Steve Tshwete	4 LED related summit held <input type="checkbox"/> Udlwonondlebe -31 July 2015 <input type="checkbox"/> Franchise Expo- 22- 23 October 2015 <input type="checkbox"/> Township economy and Industries 25 February <input type="checkbox"/> Job Summit 23 June 2016	<input type="checkbox"/> SMMEs were exposed to business opportunities and information.
EHLANZENI	Thaba Chweu	<input type="checkbox"/> Ehlanzeni District municipality identified SMMEs development as a key aspect of economic growth and development.	<input type="checkbox"/> The SMMEs mentorship programme focuses on a mentorship initiative that sets out to support SMMEs in their endeavour to create jobs for communities
	Bushbuckridge	<input type="checkbox"/> Capacity building of SMME and Cooperatives	<input type="checkbox"/> Assist SMMEs and Co-ops to develop own business profile, business plans and to sustain their businesses. <input type="checkbox"/> Assist local farmers to grow their Agriculture activities, to move towards being commercial farmers. And support by procuring agricultural inputs.
	Umjindi	<input type="checkbox"/> Capacity building of SMMEs and Cooperatives	<input type="checkbox"/> Assist SMMEs and Coops to develop own business profile and business plans. <input type="checkbox"/> Assist local farmers to grow their Agriculture activities, to move towards being commercial farmers.
	Nkomazi	<input type="checkbox"/> LED outreach programme was held for the 2015/16 financial year, where SMME's, Cooperatives, sector departments and Business met to engage on LED issues. <input type="checkbox"/> Hawkers' stalls have been built which benefits 16 hawkers. (6 at the Tonga Hawkers stalks and 10 at the Mzinti hawkers' stalls.)	<input type="checkbox"/> SMMEs' owners acquired entrepreneurial skills.
	Mbombela	<input type="checkbox"/> Organizing and registration of Cooperatives	<input type="checkbox"/> 22 Cooperatives were formalized and registered
	Ehlanzeni district	<input type="checkbox"/> A training and mentorship programme was offered to cooperatives	<input type="checkbox"/> A total of Nineteen co-operatives benefitted from training and mentorship programmes in the FY2015/16

(Source: Section 46 reports from municipalities)

5.5.5.1 Analysis on the municipal plans to stimulate second economy

Findings

The following findings were made that Gert Sibande District municipality in the 2015/16 financial year did not implement any activities to stimulate the second economy. Dipaleseng local municipality in the 2014/15 and 2015/16 financial year did not have any plans/ activities to stimulate the second economy.

5.5.6 No. of employment opportunities created through Extended Public Works Programmes (EPWP) and Public Private Partnerships (PPP).

Table 40: Indicate No of employment opportunities created through EPWP and PPP

District	Municipality	2014/15						2015/16					
		Person years of work including training	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Person years of work including training	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities
EHLANZENI	Bushbuckridge	259	0	1 061	60%	70%	0%	604	0	1,167	65.72%	41.73%	4.20%
	Mbombela	475	0	1 808	63%	41%	0%	388	0	509	54.42%	51.28%	8.45%
	Nkomazi	791	9.83	1 781	65%	44%	0.005 %	351	0	708	60.17%	45.06%	1.69%
	Thaba Chweu	154	0	342	61%	48%	0%	121	0	246	53.25%	51.63%	0.00%
	Umjindi	94	1.64	432	54%	71%	0%	89	0	184	66.85%	54.35%	2.17%
	Ehlanzeni	185	1.51	194	51%	42%	0.026%	230	0	297	53.87%	51.51%	1.68%
GERT SIBANDE	Chief Albert Luthuli	424	0	1 185	71%	52%	0%	52	0	108	64.81%	58.33%	0.00%
	Dipaleseng	121	0	361	64%	53%	0%	105	0	203	65.52%	54.19%	0.00%
	Govan Mbeki	396	0	1 051	65%	52%	0.001%	334	0	443	61.85%	66.82%	1.35%
	Lekwa	47	0	209	72%	48%	0%	38	0	55	58.18%	41.82%	1.82%
	Mkhondo	271	0	752	74%	42%	0%	159	0	227	74.01%	46.70%	0.44%
	Msukaligwa	106	0	250	68%	49%	0%	15	0	52	71.15%	44.23%	1.92%
	Dr. Pixley Ka Isaka Seme	158	0.59	592	76%	62%	0%	113	0	238	81.93%	59.24%	1.26%
	Gert Sibande	398	0	880	67%	63%	0.005 %	343	0	375	58.93%	70.40%	0.53%
NKANGALA	Emalahleni	371	0	730	62%	36%	0%	90	0	282	56.03%	42.20%	0.00%
	Thembisile Hani	179	0	478	69%	56%	0%	132	0	285	79.30%	63.16%	0.35%
	Emakhazeni	57	0	117	80%	44%	0%	51	0	103	66.99%	36.89%	0.00%
	Steve Tshwete	241	0	1 275	68%	31%	0%	658	0	2 076	48.64%	62.19%	0.43%
	Victor Khanye	219	0	549	63%	39%	0.004%	168	0	260	58.08%	50.77%	8.08%
	Dr. JS Moroka	498	22.34	1 629	47%	65%	0.001%	174	0	560	41.43%	64.82	1.25%
	Nkangala	146	0	462	61%	33%	0%	302	0	464	63.7%	38.58%	1.29%

(Source: 2015/16 Audited EPWP Annual Performance Report from Public Works)

5.5.6.1 Analysis of municipalities' performance on number of employment opportunities created through Extended Public Works Programmes (EPWP) and Public Private Partnerships (PPP).

Findings

The following findings were made that in the 2014/15 financial year a total of **16 138 jobs were created** through the Extended Public Works Programme, across municipalities on the three districts in the province, of which 38% were occupied by the designated groups (**65% were held by the youth, 50.1% by women and 0.002% by people with disabilities**). In the 2015/16 a total of **8 842 jobs were created** across municipalities in the three districts in the province of which 39% were occupied by the designated groups (**61% were held by the youth, 52.2% by women and 2.5% by people with disabilities**). This totals to **24 980 jobs created** in the 2015/16 financial year. There has been a decrease in job opportunities created by almost half in the 2015/16 financial year overall. In the youth category there has been a **4% decrease**, an increase by **1.1%** for women and **2.5%** for the disabled.

Challenges in LED Strategy implementation

- Capacity constraints are a major challenge as to why the municipalities are not implementing their LED strategies.
- Poor budgeting and resource allocations to implement LED;
- Where LED budget is available it is not spent,
- Insufficient staff compliment in municipal LED units
- There are no reasons put forth by both municipalities as to why they did not have LED stakeholder forums in particular Msukaligwa local municipality, which for the past three years did not have one.
- Msukaligwa local municipality for the past three financial years did not have an LED forum and that Bushbuckridge municipality did not have an LED forum in 2015/16 financial year.

Support Interventions by National and Provincial government

- Municipalities were workshopped on environmental projects in conjunction with the Department of Environmental Affairs, and those that applied for funding and met the criteria received funding. A total of R 345 000 000 was spent in funding the successful projects in the following municipalities (Chief Albert Luthuli, Bushbuckridge, Nkomazi, Mbombela, Umjindi, Steve Tshwete and Thembisile Hani).
- Three municipalities were supported in the process of reviewing their LED strategies that is: Bushbuckridge, Steve Tshwete and Msukaligwa local municipalities
- Municipalities were also assisted by encouraging the private sector to participate in the municipal LED Forums and foster good working relationship.
- The department coordinated workshops by the DTI on Red Tape reduction.
- The Department through the Public Works Incentive Grant created 93 work opportunities implemented through the Youth Waste Management
- The Implementation of Community Works Programme created 23 178 work opportunities
- The Department has also been supporting the implementation of Catalytic LED Projects like the Amajuba Rail Project between Dr. Pixley Ka Isaka Seme and Msukaligwa Municipalities and the Soya Bean Crusher Plant and 2500 jobs created

Recommendations

It hereby recommended that municipalities:

- Treat LED like other Key Performance Areas (KPAs) of the municipality by ensuring that suitably qualified LED practitioners are appointed in the LED posts and ensuring that LED budget is spent just on LED programmes and projects,
- Comply with the EPWP incentive grant reporting conditions to maximise resources of intensifying job creation and poverty alleviation,
- The municipalities to have twinning relations with other well performing municipalities on LED implementation.

5.6 FINANCIAL MANAGEMENT

5.6.1 Municipal Financial viability and Management

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

5.6.2 Performance of municipalities on financial viability and management

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

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

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

5.6.2.1 Status of the audit outcome

Table 41: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2013/14				Audit Opinion 2014/15				Audit Opinion 2015/16			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge		Yes				Yes			Yes			
	Mbombela	Yes				Yes				Yes			
	Nkomazi		Yes			Yes				Yes			
	Thaba Chweu			Yes				Yes				Yes	
	Umjindi		Yes			Yes				Yes			
	Ehlanzeni district	Yes (Clean)				Yes (Clean)				Yes (Clean)			
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		Yes			Yes					Yes		
NKANGALA	Emalahleni			Yes				Yes				Yes	
	Emakhazeni			Yes				Yes			Yes		
	Steve Tshwete	Yes (Clean)				Yes				Yes (Clean)			
	Victor Khanye		Yes				Yes				Yes		
	Dr. JS Moroka		Yes				Yes				Yes		
	Thembisile Hani		Yes			Yes					Yes		
	Nkangala district	Yes				Yes (Clean)				Yes (Clean)			

(Source: Section 46 reports from municipalities)

	2014/15				2015/16			
	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	Nkangala District	Chief Albert Luthuli, Thembisile Hani, Dr Pixley Ka Isaka Seme and Gert Sibande	Bushbuckridge, Mkhondo,		Steve Tshwete	Bushbuckridge	Msukaligwa, Emakhazeni	
Unchanged	Ehlanzeni	Mbombela, Nkomazi, Umjindi, Dipaliseng, Govan Mbeki, Lekwa,	Victor Khanye and Dr JS Moroka	Emalaheni, Emakhazeni Thaba Chweu Msukaligwa	Ehlanzeni and Nkangala	Lekwa, Nkomazi, Dr Pixley Isaka Seme, Govan Mbeki, Mbombela, Umjindi, Dipaleseng	Thembisile Hani, Dr JS Moroka, Mkhondo, Victor Khanye	Thaba Chweu Emalaheni,
Regressed		Steve Tshwete					Gert Sibande, Chief Albert Luthuli	
Total	2	11	4	4	3	8	8	2

(Source Auditor General Report 2015/16)

5.6.2.2 Analyses of the Audit Outcomes

Findings

- In respect of district municipalities: 2 Clean Audits and 1 qualified opinion with findings
- In respect of local municipalities: 1 Clean Audit , 8 Unqualified, 8 qualified and 2 disclaimer opinions

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

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

Status of compliance with legislation over the past three years

- In 2013/14 financial year 19 out of 21 (90%) municipalities were with findings and only 2 were without findings;
- In 2014/15 financial year 19 (90%) out of 21 municipalities were with findings and only 2 were without findings.
- In 2015/16 financial year 18 municipalities were with findings and only 3 were without findings;

Most common areas of qualifications

- Continued reliance on consultants with or no transfer of skills
- Weak internal control and poor financial management
- Poor revenue management
- Late payment of creditors (Including ESKOM)
- Fruitless and wasteful expenditure
- Unauthorised and irregular expenditure
- Poor internal audit units and audit committees

Risk areas requiring attention from municipalities

- Quality of submitted financial statements- 81% of auditees needed intervention and 19% were without findings;
- Governance - 66% of auditees were concerning, 5% needed intervention and 29% were without findings;
- Leadership management- 62% of auditees were concerning, 24% needed intervention and 14% were without findings;
- Financial performance - 71% of auditees were concerning , 19% needed intervention and 10% were without findings;
- Human resource management- 62% of auditees were concerning, 19% needed intervention and 19% were without findings;
- **Internal controls**- 62% of auditees were concerning, 19% needed intervention and 22% were without findings;

Assurance provided by key role players

- First level of assurance (Management/ Leadership)
- 5% of Senior Management provided quality assurance, 67% provided some assurance and 29% provided limited or no assurance.
- 10% of Accounting Officers provided quality assurance, 67% provided some assurance, and 23% provided limited or no assurance.
- 23% of Executive Mayors provided quality assurance, 67% provided some assurance, and 10% provided limited or no assurance.

Second level of assurance (internal independent assurance and oversight)

- 19% Internal Audit units provided assurance, 71% provided some assurance, 10% provided limited or no assurance
- 19% of Audit Committees provided assurance, 76% provided some assurance, and 5% provided limited or no assurance.
- 100% of Coordinating or monitoring departments provided some assurance.

Third level of assurance (External independent assurance and oversight)

- 24% of Municipal Councils provided assurance, 71% provided some assurance and 5% provided limited or no assurance.
- 19% of Municipal Public Accounts Committees (MPACs) provided assurance, 71% provided some assurance and 10% provided limited or no assurance.
- 100% of Portfolio Committee on local government provided some assurance.

Overall audit outcomes of the past three years

- Slight improvements in the overall audit outcomes;
- Decrease in the number of disclaimed municipalities from 24% to 10%;
- Significant increase in the levels of irregular, unauthorised as well as fruitless and wasteful expenditure;
- Material misstatements in the annual financial statements and annual performance reports for audit purpose remain high;

Intervention

- GAP analysis conducted in Msukaligwa and Emakhazeni Municipalities on root causes contributing to disclaimed audit outcomes to identified specific action and further support.
- Conducted assessment in disclaimed municipalities on record management and identified further support from PT through deployment of additional resources.
- Action plans are being monitored to check progress made.
- Provincial Treasury coordinated a training on Records Management and Disposal of documents for Municipalities.
- Department of Culture Sport and Recreation assisted the PT with training on archiving processes through partnership arrangement

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 request deployment of experts to support on improvement of audit outcomes
- Municipalities to appoint young professionals and engineers to assist with asset registers
- Establishment of committee 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)

5.6.3 Percentage of Capital budget expenditure

Table 42: Indicate % of municipal Capital Budget Expenditure

District	Municipality	2013/14				2014/15				2015/16			
		R'000				R'000				R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	645 328	682 554	561 536	80,9%	434 655	517 828	351 771	68 %	460 915	574 843	416 237	72.41%
	Mbombela	1 849 620	1 777 472	1 749 244	98,4%	522 517	670 158	515 942	77 %	-	-	-	-
	Nkomazi	552 768	558 111	520 321	93,2	INP	INP	INP	INP	230 907	250 397	259 999	103.83%
	Thaba Chweu	308 733	515 440	355 096	68,9%	46 647	64 647	43 367	67 %	44 278	44 278	73 547	166.10%
	Umjindi	256 744	252 409	210 155	83,3	INP	INP	INP	INP	-	-	-	0.00%
	EHLANZENI	3 613 193	3 103 432	3 396 352	78%	1 003 819	1 252 633	911 080	71 %	-	-	-	0.00%
GERT SIBANDE	Chief Albert Luthuli	281 889	355 864	236 206	66,4%	402 344	402 344	402 344	0 %	109 886	116 120	114 048	98.22%
	Dipaleseng	207 832	221 763	117 744	53,1%	79 095	101 395	43 115	43 %	-	-	-	0.00%
	Govan Mbeki	1 445 002	1 711 781	1 120 648	65,5%	INP	INP	INP	INP	-	-	-	0.00%
	Lekwa	614 440	634 252	257 077	40,5%	INP	INP	INP	INP	14 400	14 380	14 353	99.81%
	Mkhondo	373 274	375 674	286 086	76,2%	65 623	97 223	93 629	96%	111 215	111 215	80 406	72.30%
	Msukaligwa	541 965	480 872	406 268	84,5%	51 572	51 572	51 059	98,8%	89 900	61 066	30 157	49.38%
NKANGALA	Dr. Pixley Ka Isaka Seme	238 949	344 534	169 051	49,1%	28 720	31 576	24 388	77%	-	-	-	0.00%
	GERT SIBANDE	3 703 351	4 124 740	2 593 080	77,6%	627 354	281 766	614 535	79%	-	-	-	0.00%
	Emalahleni	1 694 847	1 746 385	289 551	70,5%	159 916	214 087	193 765	90.51%	-	-	-	0.00%
	Emakhazeni	215 075	219 633	127 393	58%	17 232	17 232	17 232	100%	-	-	-	0.00%
	Steve Tshwete	1 210 473	1 242 801	1 121 711	96,7%	187 899	270 234	266 165	98%	236 369	323 87	274 433	84.73%
	Victor Khanye	292 001	277 051	289 694	104,6%	79 929	79 929	79 929	100%	-	-	-	0.00%
Provincial	Dr. JS Moroka	332 583	554 139	336 305	60,7%	116 875	146 875	140 254	95%	-	-	-	0.00%
	Thembisile Hani	334 691	502 600	416 426	82,9%	110 820	111 340	75 392	67,7%	119 139	125 087	125 087	100%
	NKANGALA	4 079 670	4 542 609	2 581 080	10,9%	672 671	839 697	772 737	92%	-	-	-	0.00%
	TOTALS	11 770 781	11 396 214	8 570 521	55.5%	1 300 025	1 121 463	2 298 352	81%	1 417 009	1 621 264	1 388 267	85.63%

(Source: PT Treasury section 71 reports)

5.6.3.1 Provincial Analysis of Capital Budget Expenditure

Findings

The following findings were made on Capital Budget Expenditure:

- Poor spending of capital budget due to the inability to plan for projects;
- Utilisation of grant funding for operational expenditure due to cash flow challenges
- Some municipalities had unfunded budget.
- Some municipalities' Annual Reports do not reflect/report their Capital Budget Expenditure.

Intervention

- Provincial Treasury provided technical support on financial planning; COGTA provided support project management.
- COGTA in partnership with DWS, MISA and other stakeholders to assist Municipalities on Blue Drop requirements for compliance.
- PT to support municipality with revenue enhancement and reprioritisation of budget.
- All municipalities' to be supported in ensuring draft budgets developed, credible realistic and funded
- Sec 71 reports analysed for all municipalities and written feedback provided on a monthly basis
- All municipal budgets were analysed and support provided to ensure that all budgets are credible and funded
- Budget framework reviewed and provided to municipalities.
- All municipal midyear budget performance analysed and feedback provided to municipalities.
- Sec 71 reports analysed for all municipalities and feedback provided

Recommendations

- Municipalities to ring-fence MIG funding;
- 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

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

Table 43: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2013-2014 R'000				2014-2015 R'000				2015-2016 R'000			
		Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%
EHLANZENI													
	Bushbuckridge	671 741	694 023	561 536	80,9%	INP	INP	INP	INP	1 319 476	1 581 099	1 414 656	89,47%
	Mbombela	16 114 52	1 649 742	1 552 283	94,1%	1,746,441	1,746,441	1 751 251	100%	2 559 653	2 742 287	2 439 482	88,96%
	Nkomazi	483 916	484 564	470 416	97,1%	INP	INP	INP	INP	1 056 261	1 084 197	1 024 250	94,47%
	Thaba Chweu	294 560	325 268	286 025	87,9	436,397	467,210	329,314	70,5%	486 791	580 333	529 937	91,32%
	Umgindi	214 333	209 669	189 837	90,5%	158 271	145 770	131 785	90,4%	244 716	244 716	373 726	152,72%
	Ehlanzeni DM	194 001	197 022	192 960	97,9%	INP	INP	INP	INP	258 578	230 428	231 873	100,63%
Total		3 470 003	3 560 288	3 253 077	91,5%	2 341 109	2 359 421	2 212 350	87%	5 925 475	6 463 060	6 013 924	93,05%
	Chief Albert Luthuli	273 721	274 964	279 228	101,6%	296473	299590	453988	153,1%	-	-	-	0,00%
	Dipaleseng	144 145	141 577	144 663	102,2%	149 066	156 853	192 351	123%	166 812	173 393	200 065	115,38%
	Govan Mbeki	1 369 466	-	1 269 722	89,9%	INP	INP	INP	INP	1 657 010	1 908 089	1 617 472	84,77%
	Lekwa	457 091	436 065	313 939	72,0%	INP	INP	INP	INP	596 469	568 734	574 959	101,09%
	Mkhondo	299 542	306 521	269 756	88,0%	299 541	306 521	302 182	99	444 005	636 256	576 866	90,67%
	Msukaligwa	463 855	435 915	55 348	88,6%	INP	INP	INP	INP	544 172	581 698	581 522	99,97%
	Dr Pixley Ka Isaka Seme	196 481	187 462	199 047	106%	197 838	216 152	225 564	104,4%	290 650	291 988	259 058	88,72%
	Gert Sibande	359 503	328 127	285 328	87%	403 486	364 330	290 314	79,7%	-	-	-	0,00%
Total		3 293 533	3 234 945	3 372 025	104%	3 615 144	3 587 124	2 848 534	90,8%	3 865 930	4 160 158	3 809 942	91,58%
NKANGALA													
	Emalahleni	1 595 762	1 595 762	1 433 631	90%	1 682 396	1 702 582	1 658 759	97,4%	2 626 610	2 315 370	2 328 956	100,59%
	Emakhazeni	157 720	164 013	160 664	98%	156 516	176 078	183 312	104,6%	238 921	219 901	235 494	107,09%
	Steve Tshwete	967 102	975 646	975 448	100%	1 141 136	1 160 440	1 121 711	94,67%	1 471 793	1 507 999	1 418 658	94,08%
	Victor Khanye	260 114	266 098	249 621	94%	292 029	288 194	306 181	106,2%	399 100	407 939	452 087	110,82%
	Dr. JS Moroka	402 387	462 720	392 778	85%	371 055	335 840	301 508	89,8%	524 443	551 921	608 825	110,31%
	Thembisile Hani	325 552	389 169	276 970	71%	341 642	334 832	437 800	130,8%	602 876	606 914	702 336	115,72%
	Nkangala DM	328 204	324 963	346 338	107%	339 623	335 642	331 385	98%	353 447	362 303	381 737	105,36%
Total		4 036 841	4 173 371	3 835 450	92%	4 324 397	2 631 026	4 340 656	103,06%	6 217 190	5 972 347	6 128 093	102,61%
TOTAL INCOME AGAINST BUDGET		10 828 856	11 161 154	10 762 985	96%	11 409 544	9 778 438	10 442 267	95,12%	16 008 595	16 595 565	15 951 959	96,12%

(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 15 951 959** as at June 2016 constituting **96.12%** spent own revenue in the province. However, a number of challenges were noted with municipalities on revenue enhancement as follows:

- Failure of municipalities to implement revenue enhancement strategies and plans as developed
- Poor revenue collection.
- Incorrect billing
- Poor enforcement of credit control and debt collection policies
- Municipalities do not reconcile valuation rolls to billing systems
- High number Indigents
- Resistance by consumers to pay

Interventions

- The Department and Provincial Treasury provided support and monitoring of municipal performance on financial management.

Recommendations

- Municipalities expedite the finalisation and adoption of financial policies and by-laws
- Municipalities to continue to reconcile valuation rolls with billing systems
- Implementation of SOP for revenue management

5.6.5 Rate of municipal debt reduction

Table 44: Indicate % rate of municipal debt reduction

Districts	2013-2014 R'000					2014-2015 R'000					2015-2016 R'000								
	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts	
EHLANZENI	Bushbuckridge	14 1099	-	779 785	988 109	-	165 213	52 343	INP	583 509	801 066	-16%	178 831	62 597	2 602	147 207	391 237	-51%	
	Mbombela	20 630	61 834	-	346 662	-	106 982	10 044	INP	52 001	169 028	-51%	117 514	35 140	-	147 045	299 699	+77%	
	Nkomazi	3 424	6 564	-	83 888	-	INP	INP	INP	INP	INP	INP	INP	14 059	-	16 770	33 156	-	
	Thaba Chweu	27 055	31 229	-	111 184	-	INP	INP	INP	INP	INP	INP	71 849	29 764	0	6 639	108 252	-	
	Umgindi	18 081	7 966	-	84 179	-	14 904	12 286	INP	74 915	102 105	+21.7%	29 307	10 920	-	4 022	44 249	-56%	
Ehlanzeni	-	-	-	-	-	INP	INP	INP	INP	INP	INP	INP	-	-	-	-	-	0	
Sub Total	210 289	107 593	-	1 007 754	1 584 022	-	287 099	74 673	INP	710 425	1 072 199	-	411 560	140 748	2 602	321 683	876 593	-81.76%	
GERT SIBANDE	Chief Albert Luthuli	3 846	15 736	-	323 791	-	26 532	89 558	INP	257 593	373 683	+15.41%	21 698	68 301	-	16 944	106 943	-7.1%	
	Dipaleseng	50 929	21 724	-	266 095	-	77 863	92 665	INP	91 441	261 969	+1.55%	78 041	89 240	-	107 716	274 997	+4.97%	
	Govan Mbeki	256 068	98 501	-	773 734	-	INP	INP	INP	INP	INP	INP	478 277	291 431	-	238 523	1 008 231	-	
	Lekwa	66 276	44 489	-	385 597	-	INP	INP	INP	INP	INP	INP	8 010 405	109 127	-	307 934	8 427 466	-	
	Mkhondo	18 152	14 795	-	123 368	-	36 160	41 991	INP	81 681	159 832	-29%	56 641	52 032	-	88 057	196 730	+23.08%	
	Msuligwa	47 395	54 248	-	302 631	-	110 712	72 519	INP	144 241	327 472	+8.21%	171 039	117 940	-	105 376	394 355	+20.42%	
	Dr Pixley Ka Isaka Seme	43 644	19 216	-	198 482	-	INP	INP	INP	INP	INP	INP	93 965	54 347	-	163 526	311 838	-	
	Gert Sibande	-	-	-	6 571	-	INP	INP	INP	INP	INP	INP	INP	-	-	-	-	-	-
	Sub Total	488 310	268 789	-	508 576	2 380 269	-	251 267	296 733	INP	574 956	1 122 956	-52%	8 910 066	782 418	-	1 028 076	10 720 560	-
	Emalahleni	358 229	107 483	-	140 316	1 270 621	-	INP	INP	INP	INP	INP	INP	1 209 562	439 715	-	467 020	2 116 297	-
Emakhazeni	19 666	9 744	-	67 395	139 022	-	0	0	0	0	0	0	57 525	16 714	-	-	74 239	-	
Steve Tshwete	4 981	16 979	-	21 111	74 358	-	22 739	8 474	0	29 321	60 534	30%	36 042	13 866	52 288	50 521	152 717	125%	
Victor Khanye	-	-	-	-	-	-	INP	INP	INP	INP	INP	20.8%	171 381	28 287	-	225 779	425 447	-	
Dr. JS Moroka	52 602	-	-	28 957	167 054	-	89 911	34 278	58 684	18 727	201 600	-	64 152	27 765	-	108 580	200 497	-82.86%	
Thembisile Hani	120 526	220	-	43 651	299 669	-	41 960	14 295	0	45 245	101 500	34%	311	117 437	-	150	117 898	16%	
Nkangala DM	-	-	-	18	23 068	-	154 610	57 047	58 684	93 293	363 634	-	-	-	-	-	-	-	
Sub Total	556 004	134 426	-	301 448	1 973 792	-	309 220	114 094	117 368	186 586	727 268	-63%	1 538 973	643 784	52 288	852 050	3 087 095	30%	
Total Debts	1254603	510 808	-	1 815 778	3 966 264	-	847 586	485 500	117 368	1 471 967	2 922 423	-26%	10 860 539	1 566 950	54 890	2 201 809	14 684 248	-	

(Source: Section 46 reports from municipalities)

5.6.5.1 Provincial Analysis on the rate of municipal debt reduction

Findings

The following findings was made that all municipalities were owed a total sum of **R 14 684 248 million** in the **2015/16** financial. The following are some of the causes for this problem:

- Municipalities are slow on data cleansing
- Incorrect indigent registers
- Illegal connections (Izinyokanyoka)
- Incorrect data and inaccurate billing
- Non-compliance with the law
- Customer affordability to pay municipal debts **National and Provincial Interventions**
- PT supported municipalities with completion of D-Forms for submission to NERSA with regard to electricity tariff increases.
- Standard Operating Procedures developed for municipalities on revenue management.
- PT continued to monitor municipalities to review and implement revenue enhancement strategies

Recommendations

- 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 billing system
- Assessment of tariff structures
- Update property database
- Accurate billing
- Implementation of standard operating procedure for revenue management by municipalities

5.6.6 Coordinated payments made to Municipalities by sector departments as at July 2015- June 2016

NKANGALA DISTRICT

Table 45: Co-ordinated payments made to Dr JS Moroka Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture, Rural Development Land and Environmental Affairs	160 401.47	11 998.21	-3 296.47	169 103.21
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	11 540 474.34	288 244.89	-608.30	11 828 110.93
Vote 7	Public Works, Roads and Transport	29 159 886.11	1 349 995.17	-14 462.35	30 495 418.93
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	45 708.75	11034.85	NONE	56 743.60
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB-TOTAL	40 906 470.67	1 661 273.12	-18 367.12	42 549 376.67
	National Department of Public Works(S-ER)	81 378.47	1 824.24	NONE	83 202.71
	National Department of Rural Development and Land Reform (RATES)	5 153 798.37	102 823.96	NONE	5 256 622.33
	SUB-TOTAL	5 235 176.84	104 648.20	NONE	5 339 825.04
TOTAL		46 141 647.51	1 765 921.32	-18 367.12	47 889 201.71

Table 46: Co-ordinated payments made to Emakhazeni Local Municipality

Name of Department	Total amount outstanding	0-30 Days	30 Days and over	Payments received for the month
Office of Premier	-	-	-	-
Department of Labour	29 532.10	1 002.74	28 529.36	-
Cooperative Governance and Traditional Affairs	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs (DARDLA)	111 436.10	7 812.66	107 051.45	-500.00
Economic Development and Tourism	-	-	-	-
Education	1 114 138.76	1 839 056.95	3 661 849.27	-182 892.43
Public Works, Roads and Transport (PWRT)	964 432.34	270 223.32	756 104.83	-200.00
Community Safety Security and Liaison	12 155.09	6 487.73	5 667.36	-4 386.80
Health	961 556.55	180 222.86	781 912.33	-
Department of Police and Justice	375 529.10	289 560.89	525 950.88	-320 283.22
Social Service Development	1 615.91	824.01	1 583.80	-791.90
Human Settlements	-	-	-	-
Sub Total	3 570 395.95	2 595 191.16	5 868 649.28	-509 054.35
SANPARKS (Kruger National Park)	-	-	-	-
National Department of Public Works Province and National	1 669 814.59	478 911.84	1 579 513.26	-222 524.65
National Department of Rural Development and Land Reform	-	-	-	-
Sub-Total	1 669 814.59	478 911.84	1 579 513.26	-222 524.65
Total	5 240 210.54	3 074 103.00	7 448 162.54	-731 579.00

Table 47: Co-ordinated payments made to Emalahleni Municipality

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	12 557 528.63	1 456 645.40	886 949.55	620 666.82	9 593 266.86	-2 284 708.80
Public Works, Roads and Transport	5 034 764.48	170 057.19	167 578.71	151 934.94	4 545 193.64	-
Community Safety Security and Liaison	-	-	-	-	-	-
Health	1 052 418.21	59 841.19	43 079.08	42 823.73	906 674.21	-449 711.03
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	-	-	-	-	-	-
Human Settlements	-	-	-	-	-	-
Sub Total	18 644 711.32	1 686 543.78	1 097 607.34	815 425.49	15 045 134.71	-2 734 419.83
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	8 466 441.08	1 606 385.34	1 476 170.72	984 496.24	4 399 388.78	-
National Department of Rural Development and Land Reform	-	-	-	-	-	-
Sub Total	8 466 441.08	1 606 385.34	1 476 170.72	984 496.24	4 399 388.78	-
Piet Koornhof Building (SARS)	955 877.94	124 975.46	124 389.22	121 838.38	584 674.88	-147 468.84
Total	28 067 030.34	3 417 904.58	2 698 167.28	1 921 760.11	20 029 198.37	-2 881 888.67

Table 48: Co-ordinated payments made to Steve Tshwete Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 813 432.51	208 496.61	-106 798.19	2 915 130.93
Vote 7	Public Works, Roads and Transport	34 698.84	143 901.70	-7 424.35	171 176.19
Vote 9	Health	6 811 051.20	420 580.91	-34 623.14	7 197 008.97
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB-TOTAL	9 659 182.55	772 979.22	-148 845.68	10 283 316.09
	National Department of Public Works	3 002 065.66	165 512.83	-49 438.63	3,118,139.86
	National Department of Rural Development and Land Reform	709 238.49	18 828.73	0.00	728,067.22
	SUB-TOTAL	3 711 304.15	184 341.56	-49 438.63	3 846 207.08
TOTAL		13,370,486.70	957320.78	-198 284.31	14 129 523.17

Table 49: Co-ordinated payments made to Thembisile Hani Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	55 891.58	-	62 468.22
Vote 2	Finance	620.83	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	2 955.71	11 328.40	-	18 288.92
Vote 5	Economic Development and Tourism	27 688.56	-	-	-
Vote 6	Education	1 561 501.74	2 851 250.54	-38 928.15	2 911 133.64
Vote 7	Public Works Roads and Transport	95 909.40	20 630.17	-	2 836.26
Vote 8	Community Safety Security and Liaison	193 701.64	639.81	-652.99	16 180.83
Vote 9	Health	71 053.38	57 732.03	-5 710.37	166 180.84
Vote 10	Culture Sport and Recreation	15635.52	7 009.37	-	16 180.83
Vote 11	Social Development	4208.94	816.60	-	229.97
Vote 12	Human Settlement	246.31	256.90	-254.33	273.86
	SUB -TOTAL	1 973 522.03	3 005 555.40	-45 545.84	3 193 773.37
	National Department of Public Works	246 911.30	443 052.08	-6 900 000	450 703.10
	National Department of Rural Development and Land Reform	9 779 149.70	10 317 831.69	-	3 159 423.51
	SUB-TOTAL	10 026 061	10 760 883.77	-6 900 000	3 610 126.61
	TOTAL	11 999 583.03	13 766 439.17	-6 945 545.84	6 803 899.98

Table 50: Co-ordinated payments made to Victor Khanye Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 813 432.51	208 496.61	-106 798.19	2 915 130.93
Vote 7	Public Works Roads and Transport	34 698.84	143 901.70	-7 424.35	171 176.19
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	6 811 051.20	420 580.91	-34 623.14	7 197 008.97
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	9 659 182.55	772 979.22	-148 845.68	10 283 316.09
	National Department of Public Works	3 002 065.66	165 512.83	-49 438.63	3 118 139.86
	National Department of Rural Development and Land Reform	709 238.49	18 828.73	0.00	728 067.22
	SUB -TOTAL	3 711 304.15	184 341.56	-49 438.63	3 846 207.08
TOTAL		13 370 486.70	957 320.78	-198 284.31	14 129 523.17

Table 51: CONSOLIDATED CO-ORDINATED PAYMENTS MADE TO MUNICIPALITIES AT NKANGALA DISTRICT

Vote Number	Department	Outstanding balances unpaid to municipalities						Overall Outstanding balances per Department Unpaid
		Emalaheni LM	Thembisile LM	Dr JS Moroka	Steve Tshwete	Emakhazeni LM	Victor Khanye LM	
Vote 1	Office of Premier	-	R62 468.22	-	-	-	-	R62 468.22
Vote 2	Finance	-	-	-	-	R29 532.10	-	R29 532.10
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	R18 288.92	R169 103.21	-	R111 436.10	-	R2 109 431.31
Vote 5	Economic Development and Tourism	-	-	-	-	-	-	-
Vote 6	Education	R12 557 528.63	R2 911 133.64	R 11 828 110.93	R2 915 130.93	R1 114 138.76	R2 915 130.93	R31 621 173.82
Vote 7	Public Works Roads and Transport	R5 034 764.48	R2 836.26	R 30 495 418.93	R171 176.19	R964 432.34	R171 176.19	R 53 786 247.20
Vote 8	Community Safety Security and Liaison	-	R16 180.83	-	-	-	-	R 28 335.92
Vote 9	Health	R1 052 418.21	R166 180.84	R 56 743.60	R7 197 008.97	R961 556.55	R7 197 008.97	R16 721 778.80
Vote 10	Culture Sport and Recreation	-	R16 180.83	-	-	R375 529.10	-	R391 709.93
Vote 11	Social Development	-	R229.97	-	-	R1 615.91	-	R1 845.88
Vote 12	Human Settlements	-	R273.86	-	-	-	-	R273.86
	Sub Total	R18 644 711.32	R3 193 773.37	R 42 549 376.67	R10 283 316.09	R3 570 395.95	R10 283 316.09	R86 008 527.66 104 752 797.04
	SANPARKS(Kruger National Park)	-	-	-	-	-	-	-
	National Department of Public Works	R8 466 441.08	R450 703.10	R 83 202.71	R3 118 139.86	R1 669 814.59	R3 118 139.86	R16 906 441.2
	National Department of Rural Development and Land Reform	-	R3 159 423.51	R 5 256 622.33	R728 067.22	-	-	-
	Sub Total	R8 466 441.08	R3 610 126.61	R5 339 825.04	R3 846 207.08	-	R3 846 207.08	R 26 778 621.48
	Piet Koornhof Building (SARS)	R955 877.94	-	-	-	-	-	R955 877.94
	Total per local municipality	R28 067 030.34	R6 803 899.98	R47 889 201.71	R14 129 523.17	R5 240 210.54	R14 129 523.17	R116 259 388.91
Nkangala	Total outstanding balance to municipalities						R116 259 388.91	

GERT SIBANDE DISTRICT

Table 52: Co-ordinated payments made to Dipaleseng Local Municipality

Name of Department	Total amount outstanding	0 -30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture Rural Development Land and Environmental Affairs	-	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	705 696.7	63 267.52	47 654.16	102 955.84	491 819.18	-R10 314.69
Public Works Roads and Transport	363 631.89	6 487.48	10 030.26	9 088.41	338 025.74	-
Community Safety Security and Liaison	1 770 909.48	59 174.70	89 193.29	74 468.52	1 548 072.97	-
Health	21 126.29	7 403.69	7 519.20	4 512.47	1 690.93	-R17 693.72
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	50 164.33	6 712.40	8 938.07	6 570.60	27 943.26	-
Human Settlements	-	-	-	-	-	-
Sub Total	2 911 528.69	143 045.79	163 334.98	197 595.84	2 407 552.08	-R28 008.41
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	752 420.78	3 318.30	6 721.76	6 591.16	735 789.56	-
National Department of Rural Development and Land Reform	198 144.13	8 425.21	17 450.56	17 450.56	154 817.80	-R450.00
Sub Total	950 564.91	11 743.51	24 172.32	24 041.72	890 607.36	-450.00
Total	3 862 093.60	154 789.30	187 507.30	221 637.56	3 298 159.44	-28 458.41

Table 53: Co-ordinated payments made to Pixley Ka Isaka Seme Municipality

Vote number	Name of Department	Opening balance as at 31 May 2016	Invoices for the month of June 2016	Payment for the months of June 2016 as per municipalities	Outstanding balance per municipality payment
Vote 1	Office of Premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	-	-	-	-
Vote 7	Public Works Roads and Transport	9 932 151.40	885 115.47	-28 266.87	10 789 000
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	-	-	-	-
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlements	-	-	-	-
	Sub Total	9 932 151.40	885 115.47	-28 266.87	10 789 000
	SANPARKS(Kruger National Park)	-	-	-	-
	National Department of Public Works	-	-	-	-
	National Department of Rural Development and Land Reform	-	-	-	-
	Total	9 932 151.40	885 115.47	-28 266.87	10 789 000

Table 54: Co-ordinated payments made to Lekwa Local Municipality

Vote number	Name of Department	Opening balance as at 31 May 2016	Invoices for the month of June 2016	Payment for the months of June 2016 as per municipalities	Outstanding balance per municipality payment
Vote 1	Office of the Premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	783 834.29	3 899.72	-	787 734.01
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	519 568.40	92 563.57	-66 647.46	545 484.51
Vote 7	Public Works Roads and Transport	90 902.56	5 852.75	-3 583.12	93 172.19
Vote 8	Community Safety Security and Liaison	4 768.74	4 768.74	-4 591.60	4 945.88
Vote 9	Health	372 728.17	340 897.98	-321 879.06	391 747.09
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlements	16 613.82	9 580.09	-6 825.82	19 368.09
	Sub Total	1 788 415.98	457 562.85	-403 527.06	1 842 451.77
	SANPARKS(Kruger National Park)	-	-	-	-
	National Department of Public Works	17 358 055.85	234 047.50	-812.74	17 591 290.61
	National Department of Rural Development and Land Reform	-	-	-	-
	Total	19 146 471.83	691 610.35	-404 339.80	19 433 742.38

Table 55: Co-ordinated payments made to Chief Albert Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	178 269.25	23 338.59	-29 356.43	172 251.41
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	4 581 159.77	250 286.76	-201 339.66	4 630 106.87
Vote 7	Public Works Roads and Transport	736 485.50	87 970.99	-124 102.00	700 354.49
Vote 8	Community Safety Security and Liaison	13 599.09	5 302.15	-1 061.01	17 840.23
Vote 9	Health	1 510 606.96	322 669.35	-112 498.58	1 720 777.73
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	36 081.65	12 114.49	-4 594 .86	43 601.28
Vote 12	Human Settlement	18 316.54	4 824.58	-3 894.99	19 246.13
	SUB -TOTAL	7 074 518.76	706 506.91	-476 847.53	7 304 178.14
	National Department of Public Works	9 902 554.97	502 336.12	-194 968.34	10 209 922.75
	National Department of Rural Development and Land Reform	4 142 303.87	223 702.49	-	4 366 006.36
	SUB-TOTAL	21 119 377.60	1 432 545.52	-671 815.87	21 880 107.25
	TOTAL	21 119 377.60	1 432 545.52	-671 815.87	21 880 107.25

Table 56: Co-ordinated payments made to Mkhondo Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016 (Billed)	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R 13 756.09	R 13 756.09	-	R 13 756.09
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	R 489 826.41	R 489 826.41	-R 140 651.64	R 349 174.77
Vote 7	Public Works Roads and Transport	R 133 403.05	R 133 403.05	-	-
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	R 422 564.41	R 422 564.41	-R 9 2752.96	R 329 811.45
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	R 11 708.81	R 11 708.81	-	R 1 1708.81
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	R 1 071 258.77	R 1 071 258.77	-R 233 404.60	R 704 451.12
	National Department of Public Works	R904 158.81	R904 158.81	-	R904 158.81
	National Department of Rural Development and Land Reform	R 1 547 659.39	R1 547 659.39	-R 3139.86	R 1 544 519.53
	SUB -TOTAL	R 2 451 818.20	R 2 451 818.20	-R 3 139.86	R 2 448 678.34
	TOTAL	R 3 523 076.97	R 3 523 076.97	-R236 544.46	R3 153 129.46

Table 57: Co-ordinated payments made to Msukaligwa Local Municipality

Name of Department	Opening balances as at 31 May 2015	Monthly Invoices until June 2016	Payments	Outstanding balances as per municipality
Cooperative Governance and Traditional Affairs	-	-	-	-
Agriculture Rural Development Land and Environmental Affairs	89 416.65	846 140.80	793 017.43	142 540.02
Economic Development and Tourism	-	-	-	-
Education	114 955.95	1 100 435.72	962 819.42	252 572.25
Public Works Roads and Transport	3 338 722.36	9 995 061.50	12 199 322.70	1 134 461.16
Health	886 206.30	6 861 135.27	5 459 976.91	2 287 364.66
Culture Sport and Recreation	10 008.17	200 655.42	188 118.81	22 544.78
Social Development	76 961.97	753 318.81	768 231.37	62 049.41
Human Settlements	-	-	-	-
Sub Total	4 516 271.40	19 756 747.52	20 371 486.64	3 901 532.28
National Department of Public Works	1 807 546.06	8 586 527.87	8 459 554.64	316 527.59
National Department of Rural Development and Land Reform	2 152 695.05	42 155 911.05	606 838.39	191 667.11
Sub Total	3 960 241.11	50 742 438.92	9 066 393.03	508 194.70
Total	8 476 512.51	70 499 186.44	29 437 879.67	4 409 726.98

Table 58: Co-ordinated payments made to Govan Mbeki Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 079 915.43	Billing not done yet for June	-992 945.34	1 086 970.09
Vote 7	Public Works Roads and Transport	1 912 709.47	Billing not done yet for June	-1 909 442.22	3 267.25
Vote 8	Community Safety Security and Liaison	65 983.74	Billing not done yet for June	-17 008.18	48 975.56
Vote 9	Health	731 759.19	Billing not done yet for June	-274 598.81	457 160.38
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	4 790 367.83	N/A	-3 193 994.55	1 596 373.28
	National Department of Public Works	-	-	-	-
	National Department of Rural Development and Land Reform	-	-	-	-
	SUB -TOTAL	-	-	-	-
TOTAL		4 790 367.83	-	-3 193 994.55	1 596 373.28

Table 59: CONSOLIDATED PAYMENTS MADE TO MUNICIPALITIES AT GERT SIBANDE DISTRICT BY SECTOR DEPARTMENTS

Vote Number	Department	Outstanding balances unpaid to municipalities								Outstanding balance as per municipality unpaid
		Chief Albert LM	Dipaleseng LM	Govan Mbeki LM	Lekwa LM	Mkhondo LM	Msukaligwa LM	Dr Pixley Ka Isaka Seme LM		
Vote 1	Office of Premier	-	-	-	-	-	-	-	-	-
Vote 2	Finance	-	-	-	-	-	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R172 251.41	-	-	-	R13 756.09	R142 540.02	R787 734.01	-	R1 116 281.53
Vote 5	Economic Development and Tourism	-	-	-	-	-	-	-	-	-
Vote 6	Education	R4 630 106.87	R705 696.7	R1 086 970.09	R349174.77	R252 572.25	R545 484.51	R7 570 005.19	-	R7 570 005.19
Vote 7	Public Works Roads and Transport	R700 354.49	R363 631.89	R3 267.25	R10 789 000	-	R1 134 461.16	R93 172.19	-	R13 083 886.98
Vote 8	Community Safety Security and Liaison	R17 840.23	R1770909.48	R48 975.56	-	-	-	R4 945.88	-	R1 842 671.15
Vote 9	Health	R1 720 777.73	R21 126.29	R457 160.38	-	R329 811.45	R2 287 364.66	R391 747.09	-	R5 207 987.6
Vote 10	Culture Sport and Recreation	-	-	-	-	-	R22 544.78	-	-	R22 544.78
Vote 11	Social Development	R43 601.28	R50 164.33	-	-	R11 708.81	R62 049.41	-	-	R167 523.83
Vote 12	Human Settlements	R19 246.13	-	-	-	-	-	R19 368.09	-	R38 614.22
	Sub Total	R7 304 178.14	R2 911 528.69	R1 596 373.28	R10 789 000	R704 451.12	R3 901 532.28	R1 842 451.77	R29 049 515.28	R29 049 515.28
	National Department of Public Works	R10 209 922.75	R752 420.78	-	-	R904 158.81	R316 527.59	R17 591 290.61	-	R29 774 320.54
	National Department of Rural Development and Land Reform	R4 366 006.36	R198 144.13	-	-	R 1 544 519.53	R191 667.11	-	-	R6 300 337.13
	Sub -Total	R14 575 929.11	R950 564.91	-	-	R2 448 678.34	R508 194.70	R17591290.61	-	R36 074 657.67
	Total per local municipality	R21 880 107.25	R3 862 093.60	R1 596 373.28	R10 789 000	R3 153 129.46	R 4 409 726.98	R19 433 742.38	-	R65 124 172.95
Gert Sibande	Total outstanding balance to municipalities									R65 124 172.95

Table 60: Co-ordinated payments made to Bushbuckridge Local Municipality

Vote Number	Name of Department	Total amount outstanding	0 -30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Vote 1	Office of Premier	-	-	-	-	-	-
Vote 2	Finance	-	-	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	10 920.00	742.00	742.00	742.00	8 694.00	-
Vote 5	Economic Development and Tourism	-	-	-	-	-	-
Vote 6	Education	3 14 311.81	81 808.81	54 000.00	1950 13	3008 552 87	227 423.57
Vote 7	Public Works Roads and Transport	216 015 626.00	-	-	-	216 015 626 00	5 241 456.00
Vote 8	Community Safety Security and Liaison	-	-	-	-	-	-
Vote 9	Health	5 201 156.18	500 500.90	343 598.45	368 287 50	3 988 769 33	777 969.13
Vote 10	Culture Sport and Recreation	-	-	-	-	-	-
Vote 11	Social Development	-	-	-	-	-	-
Vote 12	Human Settlements	-	-	-	-	-	-
	Sub Total	25 265 883.18	583 051 .71	398 340.45	370 979.63	223 021 642.20	6 246 848.70
	SANPARKS(Kruger National Park)	38 179 261.01	1 521 462.49	1521 462.49	1521 462.15	33 614 873.88	-
	National Department of Public Works	48 939 397.40	82 446.00	4 754.54	9 090.15	48 843 106.71	-
	National Department of Rural Development and Land Reform	138 195 060.00	-	-	-	138 195 060.00	-
	Sub Total	225 3313 718.41	1 603 908.49	1 526 217.03	1 521462.15	220 653 040.59	-
	Total	2 505 972 601.59	2 186 960.20	1 924 557.48	1 892 441.78	443 674 682.79	6 246 848.70

Table 61: Co-ordinated payments made to Mbombela Local Municipality

Vote Number	Opening balances as at 31 may 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-
Vote 2	Finance	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-
Vote 5	Economic Development and Tourism	-	-	-
Vote 6	Education	R 14 270 996.16	-R 247 741.26	R 14 023 254.90
Vote 7	Public Works Roads and Transport	R 21 611 964.89	-R 4 164 618.71	R 17 447 346.18
Vote 8	Community Safety Security and Liaison	R 41 310.93	-	R 41 310.93
Vote 9	Health	R 4 658 437.26	-R 846 115.42	R 3 812 321.84
Vote 10	Culture Sport and Recreation	-	-	-
Vote 11	Social Development	-	-	-
Vote 12	Human Settlement	-	-	-
	SUB -TOTAL	R 40 582 709.24	-R 5 258 475.39	R 35 324 233.85
	National Department of Public Works	R 25 800 215.15	-R 6 905 801.64	R 18 894 413.51
	National Department of Rural Development and Land Reform	R 3 268 464.56	-	R 3 268 464.56
	SUB -TOTAL	R 29 068 679.71	-R 6 905 801.64	R 22 162 878.07
	TOTAL	R 69 651 388.95	-R 12 164 277.03	R 57 487 111.92

Table 62: Co-ordinated payments made to Umjindi Local Municipality

Vote Number	Opening balances as at 31 may 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-
Vote 2	Finance	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R19 898.51	-R16 615.83	R72 367.72
Vote 5	Economic Development and Tourism	-	-	-
Vote 6	Education	R104 184.75	-R325 432.40	R109 826.32
Vote 7	Public Works Roads and Transport	R774 168.18	-R 0.00	R4 745 955.54
Vote 8	Community Safety Security and Liaison	-	-	-
Vote 9	Health	R191 376.60	-R353 256.01	R394 811.88
Vote 10	Culture Sport and Recreation	R20 990.13	-R38 343.23	R43 434.95
Vote 11	Social Development	R6 753.00	-R1 752.04	R6 753.00
Vote 12	Human Settlement	-	-	-
	SUB -TOTAL	R111 7371.17	-R735 399.51	R5 373 149.41
	National Department of Public Works	-	-	-
	National Department of Rural Development and Land Reform	-	-	-
	TOTAL	R1 117 371.17	-R735 399.51	R5 373 149.41

Table 63: Co-ordinated payments made to Nkomazi Local Municipality

Vote Number	Department	Opening balances as at 31 may 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	22 694 387.73	1 567 232.9	-326 152.41	23 935 468.22
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 043 369.8	180 846.66	-1 535.48	2 222 681.03
Vote 7	Public Works Roads and Transport	1 839 731.92	177 650.23	-857 072.94	1 160 309.21
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	121 751.16	250 784.75	-5 738.61	366 797.30
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	26 699 240.66	2 176 514.54	-1 190 499.44	27 685 255.70
	National Department of Public Works	3 636 077.29	316 827.94	-317 167.14	3 635 738.09
	National Department of Rural Development and Land Reform	-	-	-	-
	SUB -TOTAL	3 636 077.29	316 827.94	-317 167.14	3 635 738.09
	TOTAL	30 335 317.95	2 493 342.48	-1 507 666.58	31 320 993.85

Table 64: Co-ordinated payments made to Thaba Chweu Local Municipality

Name of Department	Total amount outstanding	0 -30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture Rural Development Land and Environmental Affairs	868.24	868.24	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	1 592 215.95	441 272.11	135 300.14	121 309.58	894 334.12	-
Public Works Roads and Transport	81 637.18	32 115.14	49 084.46	437.58	-	-
Community Safety Security and Liaison	35 738.28	10 824.53	9 209.12	6 674.08	9 030.55	-
Health	769 190.64	292 058.44	208 902.86	90 006.66	178 222.68	-
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	113 128.62	13 339.24	4 707.69	6 087.23	88 994.46	-
Human Settlements	-	-	-	-	-	-
Sub Total	2 592 778.91	790 477.70	407 204.27	224 515.13	1 170 581.81	-
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	14 046 409.51	258 978.54	-	-	13 787 430.97	-
National Department of Rural Development and Land Reform	2 268 859.21	119 016.19	119 083.44	109 403.34	1 921 356.24	-199 000.00
Sub Total	16 315 268.72	377 994.73	119 083.44	109 403.34	15 708 787.21	-199 000.00
Total	18 908 047.63	1 168 472.43	526 287.71	333 918.47	16 879 369.02	-199 000.00

Table 65: CONSOLIDATED PAYMENTS TO MUNICIPALITIES AT EHLANZENI DISTRICT BY SECTOR DEPARTMENTS

Vote Number	Department	Outstanding balances unpaid to municipalities					Overall Outstanding balances per Department unpaid
		Bushbuckridge LM	Mbombela LM	Nkomazi LM	Thaba Chweu LM	Umjindi LM	
Vote 1	Office of Premier	-	-	-	-	-	-
Vote 2	Finance	-	-	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R10 920.00	-	R23 935 468.22	R868.24	R72 367.72	R24 019 624.18
Vote 5	Economic Development and Tourism	-	-	-	-	-	-
Vote 6	Education	R314 311.81	R 14 023 254.90	R2 222 681.03	R1 592 215.95	R109 826.32	R18 262 290.01
Vote 7	Public Works Roads and Transport	R216 015 626.00	R17 447 346.18	R1 160 309.21	R81 637.18	R4 745 955.54	R239450874.11
Vote 8	Community Safety Security and Liaison	-	R 41 310.93	-	R35 738.28	-	R77049.21
Vote 9	Health	R5 201 156.18	R3 812 321.84	R366 797.30	R769 190.64	R394 811.88	R10 544 277.84
Vote 10	Culture Sport and Recreation	-	-	-	-	R43 434.95	R43 434.95
Vote 11	Social Development	-	-	-	R113 128.62	R6 753.00	R119 881.62
Vote 12	Human Settlements	-	-	-	-	-	-
	Sub Total	R221542013.99	R35 324 233.85	R27 685 255.70	R2 592 778.91	R5 373 149.41	R292 517 431.86
	SANPARKS(Kruger National Park)	R38 179 261.01	-	-	-	-	R38 179 261 01
	National Department of Public Works	R48 939 397.40	R18 894 413.51	R3 635 738.09	R14 046 409.51	-	R85 515 958.51
	National Department of Rural Development and Land Reform	R138 195 060.00	R 3 268 464.56	-	R2 268 859.21	-	R143 732 383.77
	Sub -Total	R225 313 718.41	R22 162 878.07	R3 635 738.09	R16 315 268.72	-	R267 427 603.29
	Total per local municipality	R 446 855 732.4	R 57 487 111.92	R31 320 993.79	R18 908 047.63	R5 373 149.41	R 559 945 035.15
Ehlanzeni	Total outstanding balance to municipalities						R 559 945 035.15

5.6.6.1 Provincial Analysis on payments made to municipalities by sector departments

Findings

The following findings were made that sector departments owed municipalities a total amount of R 741 328 597.01.

Generally municipalities are experiencing the following challenges with regards to payments:

- Sector departments are in arrears in honouring debt responsibilities due to budgetary constraints
- Municipalities are not allocating receipts on time due to late financial system closures
- Municipalities are failing to submit invoices on time to the correct departments
- Data on billing system not credible in certain instances
- Municipalities allocate funds incorrectly in certain instances hence credit balances on some accounts.

National and Provincial Interventions

- Provincial Treasury convened a monthly debt steering committee with sector departments to encourage departments to honour their debt commitments.

Recommendations

- That municipalities acknowledge their responsibility in terms of Section 135 of the Municipal Finance Management Act 56 of 2003 by ensuring that correct information is submitted to sector departments and monies are collected and correctly allocated in accordance with their Credit Control and Debt collection policy;
- Municipalities to report to the Provincial and National Treasury departments persistently failing to honour their debt commitments and request the deduction of a portion of their equitable share towards the payment of outstanding debt;
- That defaulting sector departments be reported to Provincial Management Committee (PMC)
- That each department must reconcile payments made and submit proof of payment per municipality on a monthly basis
- Departments follow up with municipalities to submit credible invoices in order to facilitate prompt payment;

5.6.7 % Municipal Infrastructure Grant budget approximately spent

Table 66: % of Municipal Infrastructure Grant budget approximately spent

District	Municipality	2013/14			2014/15			2015/16		
		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	317.79	317.79	100%	303.56	241.03	79 %	366.16	366.16	100%
	Mbombela	241.16	95.01	39%	286.04	258.64	90 %	298.26	260.67	87%
	Nkomazi	131.42	131.42	100%	245.29	228.81	93 %	219.38	219.38	100%
	Thaba Chweu	39.05	39.05	100%	57.00	44.85	79 %	64.65	64.65	100%
	Umjindi	28.05	26.84	96%	29.82	29.82	100%	40.65	40.65	100%
	Ehlanzeni	757.48	610.11	81%	921.72	803.14	87 %	989.10	951.51	96%
GERT SIBANDE	Chief Albert Luthuli	134.26	104.95	78%	105 407	119 612	88 %	94.09	94.09	100%
	Dipaleseng	20.59	15.87	77%	28.99	16.65	57 %	18.32	9.44	52%
	Govan Mbeki	102.03	102.03	100%	83.78	80.65	96 %	55.89	54.93	98%
	Lekwa	41.32	41.32	100%	33.99	33.75	99 %	27.97	27.97	100%
	Mkhondo	65.62	65.62	100%	82.77	82.77	100 %	81.67	81.67	100%
	Msukaligwa	38.48	38.48	100%	43.76	32.95	75 %	39.98	39.98	100%
	Dr. Pixley Ka Isaka Seme	30.61	30.61	100%	18.22	18.22	100 %	25.65	23.99	94%
	Gert Sibande	432.91	398.87	92%	396.92	370.40	93 %	343.57	332.07	97%
NKANGALA	Emalahleni	76.10	76.10	100%	111.48	109.31	98 %	115.80	115.80	100%
	Emakhazeni	13.32	13.32	100%	17.23	17.23	100 %	20.76	20 76	100%
	Steve Tshwete	41.76	38.36	92%	52.28	51.99	99 %	48.09	47.15	98%
	Victor Khanye	23.63	23.63	100%	23.57	21.48	91 %	24.19	24.19	100%
	Dr. JS Moroka	111.24	111.24	100%	146.88	141.82	97 %	124.75	119.05	95%
	Thembisile Hani	109.28	88.57	81%	47.44	47.44	100 %	89.14	89.14	100%
	Nkangala	375.33	317.78	85%	398.88	389.28	98 %	422.73	416.09	98%
	1565.72	1326.76	85%	1708.52	1562.82	91%	1755.40	1699.67	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 2013/14 financial year municipalities across the province were allocated **R 1.5 billion** and were only able to spend **R 1.3 billion** the spending was at 85%. In the 2014/15 financial year municipalities were allocated **R 1.7 billion** and were only able to spend **R 1.5 billion** which is (91%). In the 2015/16 financial year municipalities were allocated **R 1.7 billion** and were only able to spend **R 1.6 billion**, which was (97%). A total of 6 municipalities were unable to spend 100% of their allocations by the end of their financial year. These include Mbombela, Dipaliseng, Govan Mbeki, Dr Pixley Ka Isaka Seme, Steve Tshwete and Dr JS Moroka.

5.6.8 % of Municipal Systems Improvement Grant spent as of total MSIG budget

The Municipal System Improvement Grant (MSIG) is a conditional grant directed to selected District and local municipalities. The purpose of the grant is to support municipalities' new systems as provided in the Municipal Systems Act, Municipal Structures Act and other related local government policy and legislation so that they can carry mandated functions effectively. The focus of MSIG varies year in and year out considering the strategic priorities of government with regards to the implementation of 5 Year Local

Government Strategic Agenda. The focus of MSIG is as follows;

- Development and implementation of municipal turnaround strategies;
- Strengthening administrative systems for effective implementation of ward participation systems;
- Support interventions for municipal viability management and improvement of a municipal audit outcomes; and
- Implementation of effective information systems enabling regular reporting on drinking and waste water quality.

Table 67: Indicate % spent on total MSIG budget per municipality

Name of municipality	2014/15				2015/16			
	Allocation 2014/15	Expenditure 2014/15	Balance	Percentage	Allocation 2015/16	Expenditure 2015/16	Balance	Percentage
Ehlanzeni district	R934 000	INP	INP	INP	R940 000	R940 000	-	100%
Bushbuckridge	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Mbombela	R934 000	R934 000	0	100	R930 000	R542 045	R387 955	58.28%
Nkomazi	R934 000	INP	INP	INP	R930 000	R930 000	-	100%
Thaba Chweu	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Umjindi	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Gert Sibande District	R934 000	R934 000	0	100	-	-	-	0
Chief Albert Luthuli	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Dipaleseng	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Govan Mbeki	R934 000	INP	INP	INP	R930 000	R895 584	R34 416	96%
Lekwa	R934 000	INP	INP	INP	R930 000	R738 739	R191 261	79%
Mkhondo	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Msukaligwa	R934 000	R934 000	0	100	R930 000	R177 650	R752 350	19.10%
Dr. Pixley Ka Isaka Seme	R934 000	R498 708	435 292	53	R930 000	R912 540	R17 460	98%
Nkangala district	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Emalahleni	R934 000	R934 000	934 000	100	-	-	-	0
Emakhazeni	R934 000	R934 000	934 000	100	R930 000	R495 811	R434 189	51%
Steve Tshwete	R934 000	R789 954	144 046	85	R940 000	R940 000	-	100%
Victor Khanye	R934 000	R934 000	934 000	100	R930 000	R930 000	-	100%
Dr. JS Moroka	R934 000	R890703	43 297	95	R930 000	R830776	R99 224	89.33%
Thembisile Hani	R934 000	R934 000	934 000	100	R930 000	R930 000	-	100%
TOTAL	R19 614 000	R14 321 365	R4 358 635	73%	R17 690 000	R15 773 145	R1 916 855	89%

(Source: Section 46 reports from municipalities)

5.6.8.1 Analysis of the Municipal Systems Improvement Grant spent as of total MSIG budget

Findings

The following findings were made on the ability of municipalities to spending the MSIG, that in the 2014/15 financial year municipalities across the province were allocated **R 19 614 000** and were only able to spend **R 14 321 365** for which the spending was at 73%. In the 2015/16 financial year municipalities were allocated **R 17 690 000** and were able to spend **R 15 773 145** which means an expenditure of 89% which means a 16% increase.

12 municipalities managed to spend 100% of their MISG allocation, while Emalahleni and Gert Sibande District did not receive the any allocation. Mbombela, Govan Mbeki, Lekwa, Msukaligwa, Dr Pixley Ka Isaka Seme, Emakhazeni and Dr JS Moroka municipalities could not spend their entire allocation and their spending ranged between 19% and 98% of their allocations.

Challenges

The following challenges were noted with regards:

- Municipalities do not spend their budget in line with their business plans;
- Poor reporting by municipalities;
- Non -submission of detailed business plans to National DCoG by Municipalities;
- Municipalities don't utilise the funding for what it is intended for (System improvement)

National and Provincial Interventions

- Municipalities were visited and assisted to complete business plans; and to report
- Municipalities were also advised not to spend the MSIG grant for operational activities

Recommendations

- That the Department encourages municipalities to adequately report on their activities and submit business plans on time to National DCoG.
- That municipalities implement the planned projects in line with the business plan
- That the CFOs offices monitor the correct expenditure

5.6.9 Submission of Annual Financial Statements for 2015/16 Financial Year

Table 68: Submission of AFS for 2015/16 FY

Name of Municipality	2014/15		Date of AFS submission to AG by the municipality	2015/16		Date of AFS submission to AG by 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		31/08/2015	Yes		31/08/2016
Msukaligwa	Yes		31/08/2015	Yes		31/08/2016
Mkhondo	Yes		31/08/2015	Yes		31/08/2016
Dr. Pixley Ka Isaka Seme	Yes		31/08/2015	Yes		31/08/2016
Lekwa	Yes		31/08/2015	Yes		31/08/2016
Dipaleseng	Yes		31/08/2015	Yes		31/08/2016
Govan Mbeki	Yes		31/08/2015	Yes		31/08/2016
Gert Sibande District	Yes		31/08/2015	Yes		31/08/2016
Victor Khanye	Yes		31/08/2015	Yes		31/08/2016
Emalahleni	Yes		31/08/2015	Yes		31/08/2016
Steve Tshwete	Yes		31/08/2015	Yes		31/08/2016
Emakhazeni	Yes		31/08/2015		No	INP
Thembisile Hani	Yes		31/08/2015	Yes		31/08/2016
Dr. JS Moroka	Yes		31/08/2015	Yes		31/08/2016
Nkangala District	Yes		31/08/2015	Yes		31/08/2016
Bushbuckridge	Yes		31/08/2015	Yes		31/08/2016
Thaba Chweu	Yes		31/08/2015	Yes		31/08/2016
Mbombela	Yes		31/08/2015	Yes		31/08/2016
Umjindi	Yes		31/08/2015	Yes		31/08/2016
Nkomazi	Yes		31/08/2015	Yes		31/08/2016
Ehlanzeni District	Yes		31/08/2015	Yes		31/08/2016
Total	21		31/08/2015	Yes		31/08/2016

(Source: AG 2015/16 Audit Outcomes)

5.6.9.1 Analysis on the preparation and submission of AFS

Findings

All 20 municipalities met the statutory deadline of 31 August 2016 to submit the annual financial statements to the Auditor General, except Emakhazeni LM.

5.6.10 Use of consultants to prepare AFS

Table 69: Indicate municipalities that utilized consultants to prepare AFS

Name of Municipality	2014/15				2015/16			
	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		No	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		No	Yes		Yes			Yes
Emalahleni	Yes			Yes	Yes			Yes
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni		No	Yes		Yes		Yes	
Thembisile Hani	Yes		Yes		Yes			Yes
Dr.JS Moroka		No	Yes		Yes			Yes
Nkangala District		No	Yes			No	Yes	
Bushbuckridge	Yes		Yes		Yes		Yes	
Thaba Chweu		No	Yes		Yes			Yes
Mbombela		No	Yes			No	Yes	
Umjindi		No	Yes			No	Yes	
Nkomazi		No		Yes		No		Yes
Ehlanzeni District		No	Yes			No	Yes	
Total	7	14	18	3	11	10	14	7

(PT Consolidated Municipal Report: 2015)

5.6.10.1 Analysis on the use of consultants when preparing AFS

Findings

11 out of 21 municipalities used consultants to prepare annual financial statements in the year under review: Msukaligwa, Mkhondo, Dr. Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Emalahleni, Emakhazeni, Thembisile Hani, Dr JS Moroka, Bushbuckridge and Thaba Chweu. 7 out of 21 municipalities had acting chief financial officers during 2015/16 financial year namely; Msukaligwa, Victor Khanye, Emalahleni, Thembisile Hani, Dr JS Moroka, Thaba Chweu and Nkomazi.

5.6.11 Timely submission of the Annual Report for the 2015/16 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 70: Submission of the 2015/16 Annual Report

Name of Municipality	2014/15		2015/16	
	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2015?		Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2016?	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes		Yes	
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalahleni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes			No
Thembisile Hani	Yes		Yes	
Dr. JS Moroka	Yes		Yes	
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
Mbombela	Yes		Yes	
Umjindi	Yes		Yes	
Nkomazi	Yes		Yes	
Ehlanzeni District	Yes		Yes	
Total	21		20	1

(Source: AG 2015/16 Audit Outcomes)

5.6.11.1 Provincial Analysis

Findings

All 20 municipalities submitted the unaudited 2015/16 Annual Reports together with the Annual Financial Statements by the statutory deadline of 31 August 2016, only Emakhazeni Municipality did not submit on the prescribed deadline.

Challenges

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

Intervention

- Provincial Treasury to assist municipalities where capacity challenges are experienced

Recommendation

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

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 71: Indicate municipalities' with functional ward committees

DISTRICT	Municipality	2013/14		2014/15		2015/16	
		No of functional ward committees	% of functional ward committees	No of functional ward committees	% of functional ward committees	No of functional ward committees	% of functional ward committees
EHLANZENI	Mbombela	36	98%	22	56%	18	46%
	Umjindi	09	100%	06	67%	09	0%
	Nkomazi	32	98%	11	33%	25	78%
	Bushbuckridge	37	100%	16	43%	37	100%
	Thaba Chweu	12	96%	11	79%	04	29%
NKANGALA	Emakhazeni	07	98%	04	50%	03	38%
	Steve Tshwete	26	96%	26	90%	25	86%
	Dr J S Moroka	26	94%	25	81%	29	94%
	Emalahleni	23	88%	33	97%	32	94%
	Thembisile Hani	27	93%	32	100%	32	100%
	Victor Khanye	04	48%	09	100%	05	56%
GERT SIBANDE	Chief Albert Luthuli	24	98%	23	92%	22	88%
	Msukaligwa	12	89%	17	89%	17	89%
	Lekwa	08	63%	12	80%	11	73%
	Govan Mbeki	02	03%	25	78%	13	41%
	Dipaleseng	05	98%	04	67%	06	100%
	Mkhondo	12	88%	17	84%	05	26%
	Dr Pixley Ka Isaka Seme	11	100%	11	100%	11	100%
TOTAL		289	72%	304	76%	295	73%

(Source: Section 46 reports from municipalities)

5.7.1.1 Analysis on Functionality of Ward Committees

Findings

The following findings were made that in the 2013/14 financial year only 289 ward committees were functional out of 402. In the 2014/15 financial year there was an increase as 304 ward committees were functional. In 2015/16 financial year functionality of ward committees dropped again to only 295 operational ward committees.

Challenges

The drop in performance and functionality of ward committees were a result of the following reasons:

- Failure to convene meetings by Ward Councillors
- Non implementation of ward operational plans
- Poor working relationship between CDWs and Ward Committees

Interventions

- COGTA has held sessions to assist ward committees to develop ward operational plans
- COGTA held session with ward committees that were reported to be dysfunctional to improve their functionality;
- Role clarification workshops convened between CDWs and Ward Committees to strengthen working relationships

Recommendations

- Speakers offices in municipalities to ensure that all ward councillors convene community meetings as required.
- Municipalities to monitor and enforce the implementation of the Ward Operational Plans.

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

All CDWs are performing their duties as expected, however in some wards CDWs have died and have not been replaced currently there are 342 CDWs and there are 60 vacant posts.

Challenges

- Shortage of CDWs due to death and/or resignations
- Poor working relationship between CDWs and Ward committees
- Shortage of tools of trade

Support interventions by National and Provincial government

- Programme 2 motivated for the filling of all vacant CDW posts because the appointment of the CDW has exceeded benchmark.

Recommendations

- Programme 2 to motivate for the filling of all vacant CDW posts

5.8 ADMINISTRATIVE & INSTITUTIONAL CAPACITY

5.8.1 Institutional Development and Transformation

The Department supports and monitors 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 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 2016

Table 72: Vacancy Rate in Senior Management Posts as of June 2016 per District

District	2014/15						2015/16					
	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	38	33	26	7	5	13%	39	33	26	7	6	15%
Gert Sibande	49	45	37	8	4	8%	49	46	36	10	3	6%
Nkangala	38	26	17	9	12	31%	38	32	19	13	6	15%
Total	125	104	80	24	21	17%	126	111	81	30	15	12%

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

Posts	2014/15			2015/16		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	6	5	1	6	4	2
Chief Financial Officer	6	5	1	6	4	2
Technical Services	6	4	3	6	4	2
Corporate Services	6	6	0	6	6	0
Community Services	6	6	0	6	6	0
Development and Planning	2	2	0	6	4	2
Chief Operations Officer	2	2	0	1	1	0
LED and Tourism	2	2	0	-	-	-
Manager Human Settlements	1	1	0	-	-	-
Total	38	33	5	37	29	8

(Source: Section 46 reports from municipalities)

At Ehlanzeni district in the 2015/16 financial year out of 37 approved section 56/57 posts, only 29 posts were filled and the vacancy rate stood at 22% as compared to 13% for 2014/15 financial year. The following posts remained vacant 2 Municipal Managers, 2 Chief Financial Officers 2 Technical Services Managers and 2 Development and Planning Senior Managers.

Table 74: Filling of S54 and S56 Managers

Posts	2014/15			2015/16		
	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	7	1	8	8	0
Chief Financial Officer	8	7	1	8	7	1
Technical	8	7	1	8	6	2
Corporate Services	8	8	0	8	8	0
Community Services	8	8	0	8	8	0
Development and Planning	6	6	0	8	6	2
Human Settlement	1	0	1	1	1	0
Public Safety	2	2	0	-	-	-
TOTAL	49	45	4	49	44	5

(Source: Section 46 reports from municipalities)

At Gert Sibande district out of 49 approved section 56/57 posts only 44 were filled in the 2015/16 financial year indicating a slight decline in the rate of filling of vacant posts by 10% (unfilled) as compared to 8% (unfilled) in 2014/15 financial year. The following posts were still vacant 1 CFO, 2 Technical Services and 2 Development and Planning.

Nkangala District

Table 75: Filling of S54 and S56 Managers in Nkangala

Posts	2014/15			2015/16		
	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	2	5	7	6	1
Chief Financial Officer	7	2	1	7	5	2
Technical	7	6	1	7	6	1
Corporate Services	7	5	2	7	6	1
Development Planning	2	2	0	2	2	0
Community Services	7	5	2	7	6	1
Environmental waste management	1	0	1	-	-	-
TOTAL	38	26	12	37	31	6

(Source: Section 46 reports from municipalities)

At Nkangala District in the 2014/15 financial year out of 38 approved S56/57 posts only 26 were filled which was 31.6% unfilled. 2015/16 financial year out of 37 approved S56/57 posts only 31 were filled which is an improvement of 16.2% vacancy rate. However the following posts were vacant 1 Municipal Manager, 2 CFOs, 1 Corporate Services, 1 Technical Services and 1 Community Services.

5.8.2.3 Analysis of Performance on Institutional Development Findings

In 2014/15 financial year out of 125 senior managers posts that were approved across all municipalities in the province and only 104 were filled of which 80 were held by male and 24 by female candidates and none were filled by the disabled individuals still 21 posts were never filled. In 2015/16 out of 126 approved posts only 111 were filled of which 81 were filled by male and 30 by female candidates and none were filled by the disabled individuals. The vacancy rate decreased from 17% in 2014/15 financial year to 12% in 2015/16 financial year.

The breakdown of vacant posts across all three districts in the province as at the end of June 2016 is as follows:

- At Steve Tshwete, Ehlanzeni District and Thaba Chweu Municipal managers post were vacant.
- At Dr Pixley Ka Isaka Seme, Victor Khanye, Dr JS Moroka, Umjindi and Nkomazi, CFOs posts were vacant.
- At Gert Sibande District, Dipaleseng, Dr Pixley Ka Isaka Seme, Steve Tshwete, Umjindi and Nkomazi Technical Services Directors were vacant.
- At Steve Tshwete Corporate Services Director post was vacant.

Challenges in the filling of vacant posts

The following challenges were experienced by all municipalities:

- There is sometimes low turn up of applicants who meet the post requirements, making it difficult for the municipality to fill the posts within the stipulated timeframe.
- Delays by municipalities in advertising and filling vacant posts

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 was 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.

Recommendation

- 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.

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 76: Filling of S54 and S56 Managers

Districts	Municipality	2013/14			2014/15			2015/16		
		No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of vacancies for female Section 57 Managers	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of vacancies for female Section 57 Managers	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of vacancies for female Section 57 Managers
EHLANZENI	Bushbuckridge	6	2	0	7	2	0	7	2	0
	Mbombela	8	1	0	8	2	0	8	2	0
	Nkomazi	6	1	0	6	1	0	6	1	0
	Thaba Chweu	5	0	0	5	1	0	5	1	0
	Umgjindi	7	0	0	7	0	0	7	0	0
	Ehlanzeni	7	1	0	7	1	0	7	1	0
	TOTAL	39	05	0	40	07	0	39	7	0
GERT SIBANDE	Chief Albert Luthuli	7	0	0	7	0	0	7	0	0
	Dipaleseng	6	2	0	6	2	0	6	2	0
	Govan Mbeki	6	2	0	6	2	0	6	2	0
	Lekwa	6	1	0	6	2	0	6	2	0
	Mkhondo	5	0	0	6	0	0	6	1	0
	Msukaligwa	6	0	0	6	0	0	6	1	0
	Dr. Pixley Ka Isaka Seme	5	1	0	5	1	0	5	1	0
	Gert Sibande	6	1	0	7	1	0	7	1	0
	TOTAL	47	07	0	49	08	0	49	10	0
NKANGALA	Emalahleni	6	1	0	7	1	1	7	3	0
	Emakhazeni	6	3	0	6	2	1	6	3	0
	Steve Tshwete	5	3	0	5	2	0	4	2	0
	Victor Khanye	5	3	0	5	1	0	4	1	0
	Dr. JS Moroka	5	1	0	5	0	0	5	2	0
	Thembisile Hani	5	0	0	5	1	0	5	1	0
	Nkangala	5	3	0	5	3	0	5	3	0
	TOTAL	37	14	0	38	10	02	38	16	0

(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 increase in the appointment of female section 57 (54A/56) from 26 (21.14%) in the 2013/14 financial year, 25 (16.69%) in the 2014/15 financial year it was slightly lower and 33 (26.19%) appointments in the 2015/16 financial year there was a slight increase again. Nkangala District had the highest female appointees at 42% at S54/56 level, followed by Gert Sibande District at 20.4 %, with Ehlanzeni District with the lowest at standing at 17.95%.

Challenges

Municipalities experienced the following challenges:

- Failure by municipalities to comply with the Employment Equity Act

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.

Recommendation

- Municipalities must comply with the Employment Equity Act.

5.8.4 Employment of people with disabilities

Table 77: Employment of People with Disabilities

DISTRICTS	Municipality	2013/14			2014/15			2015/16		
		Total no. of people with disabilities	no. of people with disabilities	% No of vacancies for people of disabilities	Total no. of people with disabilities	no. of people with disabilities	% No of vacancies for people of disabilities	Total no. of people with disabilities	no. of people with disabilities	% No of vacancies for people of disabilities
EHLANZENI	Bushbuck rid gee	3	3	0	4	4	0	12	12	0
	Mbombela	15	15	0	6	6	0	6	6	0
	Nkomazi	5	5	0	4	4	0	4	4	0
	Thaba Chweu	4	4	0	4	4	0	4	4	0
	Umjindi	3	3	0	3	3	0	3	3	0
	Ehlanzeni	0	0	0	0	0	0	0	0	0
	TOTAL	30	30	0	21	21	0	29	29	0
GERT SIBANDE	Chief Albert Luthuli	1	1	0	1	1	0	1	1	0
	Dipaleseng	2	2	0	5	5	0	5	5	0
	Govan Mbeki	13	13	0	13	13	0	18	18	0
	Lekwa	3	3	0	5	5	0	4	4	0
	Mkhondo	4	4	0	4	4	0	14	14	0
	Msukaligwa	7	7	0	6	6	0	4	4	0
	Dr. Pixley Ka Isaka Seme	4	4	0	4	4	0	4	4	0
	Gert Sibande	2	2	0	1	1	0	2	2	0
	TOTAL	36	36	0	38	38	0	53	53	0
NKANGALA	Emalahleni	20	20	0	21	21	0	21	21	0
	Emakhazeni	1	1	0	0	0	0	0	0	0
	Steve Tshwete	23	23	0	24	24	0	24	24	0
	Victor Khanye	5	5	0	7	7	0	7	7	0
	Dr. JS Moroka	2	2	0	2	2	0	1	1	0
	Thembisile Hani	7	7	0	5	5	0	9	9	0
	Nkangala	1	1	0	2	2	0	2	2	0
TOTAL	59	59	0	61	61	0	59	59	0	

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 all the posts of the people with disabilities as planned. Out of a total 375 approved posts across the three districts in the province a total of 141 posts were filled accounting for 38% of the entire staff compliment. The top four (4) municipalities with the highest number employees with disabilities are:

- Steve Tshwete at twenty four (24) followed by
- Emalahleni with 21
- Govan Mbeki with 18 and
- Bushbuckridge with 12 employees of disability.

Emakhazeni has performed dismally in this area with only one (1) post designated for this group.

Challenges

- Municipalities are finding it difficult to attract individuals with disabilities in all categories.

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.

Recommendations

- Municipalities to comply as per the Employment Equity Act.

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

Table 78: Employees aged between 35 or younger

Districts	Municipality	2013/14			2014/15			2015/16		
		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	1113	186	17%	1029	229	22%	1773	271	15%
	Mbombela	2063	444	22%	2210	479	22%	4743	449	9%
	Nkomazi	1500	379	25%	1500	385	27%	1500	385	26%
	Thaba Chweu	760	64	8%	541	100	18.5%	697	101	14%
	Umjindi	345	165	49%	405	77	19%	405	77	19%
	Ehlanzeni	135	39	29%	145	35	24%	152	35	23%
	TOTAL	5916	1277	21%	5830	1305	22%	9270	1318	14%
GERT SIBANDE	Chief Albert Luthuli	470	156	33%	454	0	0	490	0	0%
	Dipaleseng	424	34	8%	334	0	0	334	60	18%
	Govan Mbeki	894	321	40%	2005	271	14%	2005	271	14%
	Lekwa	692	105	14%	606	91	15%	606	99	16.34 %
	Mkhondo	662	171	26%	-	-	-	600	190	32%
	Msukaligwa	837	143	17%	854	123	14.40%	854	113	13%
	Dr. Pixley Ka Isaka Seme	375	75	20%	375	74	20%	375	75	20%
	Gert Sibande	322	12	4%	328	149	45.4%	297	98	33%
	TOTAL	4676	1017	21.7%	4956	708	14.3%	5561	906	16%
NKANGALA	Emalahleni	1625	307	19%	1 711	319	19%	3336	291	8.7%
	Emakhazeni	529	139	26%	507	144	28%	514	122	24%
	Steve Tshwete	1442	379	26%	1477	401	27%	1477	406	27%
	Victor Khanye	523	95	18%	459	124	27%	496	124	25%
	Dr. JS Moroka	903	136	15%	986	159	16%	981	159	16%
	Thembisile Hani	544	78	14%	587	141	24%	406	116	28.6%
	Nkangala	254	92	36%	287	87	30%	287	97	34%
	TOTAL	5820	1226	21%	6014	1375	23%	7497	1315	17.54%
GRAND TOTAL	16412	3 520	21%	16 800	3 388	20.17%	20 328	3 539	17%	

(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 2013/14 financial year there were 16 412 approved posts for people 35 and younger across all municipalities in the province only 3 520 were filled. In the 2014/15 financial year out of 16 800 approved posts only 3 388 were filled. In the 2015/16 financial year there were 20 328 approved posts for people 35 and younger across all municipalities in the province. Out of the 20 328 approved posts only 3 539 were filled accounting for 17% of the entire staff compliment of municipalities which was 4% decrease as compared to the 2013/14 financial year and 3.17% decrease when compared to the 2014/15 financial year.

Challenges

- Municipalities set targets to employ youth but fail to budget for those posts.
- Financial constraints (Moratorium) resulting in posts not advertised.

Interventions by National and Provincial department

Municipalities were also advised on the implementation of the Employment Equity Act to ensure that youth posts are also created in the municipal organograms.

Recommendations

- Municipalities to comply with employment equity act.
- Municipalities to budget for youth employment as per the act.

5.8.6 Integrated Capacity Building Plans Implementation

Table 79: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	Management level	2013/14		2014/15		2015/16	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
EHLANZENI	Bushbuckridge	Councillors	28	28	130	48	74	24
		Senior Management level	4	4	33	41	44	42
		Lower level employees	853	111	154	123	660	166
		Technicians and professional	6	6	352	148	295	46
		TOTAL	891	149	669	360	1073	278
	Mbombela	Councillors	78	53	39	39	89	0
		Senior Management level	35	30	48	40	104	26
		Lower level employees	500	359	610	110	610	19
		Technicians and professional	59	50	131	118	131	6
		TOTAL	672	492	828	307	934	51
	Thaba Chweu	Councillors	28	10	INP	INP	27	27
		Senior Management level	6	3	INP	INP	4	4
		Lower level employees	349	75	INP	INP	56	56
		Technicians and professional	45	18	INP	INP	38	38
		TOTAL	428	106	INP	INP	125	125
	Umjindi	Councillors	12	12	18	16	18	4
		Senior Management level	10	9	7	0	06	03
		Lower level employees	222	118	222	5	323	211
		Technicians and professional	62	38	64	10	11	0
		TOTAL	306	177	311	31	358	218
Nkomazi	Councillors	65	21	65	25	65	45	
	Senior Management level	29	27	31	31	32	31	
	Lower level employees	854	700	870	826	912	865	
	Technicians and professional	37	37	49	49	51	51	
	TOTAL	985	785	1015	931	1060	992	
Ehlanzeni District	Councillors	30	10	28	14	11	6	
	Senior Management level	22	9	26	10	21	7	
	Lower level employees	45	45	47	37	70	44	
	Technicians and professional	60	8	55	25	59	65	
	TOTAL	157	72	156	86	161	129	
GERT SIBANDE	Chief Albert Luthuli	Councillors	50	32	49	3	6	6
		Senior Management level	18	10	28	10	20	20
		Lower level employees	348	68	342	20	348	23
		Technicians and professional	32	10	35	25	32	6
		TOTAL	448	120	454	58	406	55
	Dipaleseng	Councillors	12	12	12	1	12	7
		Senior Management level	16	16	13	13	15	15
		Lower level employees	89	65	20	10	152	88
		Technicians and professional	27	27	150	35	20	16
		TOTAL	144	120	195	59	199	126
	Govan Mbeki	Councillors	60	59	63	18	63	32
		Senior Management level	30	29	34	6	29	2
		Lower level employees	1015	989	1075	59	1003	74
		Technicians and professional	152	76	188	32	351	18
		TOTAL	1257	1153	1360	115	1446	126

DISTRICT	Municipality	Management level	2013/14		2014/15		2015/16	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
	Lekwa	Councillors	20	20	30	20	30	20
		Senior Management level	5	5	27	5	6	0
		Lower level employees	41	41	433	41	462	40
		Technicians and professional	12	12	57	12	108	20
		TOTAL	78	78	547	78	606	80
NKANGA DISTRICT	Mkhondo	Councillors	25	25	25	25	38	08
		Senior Management level	3	3	3	3	27	19
		Lower level employees	320	312	320	312	258	108
		Technicians and professional	15	12	15	12	127	54
		TOTAL	363	352	363	352	450	189
	Msukaligwa	Councillors	14	10	INP	10	38	22
		Senior Management level	16	7	INP	4	6	2
		Lower level employees	71	41	INP	16	28	10
		Technicians and professional	46	15	INP	0	1	0
		TOTAL	147	73	INP	30	73	34
	Dr. Pixley Ka Isaka Seme	Councillors	65	65	21	11	21	01
		Senior Management level	21	19	21	21	21	17
		Lower level employees	66	66	328	88	248	178
		Technicians and professional	25	25	5	5	4	4
		TOTAL	177	175	375	125	294	200
	GERT SIBANDE DISTRICT	Councillors	18	18	19	8	19	13
		Senior Management level	12	6	5	5	5	3
Lower level employees		134	134	179	55	77	52	
Technicians and professional		12	12	41	18	142	95	
TOTAL		176	170	244	86	243	163	
NKANGA DISTRICT	Emalahleni	Councillors	4	4	67	23	68	15
		Senior Management level	7	7	69	37	69	51
		Lower level employees	538	389	1121	324	1176	244
		Technicians and professional	50	23	331	106	193	129
		TOTAL	599	423	1588	490	1506	439
	Emakhazeni	Councillors	-	-	15	6	15	3
		Senior Management level	4	4	6	5	20	19
		Lower level employees	31	31	28	19	154	26
		Technicians and professional	5	5	9	6	61	8
		TOTAL	40	40	58	36	250	56
	Steve Tshwete	Councillors	7	5	5	28	58	0
		Senior Management level	8	12	13	5	58	4
		Lower level employees	114	202	253	162	549	176
		Technicians and professional	54	48	80	102	857	7
		TOTAL	183	267	351	297	1522	187
	Victor Khanye	Councillors	15	10	17	4	17	8
		Senior Management level	22	6	42	8	5	3
Lower level employees		260	113	169	60	318	50	
Technicians and professional		40	27	152	25	58	8	
TOTAL		337	156	380	97	398	69	
Dr. JS Moroka	Councillors	55	19	64	46	62	62	
	Senior Management level	10	6	5	23	8	8	
	Lower level employees	310	66	320	56	486	273	

DISTRICT	Municipality	Management level	2013/14		2014/15		2015/16	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
		Technicians and professional	86	40	90	44	12	5
		TOTAL	461	131	479	169	568	348
	Thembisile Hani	Councillors	69	59	64	11	64	16
		Senior Management level	14	14	5	4	4	1
		Lower level employees	122	122	325	10	350	32
		Technicians and professional	28	28	75	18	36	17
		TOTAL	233	223	469	43	454	66
	NKAN-GALA DISTRICT	Councillors	65	18	59	24	24	24
		Senior Management level	52	12	33	27	33	16
		Lower level employees	119	150	136	28	136	30
		Technicians and professional	117	101	57	25	57	20
		TOTAL	353	281	285	104	250	90

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

In the 2013/14 financial year there was a total of **720** councillors and officials approved for training, but only **490** were actually trained. In the 2014/15 financial year there was a total of **790** councillors and officials approved for training, but only **380** were actually trained. In the 2015/16 financial year there was a total of **819** councillors and officials approved for training, but only **343** were actually trained.

- In Ehlanzeni District there was a total of 3711 staff compliment out of which 1793 were trained
- In Gert Sibande District there was a total of 3717 staff compliment out of which 973 were trained
- In Nkangala District there was a total of 4948 staff compliment out of which 1255 were trained
- Some Municipalities are completing the report for compliance purpose which lead to the incorrect information reported. Relevant KPAs leaders are not hands on in the completion of Section 46 report.

Challenges Experienced

- Poor attendance of the planned trainings.
- None submission of portfolio of committees by some trainees
- Municipalities not budgeting adequately for training

Interventions by National and Provincial department

- Local Government SETA provided funding for accredited trainings for both councillors and officials.

Recommendations:

The following recommendation is made that:

- Municipalities budget for the training of its workforce
- Municipalities should sign performance agreements with all staff members which will assist to identify skills gaps.
- That trainees must sign commitment agreements that should they abandon the training or fail to submit the portfolio of evidence they should repay the state for the costs incurred.

5.8.7 Implementation of Performance Management Systems Framework

EHLANZENI

Table 80: 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 IDP linked to SDBIP?	Section 57 Performance contract signed?	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	No	Yes	Yes	Yes	None
Mbombela	Yes	Yes	Yes	8	8	Yes	No	Yes	Yes	No	Financial
Nkomazi	Yes	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	Cascading of PMS to lower level employees planned for 2016/17
Thaba Chweu	Yes	Yes	Yes	4	4	Yes	No (Audit Committee does this function)	Yes	Yes	No	Insufficient staff in the PMS Unit.
Umjindi	Yes	Yes	Yes	5	5	Yes	No	Yes	No	No	Municipality submitted IPMS Policy item to LLF for consultation to cascade PMS to all employees
Ehlanzeni District	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
Total	6	6	6	33	33	6	2	6	5	2	

(Source: Section 46 reports from municipalities)

GERT SIBANDE DISTRICT

Table 81: 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 IDP linked to SDBIP?	Section 57 Performance contract signed?	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	7	7	Yes	Yes	Yes	Yes	No	None
Dipaleseng	Yes PMS Adopted	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	In a process of exhausting due all legislation
Govan Mbeki	Yes	Yes	Yes	6	6	No	No	Yes	Yes	No	Cascading PMS to lower levels will be roll-out in phases
Lekwa	Reviewed by 2016-04-30 but not adopted.	Yes	Yes	6	6	Yes	Audit Committee serves as Performance Audit Committee	Yes	Yes	No	Reviewed PMS Policy approved by Council. PMS not yet cascaded. Policy for its implementation to be developed in line with completed and updated job descriptions

Names of Municipality	PMS Framework developed/ reviewed and adopted by council (state date of adoption)	Analysed IDP and engaged with community	Adopted IDP linked to SDBIP?	Section 57 Performance contract signed?	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
Mkhondo	Yes	Yes	No	6	6	Yes	Yes	Yes	Yes	Yes	Municipal Manager post vacant.
Msukaligwa	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Dr. Pixley Ka Isaka Seme	PMS Framework	Communities were engaged	Yes	4	4	Yes	Yes	Yes	Yes	No. PMS only applicable to	PMS not cascaded down due to Insufficient staff in the PMS Unit.
	adopted in 2013	during and after the drafting of the IDP								S56 and S57 Managers. Meeting scheduled with SALGA for March 2017	
Gert Sibande District	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Total	8	8	7	43	43	7	7	8	8	0	

(Source: Section 46 reports from municipalities)

NKANGALA

Table 82: 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 IDP linked to SDBIP?	Section 57 Performance contract signed?	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
Emalaheni	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	None
Emakhazeni	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Steve Tshwete	Yes	Yes	Yes	2	2	Yes	Yes	Yes	Yes	Level 1 -3	None
Victor Khanye	Yes	Yes	Yes	4	4	No	No	No	Yes	No	<input type="checkbox"/> The PMS is up for review and will be audited by the Internal Audit; <input type="checkbox"/> The Audit Committee is responsible for performance audit instead of PAC; <input type="checkbox"/> Oversight report was not made public due to late submission to Council for Adoption; and <input type="checkbox"/> The Monitoring and Evaluations Unit has requested assistance from the audit committee on the process of cascading the PMS..
Dr. JS Moroka	Yes	Yes	Yes	3	3	Yes	Yes	Yes	Yes	No	Insufficient staff in the PMS Unit.
Thembisile Hani	Yes 26 July 2016	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	Insufficient staff in the PMS Unit.
Nkangala District	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	Yes	None
Total	7	7	7	29	29	6	6	6	6	2	

(Source: Section 46 reports from municipalities)

5.8.6.1 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 2013/14 financial year only one (1) municipality (Bushbuckridge) had cascaded PMS to officials lower than section 54 and 56 managers. In 2014/15 financial year two (2) municipalities in the province (Bushbuckridge and Ehlanzeni District) were implementing the PMS to officials lower than section 54 and 56 managers. In 2015/16 financial year two more (2) municipalities in the province had started cascading PMS to officials lower than section 54 and 56 managers. That is Steve Tshwete and Nkangala District municipalities bringing the total number to four (4).

- PMS Framework policy has been developed/reviewed and adopted by Council
- Section 57 Managers signed their Performance Agreements
- 21 Municipalities in the Province have developed/reviewed PMS frameworks

Challenges

- Shortage of staff in municipalities to implement PMS
- Insufficient budget to cascade PMS to officials lower than section 54 and 56 managers.
- In some municipalities PMS is implemented only to section 57 Managers in most municipalities Job evaluation not done

Support interventions by National and Provincial government

Provincial COGTA developed the Provincial PMS Framework to guide municipalities in the development of their own PMS frameworks. The aim of the frame work is to ensure that all municipal employees should enter into agreements on a yearly basis in order gauge or measure their productivity in the work place.

Recommendations

The following recommended are made to municipalities:

- Filling of all PMS vacant posts by municipalities
- Budget for PMS functions
- Finalisation of job evaluation
- Municipalities to prioritise the resourcing of PMS Units.

PART C

6. SUMMARY OF FINDINGS

6.1 KEY CHALLENGES AND RECOMMENDATIONS PER MUNICIPALITY

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

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 1: Good Governance	Focal Area	District	Municipality	Challenges	Recommendations
	Performance of Council Committees	Ehlanzeni Nkangala and Gert Sibande	Nkomazi, Thaba Chweu, Dr JS Moroka, Victor Khanye, Dr Pixley Ka Isaka Seme and Nkangala District Municipality	<ul style="list-style-type: none"> No challenges were specified on why the municipalities did not comply with S70 of the Municipal Systems Act 32 of 2000; Municipalities are not enforcing or fully implementing financial policies especially with regards to councillors and officials. 	<ul style="list-style-type: none"> Municipalities to be reminded to enforce their policies with regard to debt collection in particular to defaulting councillors and staff members

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

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 2: Service Delivery and Infrastructure Development	Focal Area	District	Municipality	Challenges	Recommendations
	Access to water and Sanitation	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> Inadequate Bulk water source Illegal connections in the bulk infrastructure Poor planning and budgeting Huge backlog on sanitation Water losses 	<ul style="list-style-type: none"> Effective monitoring and support of municipalities in planning.
	Electricity	Ehlanzeni Nkangala and Gert Sibande	Thaba Chweu, Emalahleni, Lekwa, Msukaligwa, Mkhondo, Emakhazeni, Dr JS Moroka and Victor Khanye	<ul style="list-style-type: none"> In ability to service Eskom debt 	<ul style="list-style-type: none"> The Department and Provincial Treasury to continue to monitor municipalities to honour their obligations to Eskom.

Table 85: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 3: Spatial Rationale	Focal Area	District	Municipality	Challenges	Recommendations
	Spatial Development Frameworks	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> Misalignment of plans/strategies by municipalities private business and sector departments across the province Slow pace of municipalities to perform administrative tasks and failure by municipal Councils to take resolutions orientated to concluding tasks in time. Municipalities are not allocating the budget for the implementation of SPLUMA and SDFs 	That the Department continues to support and monitor municipalities on land use management in line with SPLUMA.

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 4: Intergrated Development Planning Process	IDP	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> □ In most cases IDP reviews and development are merely for compliance purposes; □ Insufficient budget to address competing priorities such as roads infrastructure and waste removal. 	That they budget for the review of outdated/ or development of sector plans in their medium term expenditure framework during the development of next generation IDPs;

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 5: Local Economic development	LED Forums	Ehlanzeni and Gert Sibande	Bushbuckridge Umjindi and Msukaligwa	Capacity constraints are major challenge as to why the municipalities are not able to run and manage stakeholder forums	Municipalities to recruit staff with the requisite skills on stakeholder management
	LED Budget	Gert Sibande and Nkangala Districts	Lekwa, Msukaligwa, Dipaleseng, Emalahleni, Emakhazeni, Dr JS Moroka and Thembisile Hani	<ul style="list-style-type: none"> • Poor budgeting and resource allocations to implement LED; • Where LED budget is available it is not spent 	<ul style="list-style-type: none"> • Municipalities need to treat LED just like other KPAs of the municipalities in terms of implementing the LED programme to ensure that the available budget is spent accordingly to develop their economies and not for other purposes.
	LED strategies	Gert Sibande and Ehlanzeni District	Msukaligwa and Umjindi	□ LED strategy not approved	□ COGTA to assist the municipality to review and implement the LED strategy

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 6: Financial Management	Revenue collection	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> • Failure of municipalities to implement revenue enhancement strategies and plans as developed • Poor revenue collection. • Incorrect billing 	<ul style="list-style-type: none"> • Municipalities expedite the finalization and adoption of financial policies and by -laws • Municipalities to continue to reconcile valuation rolls with billing systems • Implementation of standard operating procedures for revenue management
	Municipal debtors	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> • Municipalities are slow on data cleansing. • Inaccurate billing of clients • Illegal connections • Customer affordability to pay their debt 	<ul style="list-style-type: none"> • Municipalities to expedite the process of data cleansing • Ensure billing information is accurate • Set up a system to monitor illegal connections
	Capital Budget Expenditure	Ehlanzeni Nkangala and Gert Sibande	Ehlanzeni District, Mbombela, Umjindi, Gert Sibande District, Dipaliseng, Govan Mbeki, Dr Pixley Ka Isaka Seme, Nkangala District, Dr JS Moroka, Emalahleni, Emakhazeni, Victor Khanye.	<ul style="list-style-type: none"> • Poor spending of capital budget due to the inability to plan for projects; • Utilisation of grant funding for operational expenditure due to cash flow challenges • Some Municipalities had unfunded budget. □ Some municipalities' Annual Reports (Section 46 Reports) do not reflect/report their Capital Budget Expenditure. 	<ul style="list-style-type: none"> □ Municipalities to ring -fence MIG funding; □ 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

Table 89: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 7: Public Participation	Focal Area	District	Municipality	Challenges	Recommendations
	Ward committees	Ehlanzeni Nkangala and Gert Sibande	Mbombela, Umjindi, Nkomazi, Thaba Chweu, Emakhazeni, Dr JS Moroka, Steve Tshwete, Emalahleni, Victor Khanye, Mkhondo, Chief Albert Luthuli, Msukaligwa, Lekwa and Govan Mbeki	<ul style="list-style-type: none"> • Failure to convene meetings by Ward Councillors • Non implementation of ward operational plans • Poor working relationship between CDWs and Ward Committees 	<ul style="list-style-type: none"> • Speakers' offices in municipalities to ensure that all ward councillors convene community meetings as required. • Municipalities to monitor and enforce the implementation of the Ward Operational Plans.

Table 90: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 8: Institutional Development and Transformation	Focal Area	District	Municipality	Challenges	Recommendations
	Filling of S54 and S56 Managers	Ehlanzeni Gert Sibande and Nkangala	All	<ul style="list-style-type: none"> • There is sometimes low turn-up of applicants who meet the post requirements making it difficult for the municipality to fill the posts within the stipulated timeframe. • Delays by municipalities in advertising and filling vacant posts 	<input type="checkbox"/> That all 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.
	Vacant PMS posts	Ehlanzeni Gert Sibande and Nkangala	Dr JS Moroka, Thembisile Hani, Emakhazeni, Emalahleni, Dr Pixley Ka Isaka Seme, Lekwa, Msukaligwa, Dipaleseng, Chief Albert Luthuli, Nkomazi, Thaba Chweu, Bushbuckridge,	<input type="checkbox"/> Shortage of staff and Budgetary constraints	<input type="checkbox"/> Municipalities to budget and fill approved posts

VISION

Responsive, effective, efficient and sustainable co-operative governance system.

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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
PPP	Public Private Partnerships
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

1. MEC'S EXECUTIVE SUMMARY

The Section 47 of the Municipal Systems Act, 32 of 2000 gives an account of a consolidated performance of the municipalities in the 2015/16 financial year. The report is presented as a high level summary of the accomplishments and challenges by the municipalities. The overall performance was measured on five (5) Key Performance Areas (KPA) as follows:

(a) Public Participation and Good Governance

TROIKA were functional and meeting on a regular basis in all municipalities with the exception of Dr. Pixley Ka Isaka Seme. There was misunderstanding of the roles and responsibilities of TROIKA members in Dr. Pixley Ka Isaka Seme, however the department intervened and the roles and responsibilities clarified to solve the matter. The Department developed guidelines and a schedule of meetings to support the functionality of TROIKA and the frequency of their meetings. The intervention bore good results in all municipalities in the three Districts of the province. However, the fact that the TROIKA are not a legislated structure, municipalities are hampered to enforce the implementation of decisions in as far as their operations are concerned.

Notwithstanding the establishment of Oversight Committees (MPACs, S79&80 and Audit Committees) to perform their duties, however, it was observed that not all resolutions adopted by the municipalities were all implemented. Lack of relevant skills owing to insufficient budgets to train the relevant staff, is one of the contributing factors. In addition their functionality was crippled by the lack of crucial support staff, mainly researchers and secretaries. This was exacerbated by the status of Chairpersons who work on a part time basis.

The role of Community Development Workers (CDWs) as catalysts of change was observed. They continued to bring services to the doorsteps of those whose access to government services is restricted.

(b) Service Delivery and Infrastructure Development

A significant increase of the number of households with access to potable water in the province was observed. Statistically, the number of households rose from 1 075 488 to 1 238 860 households. In 2015/16 financial year a total of 1 123 038 households were receiving electricity in province. There has been an overall increase in most areas of service delivery. This is attributed to the influx of people who were not taken into consideration during the planning processes of the affected municipalities.

(c) Financial Performance Management

A slight improvement of the municipal audit outcomes was recorded in the 2015/16 financial year. Two (2) districts and one (1) local municipality achieved clean audits. Eight (8) municipalities obtained unqualified audit outcomes with findings whilst eight (8) achieved qualified outcomes with findings. Two (2) out of four (4) municipalities with disclaimers have improved their audit outcomes by obtaining qualified audits with findings. The non-achievement of clean audits remains a cause for concern for the Department, despite efforts to turn around the poor audit outcomes. The achievement of clean audits by three municipalities only in the 2015/16 financial year indicates the need to do more in pursuit of this target.

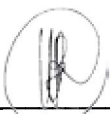
(d) Local Economic Development

In the 2015/16 financial year a further 8 842 jobs were created in addition to the 16 138 totalling to 24 980 jobs created altogether. Significantly, 2.5% of these jobs were occupied by women and 61% by the youth. The institutional capacity to lead and manage LED is crucial element and fundamental imperative in the success of municipal LED programme. In the 2015/16 financial year 30 posts in various municipalities in the province were filled. All municipalities reviewed their LED strategies except in four local municipalities, namely Mkhondo, Dr Pixley Ka Isaka Seme and Thembisile Hani. Three of the local municipalities, namely Umjindi, Msukaligwa and Lekwa, did not implement their LED strategies.

(e) Institutional Development

Municipalities continued with their efforts to fill vacant Senior Management posts. Notwithstanding the delay in the filling of posts for Municipal Managers, however 18 posts were filled by the end of the municipal financial year. The Department coordinated the training of 3 871 councillors and municipal officials as part of capacity building.

The Department remains committed to improve the poor audit outcomes, with the support of SALGA, the Provincial Treasury, Office of the Premier and the Districts.



MS RM MTSHWENI

MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 21/12/2017


2. HOD'S EXECUTIVE SUMMARY OF PERFORMANCE

Provision of basic services in a sustainable manner to communities is not only a Constitutional requirement but is a core business of municipalities. Notably, the number of people with access to basic services has increased during the period under review, however, not enough revenue is collected by the municipalities. This constitutes an adverse effect in the delivery of basic services in a sustainable manner. To make matters worse, the majority of municipalities are grant-dependent and are operating under serious budgetary constraints with a high number of people who must be provided with services for free as indigents.

Most municipalities did not budget for Local Economic Development (LED) and those having budgeted recorded a poor spending in the Local Economic Development (LED) sector over the past three (3) financial years. This is a cause for concern as the budget worth millions of rands could have contributed towards the development of the local economy. This poor spending can also be attributed to the growing number of indigents.

Municipalities are faced with backlogs and ageing infrastructure. Proper spending of the Municipal Infrastructure Grant (MIG) is a solution to address this challenge. However, poor spending as a result of poor planning by municipalities contributes to the ageing infrastructure.

Despite the identified challenges in the 2015/16 financial year, the department remains committed to provide support to all our municipalities in an attempt to make local government responsive, effective efficient and accountable.



MR TP NYONI

HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 21/12/17

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
- (d) 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 2015/16 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, the total population in Mpumalanga is 4,04 million residing in 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 41, 8% at 1, 69 million people, followed by Nkangala District Municipality at 34, 4% for an estimate 1, 31 million people and lastly, the Gert Sibande District Municipality accounting for the remainder of 25, 8% of the population at 1, 04 million people. Table 1 below provides a summary of the population in the province per district including the household breakdown. Sub-sections 2.1.1 to 2.1.3 provide a local level population breakdown per district area.

Table1: Demographic Profile for Mpumalanga as per National Census, 2011 & Statistics SA 2016

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Ehlanzeni District Municipality	1 688 614	41.8	445 087	41.4	483 902	39
Nkangala District Municipality	1 308 129	32.4	356 911	33.2	421 143	33.9
Gert Sibande District Municipality	1 043 094	25.8	273 490	25.4	333 815	26.9
Mpumalanga	4 039 837	100	1 075 488	100	1 238 860	100

(Source: SERO 2015)

4.1.1 Ehlanzeni District Municipal Demographic Profile

Ehlanzeni District Municipality comprises five local municipalities namely, Mbombela, Umjindi, Nkomazi, Bushbuckridge and Thaba Chweu local municipalities. Mbombela Local Municipality accounts for the largest population estimate at 588 794 or 35% closely followed by Bushbuckridge Local Municipality with a population estimate of 541 248 or 32%, Nkomazi Local Municipality at 393 030 or 23%, Thaba Chweu Local Municipality at 98 387 or 5.8% and Umjindi Local Municipality at 67 156 or 4.1% are the two smallest municipalities within the District. Table 2 below provides a summary of the population estimates in the Ehlanzeni District Municipality as per the National Census by Stats SA, 2011.

Table 2: Ehlanzeni District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Mbombela Municipality	588 794	35	161 773	36	181 794	37.5
Bushbuckridge Municipality	541 248	32	134 197	30	137 419	28
Nkomazi Municipality	393 030	23	96 202	22	103 965	21
Thaba Chweu Municipality	98 387	5.8	33 352	7.5	37 022	8
Umjindi Municipality	67 156	4.1	19 563	5	23 702	5

(Source: SERO 2015)

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 395 466 or 30% followed by Thembisile Hani Local Municipality with a population estimate of 310 458 or 23.7%, Dr JS Moroka Local Municipality at 249 705 or 19%, Steve Tshwete Municipality at 229 831 or 18%. Victor Khanye Local Municipality at 75 452 or 5.8% and Emakhazeni Local Municipality at 47 216 or 3.6% are the two smallest municipalities within the District. Table 3 below provides a summary of the population estimates in the Nkangala District Municipality as per the National Census by Stats SA, 2011.

Table 3: Nkangala District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Emalahleni Municipality	395 466	30	119 874	34	150 420	36
Thembisile Hani Municipality	310 458	23.7	75 634	21	82 740	20
Dr JS Moroka Municipality	249 705	19	62 162	17	62 367	15
Steve Tshwete Municipality	229 831	18	64 971	18	86 713	21
Victor Khanye Municipality	75 452	5.8	20 548	6	24 270	6
Emakhazeni	47 216	3.6	13 722	4	14 633	3

(Source: SERO 2015)

4.1.3 Gert Sibande District Demographic Profile

Gert Sibande District Municipality comprises 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 at 294 538 or 28% followed by Chief Albert Luthuli Local Municipality with a population estimate of 186 010 or 18%, Mkhondo Local Municipality at 171 982 or 17%, Msukaligwa Local Municipality at 149 377 or 14 %, Lekwa Local Municipality at 115 662 or 11%. Dr. Pixley Ka Isaka Seme Local Municipality at 83 235 or 8% and Dipaleseng Local Municipality at 42 390 or 4% are the two smallest municipalities within the District. Table 4 below provides a summary of the population estimates in the Gert Sibande District Municipality as per the National Census by Stats SA, 2011.

Table 4: Gert Sibande District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	HOUSEHOLDS 2016 GENERAL HOSEHOLD SURVEY 2016	%
Govan Mbeki Municipality	294 538	28	83 874	31	108 894	33
Chief Albert Luthuli	186 010	18	47 705	18	53 480	16
Mkhondo Municipality	171 982	17	37 433	14	45 595	14
Msukaligwa Municipality	149 377	14	40 932	15	51 089	15
Lekwa Municipality	115 662	11	31 071	11	37 334	11
Dr Pixley Ka Isaka Seme	83 235	8	19 838	7	22 546	7
Dipaleseng	42 390	4	12 637	5	14 877	4

(Source: SERO Report 2015)

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 has the highest average household income in the province at R134 026, with Bushbuckridge Local Municipality the having lowest average household income of R36 569.

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
Umjindi	R35 244	R81 864	8
Victor Khanye	R35 281	R80 239	9
Emakhazeni	R36 170	R72 310	10
Dr. Pixley Ka Isaka Seme	R23 399	R64 990	11
Dipaleseng	R19 454	R61 492	12
Mkhondo	R26 935	R53 398	13
Chief Albert Luthuli	R22 832	R48 790	14
Thembisile Hani	R18 229	R45 864	15
Nkomazi	R19 195	R45 731	16
Dr. JS Moroka	R17 328	R40 421	17

Bushbuckridge	R17 041	R36 569	18
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4.2.2 Unemployment and Socio-economic challenges

Ehlanzeni District's household income of R64 403 is 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 are - 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 22.91%, youth unemployment rate high at 38.4%.The leading industries in terms of employment in the Gert Sibande District are - trade (18.8%), community service (17%), mining (14.5%) and agriculture (13.9%).

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

The district's contribution to Mpumalanga economy was 31.0% 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 are finance (21.8%), community services (24.9%) and trade (17.3%).The leading industries in terms of percentage contribution to Nkangala's economy are 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 Relations	Council sittings	Protest Action
EHLANZENI	Bushbuckridge	Frequently meeting with good relations. 18 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	21 Protest Actions
	Mbombela	Frequently meeting with good relations. 32 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 14 Meetings held.	21 Protest Actions
	Nkomazi	Frequently meeting with good relations. 22 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 16 Meetings held.	02 Protest action
	Thaba Chweu	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 13 Meetings held.	07 Protest Actions
	Umjindi	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 14 Meetings held.	01 Protest Actions
	Ehlanzeni	Frequently meeting with good relations. 21 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	Not Applicable
	District Totals	123	77	52

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
GERT SIBANDE	Chief Albert Luthuli	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	05 Protest Actions
	Dipaleseng	Frequently meeting with good relations. 14 Meetings held	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 4 Meetings held.	01 Protest Action
	Govan Mbeki	Frequently meeting with good relations. 19 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	01 Protest Action
	Lekwa	Frequently meeting with good relations. 16 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	0
	Mkhondo	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special Sittings of Council were convened as per the need. 12 Meeting held.	02 Protest Actions
	Msukaligwa	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	04 Protest Actions
	Dr. Pixley Ka Isaka Seme	Not Functional	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 13 Meetings held.	02 Protest Actions
	Gert Sibande	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 8 Meetings held.	Not Applicable
	District Totals	109	71	15
	Dr. JS Moroka	Frequently meeting with good relations. 17 Meeting held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 12 Meetings held.	03 Protest Actions
NKANGALA	Emakhazeni	Frequently meeting with good relations. 20 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 10 Meetings held.	01 Protest Action
	Emalaheni	Frequently meeting with good relations. 9 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 7 Meetings held.	02 Protest Actions
	Steve Tshwete	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 15 Meetings held.	03 Protest Actions
	Thembisile Hani	Frequently meeting with good relations. 19 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 11 Meetings held.	02 Protest Actions
	Victor Khanye	Frequently meeting with good relations. 15 Meetings held.	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 21 Meetings held.	01 Protest Actions
	Nkangala District	Frequently meets with good relations	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need. 13 meetings held.	Not Applicable
		District Totals	95	89

(Source: Section 46 reports from municipalities)

Analysis of Municipal Performance on Good Governance: Political Stability

Findings

- Functionality of TROIKA, municipal Councils and protests per district is detailed below as follows:

Ehlanzeni District

The findings that were made at Ehlanzeni District are that all municipal TROIKAs were functional and altogether had a total of 123 (on average each municipality held 6 meetings) meetings. In as far as the sitting of municipal Councils is concerned, all municipalities held a total of 72 normal as well as special sittings as and when required amongst them. All municipalities in this district also experienced about 74 service delivery protests, Bushbuckridge and Mbombela municipalities had the highest number of protests, each had 21 protests and Umjindi being the lowest with only one (1).

Gert Sibande District

The findings that were made at Gert Sibande District are that all municipal TROIKAs were functional except for one at Dr Pixley Ka Isaka Seme. In total municipalities in this district held 109 TROIKA meetings amongst them. In as far as the sitting of municipal Councils is concerned, all municipalities held their meetings accordingly totalling 76 normal sittings as well as special sittings amongst them as and when required. Municipalities in this district also experienced fifteen (15) service delivery protests Chief Albert Luthuli had five (5) protests which is the highest and four in Msukaligwa, Lekwa had no protest recorded on the year under review.

Nkangala District

The findings that were made at Nkangala District are that all municipal TROIKAs were functional; in total they held 109 meetings amongst themselves. However, Nkangala District Municipality did not specify as to how many meetings were held except to say that the TROIKA was meeting regularly. In as far as the sitting of municipal Council is concerned, all seven (7) municipalities as required by law held their sittings accordingly totalling eighty (80) normal as well as special sittings amongst themselves. However, Nkangala District Municipality did not specify as to how many Council sittings were held except to say that the meetings were held as required by law. Municipalities in this district also experienced twelve (12) service delivery protests, Dr JS Moroka and Steve Tshwete had the highest incidents three (3) each and Emakhazeni and Victor Khanye having had only one (1) each.

5.1.1 Municipal performance on Good Governance

In analysing the functionality of the Governance Structures in the municipalities, special attention on the municipal annual reports was paid on their existence, in terms of members forming the committee and attendance registers, this enabled confirmation that meetings did indeed take place and if they meet regularly.

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"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Mbombela	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 committee is functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Nkomazi	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Thaba Chweu	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Umjindi	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Ehlanzeni	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
GERT SIBANDE	Chief Albert Luthuli	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Dipaleseng	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Govan Mbeki	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Lekwa	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 committee is functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Mkhondo	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Msukaligwa	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Dr. Pixley Ka Isaka Seme	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Gert Sibande	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
NKANGALA	Emalahleni	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Emakhazeni	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Steve Tshwete	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Victor Khanye	<input type="checkbox"/> Functional	<input type="checkbox"/> Only section 79 & 80 committees functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Dr. JS Moroka	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.
	Thembisile Hani	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional
	Nkangala	<input type="checkbox"/> Functional	<input type="checkbox"/> All section 79 and 80 committees are functional	<input type="checkbox"/> The Audit Committee existed and was functional.

(Source: Section 46 reports from municipalities)

5.1.2 Functionality of Oversight Committees

Findings

All municipalities across the three districts have established oversight committees e.g. Municipal Public Accounts Committees (MPACs), Section 79 & 80 committees. The following local municipalities only established Section 79 committees without Section 80 Committees; Lekwa, Emalahleni and Mbombela local municipalities. Mbombela local municipality uses a different model called a cluster approach. However, there are challenges affecting the optimal functionality of the oversight committees as follows:

Challenges

TROIKA

The following challenges were noted with the functionality of the TROIKA in the province

- TROIKA is not a legislated structure;
- TROIKA did not have a schedule of meetings resulting in unplanned meetings;
- Service delivery was not a standing item on their agenda

MPACs

The following challenges were noted with oversight structures MPACs, Section 79 & 80 committees, Internal Audit Units and Audit Committees:

- MPAC reporting lines are not clearly defined (some are reporting to the Executive Mayor)
- No dedicated staff members (Secretary & Researcher) to assist MPACs with administrative issues

Internal Audit Committees

The following challenges were noted with internal audits:

- Poor implementation of Internal Audit and Audit Committee resolutions,
- Insufficient budget for training of oversight committees,

Section 79 & 80 Committees

- Mbombela municipality is not using a standard model of S79 & 80 committees instead they are using a cluster approach
- Lekwa and Emalahlani local municipalities' Section 80 committees were not established at the time of conducting the assessment for functionality of oversight committees, but were later established.

Support Interventions by National and Provincial government

- The department developed guidelines to be followed when dealing with TROIKA issues,
- Supported TROIKA to develop schedule of meetings in order to improve on their functionality
- TROIKA's were advised to have service delivery as a standing item in their agenda so they could be able to provide sound advice to council
- SALGA is busy developing the Governance Model for the Province which will enable all municipalities to use a uniform model.
- All MPACs were trained on their roles and responsibilities

Recommendations

Municipalities need to do the following:

- Increase budget allocation for training of internal auditors,
- Create posts of MPAC researchers and secretaries during organogram reviewal

5.1.3 Anti-corruption Measures & Policies

Table 8: Anti-Corruption prevention plans implemented

District	Municipality	2013/14		2014/15		2015/16	
		Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Compiled	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
	Mbombela	Yes	Yes	Yes	Yes	No	No
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes
	Umjindi	Yes	No	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	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalahlani	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	No	No	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)

Findings

The following findings were made after the analysis of the municipal annual reports on the development of Anti-corruption Measures and Policies, all municipalities in the Province have Anti-corruption Measures, Policies developed and adopted by council except for Mbombela municipality.

Challenges

- Mbombela Local Municipality did not develop and adopt the Anti-corruption plan, and no reasons put forth why this did not happen,
- Late approval of Risk Management related policies by council even though submission were made on time

Support Interventions by National and Provincial government

A provincial Anti-Corruption Working Group was established to coordinate anti-corruption activities including cases reported and concluded in municipalities and provided workshop on Local Government Anti-Corruption Strategy assisted by DcOG to all municipalities.

Recommendations

The following is therefore recommended:

- That Mbombela local municipality should immediately develop and adopt this strategy (Anti-corruption plan and policy);
- That council consider the reports as and when they are submitted and take resolutions accordingly.

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.

The District IGR structures both technical and political, where the District Municipal Manager meets all local Municipal Managers and the District Executive Mayor meets all Executive Mayors on quarterly basis to share best practices as well as service delivery.

The Department (COGTA) has entered into Memorandum of Understanding with Provincial Treasury, to promote coordination of activities and optimal utilisation of resources particularly with the implementation of MFMA where the two departments (COGTA and Provincial Treasury) have distinct roles and responsibilities.

There are Provincial structures, both technical and political, where the Head of Department for (COGTA) and Provincial Treasury meet all Municipal Managers, Chief Financial Officers, The MEC for COGTA as well as the MEC for Provincial Treasury meet 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 escalate to Premier's Coordinating Forum (PCF).

The Premier's Coordinating Forum meets quarterly and is chaired by the Honourable 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 (2013/14)

DISTRICT	Municipality	2013/14														
		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 areas with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Municipal Management	IDP representative forum	Council	Executive Mayoral committee					
EHLANZENI	Bushbuckridge	No	No	Yes	8	8	7	3	2	None	None	Yes	No	Yes	None	
	Mbombela	No	No	Yes	3	4	1	6	1	None	None	Yes	No	Yes	None	
	Nkomazi	Yes	Yes	Yes	11	9	6	None	None	Yes	No	Yes	None	Yes	Yes	
	Thaba Chweu	Yes	Yes	Yes	13	12	9	None	None	Yes	No	Yes	None	Yes	Yes	
	Umjindi	Yes	Yes	Yes	12	12	13	None	None	Yes	Yes	Yes	None	Yes	Yes	
	Ehlanzeni District	No	No	Yes	9	8	4	None	None	Yes	No	Yes	None	No	No	
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	14	11	12	None	None	Yes	No	Yes	None	Yes	Yes	
	Dipaleseng	No	No	Yes	13	12	12	None	None	Yes	No	Yes	None	No	No	
	Govan Mbeki	Yes	Yes	Yes	12	12	13	None	None	Yes	Yes	Yes	None	Yes	Yes	
	Lekwa	No	No	Yes	9	7	0	None	None	Yes	No	Yes	None	No	No	
	Mkhondo	No	No	Yes	12	8	6	None	None	Yes	No	Yes	None	No	No	
	Msukaligwa	No	No	Yes	8	8	0	None	None	Yes	No	Yes	None	No	No	
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	11	8	0	None	None	Yes	No	Yes	None	Yes	Yes	
	Gert Sibande	Yes	Yes	Yes	8	12	7	None	None	Yes	No	Yes	None	Yes	Yes	
NKANGALA	Emalahleni	Yes	Yes	Yes	7	11	8	None	None	Yes	No	Yes	None	Yes	Yes	
	Emakhazeni	No	No	Yes	10	10	9	None	None	Yes	No	Yes	None	No	No	
	Steve Tshwete	Yes	Yes	Yes	9	0	0	None	None	Yes	No	Yes	None	Yes	Yes	
	Victor Khanye	Yes	Yes	Yes	16	10	10	None	None	Yes	No	Yes	None	Yes	Yes	
	Dr JS Moroka	Yes	Yes	Yes	10	12	9	None	None	Yes	No	Yes	None	Yes	Yes	
	Thembisile Hani	Yes	Yes	Yes	12	7	7	None	None	Yes	No	Yes	None	Yes	Yes	
Nkangala District	Yes	Yes	Yes	13	12	10	None	None	Yes	No	Yes	None	Yes	Yes		

(Source: Section 46 reports from municipalities)

Table 10: Indicate effectiveness of Council Committees (2014/15)

DISTRICT	Municipality	2014/15											
		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 areas with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral Committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	No	Yes	None
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Thaba Chweu	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	None	None	No	Yes	Yes	Yes
	Msukaligwa		Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	No	Yes	None
	Dr JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	None	None	No	No	No	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes

(Source: Municipal section 46 reports)

Table 11: 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 areas 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
	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	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 register	As per Audited AFS
	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
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	52	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	Yes	Yes	Yes	13	12	10	None	None	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

Findings (2015/16 Financial year)

Delegations adoption

In the 2015/16 and 2014/15 financial years 19 municipalities out of 21 adopted their delegations which indicates an improvement as compared to 2013/14 financial year wherein only 13 municipalities adopted their delegations

Roles of committees and political office bearers

In the 2015/16 and 2013/14 financial years all 21 municipalities had roles of political office bearers and committees defined which indicates an improvement as compared to 2014/15 financial year wherein only 20 municipalities had roles of councillors defined.

Code of conduct adopted for staff and conduct adopted

In the 2015/16 financial year all 21 municipalities had adopted the code of conduct for councillors and staff which indicate an improvement as compared to 2014/15 financial year in which only 18 municipalities had adopted the code of conduct for staff and councillors. The code of conduct for councillors and staff members was communicated to the community.

Declaration of Councillors and Staff interest

In the 2015/16 financial year 20 municipalities out of 21 had their councillors and staff who declared their interest which indicates an improvement as compared to 19 in the 2014/15 financial year and 15 in the 2013/14 financial year. Lekwa did not register/declare interest of the councillors and staff.

Councillors and Staff in arrears with municipal accounts

In the 2015/16 financial year 7 out of 21 municipalities had their councillors and staff who were in areas with municipal accounts which is a huge improvement as compared 17 in the 2014/15 financial year which was also lower than in 2013/14 financial year.

5.1.6 Analysis on Performance of Council Committees

The performance of Council Committees in the province, as well as the challenges that were noted in some on their performance can be summarised as follows:

Findings

The following findings were made with regards to the performance of municipal committees that:

- There are 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 and Nkangala District Municipality.
- There is no indication if any action has been taken to correct the situation.

Challenges:

- No challenges were specified on why the municipalities did not comply with S70 of the Municipal Systems Act 32 of 2000;
- Municipalities are not enforcing or fully implementing financial policies especially with regards to councillors and officials.

Support Interventions by National and Provincial government

Municipalities were conscientized to be mindful of S70 (2) (b) of the Municipal Systems Act, 32 of 2000 in order to ensure that the communities are aware on how councillors should conduct themselves when dealing with them.

Recommendations:

- Municipalities to be reminded to enforce their policies with regard to debt collection in particular to defaulting councillors and staff members

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 portable water, Access to adequate sanitation, and Access to electricity
- Free basis 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	2014/15							2015/16						
	Total No of Households	Water		To date	Sanitation		To date	Total No of Households	Water		To date	Sanitation		To date
Mbombela	161 773	156 567	96.78%	96.78%	75 877	46.90%	46.90%	181 794	140 782	77.44%	77.44%	174 715	96.11%	96.11%
Bushbuckridge	134 197	115 289	85.91%	85.91%	100 320	74.76%	74.76%	137 419	122 202	88.93%	88.93%	130 240	94.78%	94.78%
Nkomazi	96 202	90 829	94.41%	94.41%	80 777	83.97%	83.97%	103 965	88 675	85.29%	85.29%	97 504	93.78%	93.78%
Umjindi	19 563	19 316	98.74%	98.74%	13 839	70.74%	70.74%	23 702	21 141	89.20%	89.20%	22 520	95.05%	95.05%
Thaba Chweu	33 352	32 181	96.49%	96.49%	31 684	94.99%	94.99%	37 022	32 940	88.97%	88.97%	36 696	99%	99%
EHLANZENI	445 087	414 182	93.06%	93.06%	302 497	67.96%	67.96%	483 902	405 740	83.85%	83.85%	461 675	95.41%	95.41%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, Ehlanzeni District had 483 902 households compared to 445 087 in 2014/15 financial year. In 2015/16 financial year, households in Ehlanzeni District increased by 38 815. Out of the 483 902 households in Ehlanzeni District in 2015/16 financial year, 405 740 had access to potable water which indicates a decrease by 8 442. A total of 461 675 households had access to sanitation in 2015/16 from 302 497 in 2014/15 financial year which shows an increase by 159 178 households as at June 2016.

Gert Sibande District

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

Municipality	2014/15							2015/16						
	Total No of Households	Water		To date	Sanitation	To date	Total No of Households	Water		To date	Sanitation		To date	
Govan Mbeki	83 874	83 874	100%	100%	82,355	98.19%	98.19%	108 894	107 191	98.44%	98.44%	108 168	99.33%	99.33%
Chief Albert Luthuli	47 705	46 858	98.22%	98.22%	47,705	100%	100%	53 480	43 656	81.63%	81.63%	51 679	96.63%	96.63%
Msakaligwa	40 932	38 884	95.00%	95.00%	38 000	92.84%	92.84%	51 089	46 846	91.70%	91.70%	49 794	97.47%	97.47%
Lekwa	31 071	30 198	97.19%	97.19%	29 570	95.17%	95.17%	37 334	34 987	93.71%	93.71%	36 220	97.01%	97.01%
Mkhondo	37 433	36 617	97.82%	97.82%	34 248	91.49%	91.49%	45 595	38 789	85.10%	85.10%	43 630	95.69%	95.69%
Dipaleseng	12 637	12 007	95%	95%	9 946	78.70%	78.70%	14 877	13 479	90.60%	90.60%	13 976	93.94%	93.94%
Dr Pixley Ka Isaka Seme	19 838	19 838	100%	100%	19 838	100%	100%	22 546	20 334	90.19%	90.19%	21 587	95.75%	95.75%
GERT SIBANDE	273 490	268 276	98.09%	98.09%	261 662	95.68%	95.68%	333 815	305 282	91.45%	91.45%	325 054	97.38%	97.38%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, Gert Sibande District had 333 815 households as compared to 273 490 in 2014/15 financial year. In the 2015/16 financial year in Gert Sibande households increased by 60 325. Out of the 333 815 households in Gert Sibande District in 2015/16 financial year 305 282 had access to potable water as compared to 268 276 in 2014/15, this indicates an increase by 37 006. In 2015/16 financial year out of a total of 333 815 households 325 054 had access to sanitation, as compared to 261 662 in 2014/15, which indicates an increase of 63 392 more households being served.

Nkangala District

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

Municipality	2014/15							2015/16						
	Total No of Households	Water		To date	Sanitation		To date	Total No of Households	Water		To date	Sanitation		To date
Emalahleni	119 874	118 202	98.61%	96.61%	116 498	97.18%	97.18%	150 420	136 628	90.83%	90.83%	148 234	98.55%	98.5%
Thembisile Hani	75 634	75 634	100%	100%	75 090	99.28%	99.28%	82 740	77 972	94.24%	94.24%	80 623	97.44%	97.44%
Dr JS Moroka	62 162	55 946	90%	90%	54 273	87.31%	87.31%	62 367	48 599	77.92%	77.92%	61 599	98.77%	98.77%
Steve Tshwete	64 971	64 971	100%	100%	64 971	100%	100%	86 713	82 631	95.29%	95.29%	85 671	98.80%	98.80%
Emakhazeni	13 722	13 620	99.26%	99.26%	13 721	99.99%	99.99%	14 633	12 947	88.48%	88.48%	13 877	94.83%	94.83%
Victor Khanye	20 548	20 548	100%	100%	20 548	100%	100%	24 270	21 093	86.91%	86.91%	23 952	98.69%	98.69%
NKANGALA	356 911	348 921	97.76%	97.76%	345 101	96.69%	96.69%	421 143	379 870	90.20%	90.20%	413 956	98.29%	98.29%
PROVINCIAL TOTAL	1 075 488	1 031 379	95.90%	95.90%	909 260	84.54%	84.54%	1 238 860	1 090 892	88.06%	88.06%	1 200 693	96.92%	96.92%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, Nkangala District had 421 143 households as compared to 356 911 in 2014/15 financial year. In 2015/16 financial year households in Nkangala District increased by 64 232. Out of the 421 143 households in Nkangala District 379 870 had access to potable water as at June 2016. This shows that there has been an increase of 30 949 households that were receiving water. In 2015/16 financial year a total of 413 956 households had access to sanitation as compared to 345 101 in 2014/15 which indicates an increase of 68 855 households as at June 2016.

5.2.1.2 Households with access to Free Basic Water

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

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number Indigents of	Served FBW With	% Served with FBW
Mbombela	161 773	38 268	38 268	100%	181 794	12 037	12 037	100%
Bushbuckridge	134 197	5 919	5 919	100%	137 419	45 132	45 132	100%
Nkomazi	96 202	12 937	12 937	100%	103 965	20 952	20 952	100%
Umjindi	19 563	2 242	1 206	53.79%	23 702	2 225	2 225	100%
Thaba Chweu	33 352	3 750	3 750	100%	37 022	4 935	4 935	100%
TOTAL	445 087	63 116	62 080	98.36	483 902	85 281	85 281	100%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, a total of **85 281** indigent households in Ehlanzeni District were served with free basic water as compared to **62 080** in 2014/15 financial year. This shows an increase of 23 201 more households that were served with free basic sanitation.

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

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number Indigents of	Served with FBW	% Served with FBW
Govan Mbeki	83 874	8 489	7 566	89.13%	108 894	8 970	8 970	100%
Chief Albert Luthuli	47 705	17 182	17 182	100%	53 480	7 525	7 525	100%
Msukaligwa	40 932	10 830	10 830	100%	51 089	10 916	10 916	100%
Lekwa	31 071	2 242	2 242	100%	37 334	3 937	3 937	100%
Mkhondo	37 433	263	263	100%	45 595	442	442	100%
Dipaleseng	12 637	1000	1000	100%	14 877	1 859	1 859	100%
Dr Pixley Ka Isaka Seme	19 838	2 184	2 184	100%	22 546	6 577	6 577	100%
TOTAL	273 490	42 190	41 267	97.81%	333 815	40 226	40 226	100%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, a total of **40 226** indigent households in Gert Sibande District were served with free basic water as compared to **41 267** in 2014/15 financial year, indicating a decrease of 1 041

Table 17: Status Quo on Free Basic Water in Nkangala District

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number Indigents of	Served with FBW	% Served with FBW
Emalahleni	119 874	12 893	12 893	100%	150 420	11 000	11 000	100%
Thembisile Hani	75 634	0	0	0%	82 740	5 529	5 529	100%
Dr JS Moroka	62 162	4 500	2 310	51.33%	62 367	1 368	759	55.48%
Steve Tshwete	64 971	18 200	14 388	79.05%	86 713	18 107	14 326	79.11%
Emakhazeni	13 722	1064	1 064	100%	14 633	1 473	1 473	100%
Victor Khanye	20 548	2 720	2 720	100%	24 270	2 571	2 571	100%
Total	356 911	39 377	33 375	84.76%	421 143	40 048	35 658	89.04%
Provincial Total	1 075 488	144 683	136 722	94.50%	1 238 860	165 555	161 165	97.35%

(Source: Stats SA, general household survey 2016)

Findings

In 2015/16 financial year, a total of **35 658** indigent households were served with free basic water in Nkangala District as compared to **33 375** in 2014/15 financial year. An additional 2 283 indigents were served with water which indicates an increase from 84.76% to 89.04% by 4.28%.

5.2.1.3 Households with access to Sanitation

Table 18: Households with access to sanitation

Municipality	2014/15			2015/16		
	Total No of Households	Sanitation	%	Total No of Households	Sanitation	%
Mbombela	161 773	75 877	46.90%	181 794	174 715	96.11%
Bushbuckridge	134 197	100 320	74.76%	137 419	130 240	94.78%
Nkomazi	96 202	80 777	83.97%	103 965	97 504	93.78%
Umjindi	19 563	13 839	70.74%	23 702	22 520	95.05%
Thaba Chweu	33 352	31 684	94.99%	37 022	36 696	99%
EHLANZENI	445 087	302 497	67.96%	483 902	461 675	95.41%
Emalahleni	119 874	116 498	97.18%	150 420	148 234	98.55%
Thembisile Hani	75 634	75 090	99.28%	82 740	80 623	97.44%
Dr JS Moroka	62 162	54 273	87.31%	62 367	61 599	98.77%
Steve Tshwete	64 971	64 971	100%	86 713	85 671	98.80%
Emakhazeni	13 722	13 721	100%	14 633	13 877	94.83%
Victor Khanye	20 548	20 548	100%	24 270	23 952	98.69%
NKANGALA	356 911	345 101	96.69%	421 143	413 956	98%
Govan Mbeki	83 874	82,355	98.19%	108 894	108 168	99.33%
Chief Albert Luthuli	47 705	47 705	100%	53 480	51 679	96.63%
Msukaligwa	40 932	38 000	92.84%	51 089	49 794	97.47%
Lekwa	31 071	29 570	95.17%	37 334	36 220	97.01%
Mkhondo	37 433	34 248	91.49%	45 595	43 630	95.69%
Dipaleseng	12 637	9 946	78.71%	14 877	13 976	93.94%
Dr Pixley Ka Isaka Seme	19 838	19 838	100%	22 546	21 587	95.75%
GERT SIBANDE	273 490	261 662	95.68%	333 815	325 054	97.38%
PROVINCIAL TOTAL	1 075 488	909 260	84.54%	1 238 860	1 200 685	96.92%

(Source: Stats SA, general household survey 2016)

Table 19: Status Quo on Free Basic Sanitation in Ehlanzeni

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Mbombela	161 773	38 268	2 670	7%	181 794	12 037	12 037	100%
Bushbuckridge	134 197	5 919	5 919	100%	137 419	45 132	45 132	100%
Nkomazi	96 202	12 937	0	0%	103 965	20 952	0	0%
Umjindi	19 563	2 242	1 598	71.28%	23 702	2 225	1 494	67.15%
Thaba Chweu	33 352	3 750	3 750	100%	37 022	4 935	4 935	100%
TOTAL	445 087	63 116	13 937	22.08%	483 902	85 281	63 598	74.57 %

(Source: Stats SA, general household survey 2016)

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

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total no Households	Number of Indigents	Served with FBS	% Served with FBS
Govan Mbeki	83 874	8 489	7 566	89.13%	108 894	8 970	8 970	100%
Chief Albert Luthuli	47 705	17 182	17 182	100%	53 480	7 525	7 525	100%
Msakaligwa	40 932	10 830	8 996	83.07%	51 089	10 916	10 916	100%
Lekwa	31 071	2 242	1 598	71.28%	37 334	3 937	3937	100%
Mkhondo	37 433	263	0	0%	45 595	442	442	100%
Dipaleseng	12 637	1 000	1 000	100%	14 877	1 859	1 859	100%
Dr Pixley Ka Isaka	19 838	2 184	2 184	100%	22 546	6 577	6 577	100%
GERT SIBANDE	273 490	42 190	38 526	91.32%	333 815	40 226	40 226	100%

(Source: Stats SA, general household survey 2016)

Table 21: Status Quo on Free Basic Sanitation at Nkangala

Local Municipality	2014/15				2015/16			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Emalaheni	119 874	12 893	12 893	100%	150 420	11000	11000	100%
Thembisile	75 634	0	0	0%	82 740	5 529	5 529	100%
Dr JS Moroka	62 162	4 500	2 310	51.33%	62 367	1 368	759	55.48%
Steve Tshwete	64 971	18 200	18 199	99.99%	86 713	18 107	18 107	100%
Emakhazeni	13 722	1 064	1 064	100%	14 633	1473	1473	100%
Victor Khanye	20 548	2 720	2 720	100%	24 270	2 571	2 571	100%
Total	356 911	39 377	37 186	94.44%	421 143	40 048	39 439	98.52%
Provincial Total	1 075 488	144 683	89 649	61.96%	1 238 860	165 555	143 263	86.53%

(Source: Stats SA, general household survey 2016)

A Provincial Summary Status Quo on Free Basic Sanitation

Findings

In 2015/16 financial year there was a total of **165 555** indigents of which **143 263** were served with free basic sanitation as compared to **89 649** that were served in 2014/15 financial year which is an increase of **53 614**.

5.2.1.4 Bucket System Eradication

Table 22: Indicate Bucket System

Municipality	2014/15				2015/16			
	Village/ Town	Number of Buckets	Project Value	Comments	Village/ Town	Number of Buckets	Project Value	Comments
Victor Khanye	None	0	0	Bucket system-eradicated	Mandela Informal Settlement	51	R3 Million	Provided chemical toilets

(Source: Stats SA, general household survey)

The bucket system at Victor Khanye municipality was eradicated in 2014/15 financial year, however, emerged again in 2015/16 due to an illegal land invasion which resulted in 51 bucket toilets.

5.2.1.5 Households with access to Electricity Services

Table 23: Households with access to electricity at Ehlanzeni

Municipality	2014/15				2015/16			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Mbombela	161 773	148 948	92.09%	92.09%	181 794	175 378	96.47%	96.47%
Bushbuckridge	134 197	130 568	97.30%	97.30%	137 419	133 892	97.43%	97.43%
Nkomazi	96 202	92 892	96.56%	96.56%	103 965	99 678	95.88%	95.88%
Umjindi	19 563	19 563	100%	100%	23 702	21 102	89.03%	89.03%
Thaba Chweu	33 352	31 301	93.85%	93.85%	37 022	33 261	89.84%	89.84%
EHLANZENI	445 087	423 272	95.10%	95.10%	483 903	463 311	95.74%	95.74%

(Source: Stats SA, general household survey)

Findings

Out of the **483 903** households in Ehlanzeni District in 2015/16 financial year **463 311** had access to electricity as compared to **423 272** in 2014/15, this indicates an increase by **40 039**.

Table 24: Households with access to electricity at Nkangala

Municipality	2014/15				2015/16			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Emalahleni	119 874	91 272	76.14%	76.14%	150 420	106 306	70.67%	70.67%
Thembisile Hani	75 634	72 691	96.11%	96.11%	82 740	80 839	97.70%	97.70%
Dr JS Moroka	62 162	61 362	99.71%	99.71%	62 367	61 362	98.39%	98.39%
Steve Tshwete	64 971	64 375	99.08%	99.08%	86 713	78 147	90.12%	90.12%
Emakhazeni	13 722	12 472	90.89%	90.89%	14 633	12 288	83.97%	83.97%
Victor Khanye	20 548	20 184	98.23%	98.23%	24 270	22 324	91.98%	91.98%
Nkangala	356 911	322 356	90.32%	90.32%	421 143	361 266	85.80%	85.80%

(Source: Stats SA, general household survey)

Findings

Out of the **421 143** households in Nkangala District in 2015/16 financial year **361 266** had access to electricity as compared to **322 356** in 2014/15, this indicates an increase by **38 910**.

Table 25: Households with access to electricity in Gert Sibande

Municipality	2014/15				2015/16			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Govan Mbeki	83 874	77 472	92.37%	92.37%	108 894	102 752	94.36%	94.36%
Chief Albert Luthuli	47 705	44 621	93.54%	93.54%	53 480	51 383	96.08%	96.08%
Lekwa	31 071	30 111	96.91%	96.91%	37 334	33 991	91.05%	91.08%
Mkhondo	37 433	27 886	74.50%	74.50%	45 595	36 163	79.31%	79.31%
Dipaleseng	12 637	10 427	82.51%	82.51%	14 877	12 126	81.51%	81.51%
Dr Pixley Ka Isaka Seme	19 838	19 623	98.92%	98.92%	22 546	19 824	87.93%	87.93%
Msukaligwa	40 932	34 341	83.90%	83.90%	51 089	42 222	82.64%	82.64%
Gert Sibande	273 490	244 481	89.39%	89.39%	333 815	298 461	89.41%	89.41%
PROVINCIAL TOTAL	1 075 488	990 109	92.06%	92.06%	1 238 860	1 123 038	90.65%	90.65%

(Source: Stats SA, general household survey)

Findings

Out of the **333 815** households in Ehlanzeni District in 2015/16 financial year **298 461** had access to electricity as compared to **244 481** in 2014/15, this indicates an increase by **53 980**.

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	2014/15				2015/16			
	Total H/H	Total indigents	Total served energy	%	Total H/H	Total indigents	Total served energy	%
Govan Mbeki	83 874	8 489	7 566	89.13%	108 894	8 970	8 970	100%
Chief Albert Luthuli	47 705	17 182	17 182	100%	53 480	7 525	7 525	100%
Lekwa	31 071	2 242	1 273	56.78%	37 334	3 937	3 937	100%
Mkhondo	37 433	263	263	100%	45 595	442	442	100%
Dipaleseng	12 637	1 000	1 000	100%	14 877	1 859	1 859	100%
Dr Pixley Ka Isaka Seme	19 838	2 184	2 184	100%	22 546	6 577	6 577	100%
Msukaligwa	40 932	10 830	5 794	53.50%	51 089	10 916	10 916	100%
Gert Sibande District	273 490	42 190	35 262	83.57%	333 815	40 226	40 226	100%
Emalaheni	119 874	12 893	12 893	100%	150 420	11 000	11 000	100%
Thembisile Hani	75 634	0	0	0%	82 740	5 529	5 529	100%
Dr JS Moroka	62 162	4 500	2 310	51.33%	62 367	1 368	759	55.48%
Steve Tshwete	64 971	18 200	18 199	99.99%	86 713	18 107	4 058	22.41%
Emakhazeni	13 722	1 064	1 064	100%	14 633	1 473	1 473	100%
Victor Khanye	20 548	2 720	2 720	100%	24 270	2 571	2 571	100%
Nkangala District	356 911	39 377	37 186	94.44%	421 143	40 048	25 390	63.40%
Mbombela	161 773	38 268	2 670	6%	181 794	12 037	12 037	100%
Bushbuckridge	134 197	5 919	5 919	100%	137 419	45 132	45 132	100%
Nkomazi	96 202	12 937	12 937	95%	103 965	20 952	20 952	100%
Umjindi	19 563	2 242	1 273	56%	23 702	2 225	1 223	55%
Thaba Chweu	33 352	3 750	3 750	100%	37 022	4 935	4 935	100%
Ehlanzeni District	445 087	63 116	26 549	42.06%	483 902	85 281	84 279	98.82%
Provincial total	1 075 488	144 683	98 997	68.42%	1 238 860	165 555	149 895	90.54%

(Source: Stats SA, general household survey)

A Provincial Summary Status Quo on Free Basic Electricity

Findings

In 2015/16 financial year there was a total of **165 555** indigents of which **149 895** were served with free basic electricity as compared to **98 997** that were served in 2014/15 financial year which is a 22.12% increase in the province.

5.2.1.7 Households with access to Roads

Ehlanzeni District

Table 27: Total KM of tarred and gravel roads in Ehlanzeni

Municipality	2014/15			2015/16		
	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
Mbombela	3199	650	2549	3 529,1	588,2	2 940,9
Bushbuckridge	4650	973	3713	4 650	345	4 305
Nkomazi	1702	4 road	121	2 265	266	1 999
Umjindi	0	0	0	310	120	190
Thaba Chweu	INP	INP	INP	INP	INP	INP

(Source: Stats SA, general household survey)

Finding

In 2015/16 financial year there was a total of 10 754.1 Kilometres of roads at Ehlanzeni district as a whole, 1 319.2 was either tarred or paved and, 9 434.9 kilometres remained gravelled.

Gert Sibande District

Table 28: Total KM of tarred and gravel roads in Gert Sibande

Municipality	2014/15			2015/16		
	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	904	19	241	903	505	398
Chief Albert Luthuli	1580	82	1498	649	559	90
Msukaligwa	446.96	229.31	217.65	599.5	249.4	350.1
Lekwa	INP	INP	INP	423	175.1	247.8
Mkhondo	951	461.3	496	980	392	588
Dipaleseng	238	97	50	147	97.3	49.7
Dr. Pixley Ka Isaka Seme	278	85	193	278	85	193

(Source: Stats SA, general household survey)

Finding

In 2015/16 financial year there was a total of 3 979.5 Kilometres of roads at Gert Sibande district as a whole, 2 062.8 was either tarred or paved and, 1 916.6 kilometres remained gravelled.

Nkangala District

Table 29: Total KM of tarred and gravel roads in Nkangala

Municipality	2014/15			2015/16		
	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	0	0	0	1400	843	557
Thembisile Hani	967.37	0	13.1	946.38	77.6	868.78
Dr JS Moroka	0	0	0	2 720	85	2 635
Steve Tshwete	0	0	0	819	661	158
Emakhazeni	2 617.3	24.6	2 592.76	2 617.3	24.6	2 592.76
Victor Khanye	678	300	400	340	127	213

(Source: Stats SA, general household survey)

Finding

In 2015/16 financial year there was a total of 8 842.68 Kilometres of roads at Nkangala district as a whole, 1 818.2 was either tarred or paved and, 7 024.54 kilometres remained gravelled.

Analysis of performance on Service Delivery and Infrastructure Development

- In 2015/16 financial year there was a total of 165 555 indigents in the province, of which 149 895 were served with free basic electricity as compared to 98 997 that were served in 2014/15 financial year which is a 22.12% increase.
- In 2015/16 financial year, Ehlanzeni District had 483 902 households compared to 445 087 in 2014/15 financial year. In 2015/16 financial year, households in Ehlanzeni District increased by 38 815. Out of the 483 902 households in Ehlanzeni District in 2015/16 financial year, 405 740 had access to potable water which indicates a decrease by 8 442. A total of 461 675 households had access to sanitation in 2015/16 from 302 497 in 2014/15 financial year which shows an increase by 159 178 households as at June 2016.
- In 2015/16 financial year, Gert Sibande District had 333 815 households as compared to 273 490 in 2014/15 financial year. In the 2015/16 financial year in Gert Sibande households increased by 60 325. Out of the 333 815 households in Gert Sibande District in 2015/16 financial year 305 282 had access to potable water as compared to 268 276 in 2014/15, this indicates an increase by 37 006. In 2015/16 financial year out of a total of 333 815 households 325 054 had access to sanitation, as compared 261 662 in 2014/15, which indicates an increase of 63 392 more households being served.
- In 2015/16 financial year, Nkangala District had 421 143 households as compared to 356 911 in 2014/15 financial year. In 2015/16 financial year households in Nkangala District increased by 64 232. Out of the 421 143 households in Nkangala District 379 870 had access to potable water as at June 2016. This shows that there has been an increase of 30 949 households that are receiving water. In 2015/16 financial year a total of 413 956 households had access to sanitation as compared to 345 101 in 2014/15 which indicates an increase of 68 855 households as at June 2016.

- In 2015/16 financial year there was a total of **165 555** indigents in the province, of which **143 263** were served with free basic sanitation as compared to **89 649** that were served in 2014/15 financial year which reflects an increase by **53 614**.
- In 2015/16 financial year there was a total of **40 048** indigents in Nkangala District of which **39 439** were served with free basic sanitation as compared to **37 186** that were served in 2014/15 financial year which is a slight increase.
- In 2015/16 financial year there was a total of **40 226** indigents in Gert Sibande District of which **40 226** were served with free basic sanitation as compared to **38 526** that were served in 2014/15 financial year which reflects a slight increase by **1 700**.
- In 2015/16 financial year there was a total of **85 281** indigents in Ehlanzeni District of which **63 598** were served with free basic sanitation as compared to **13 937** that were served in 2014/15 financial year which reflects an increase by **49 661**.

Challenges on access to water

- Illegal connections in the bulk Municipal Infrastructure resulting in water losses
- Poor planning and budgeting for implementation of the infrastructure development plans 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)
- Ageing infrastructure
- Increase in distribution loss
- Mushrooming of informal settlements result in increases in the water demand
- Poor maintenance of bulk water infrastructure
- Thembisile Hani Municipality does not have an own revenue source of water supply and is dependent on the supply from three external suppliers of which the supply is also inconsistent/ unreliable. Of the three suppliers; being Rand Water, Dr JS Moroka and City of Tshwane, Rand water is the Major supplier and most challenges emanate from City of Tshwane.

Challenges on access to Sanitation

- Inadequate bulk water source for the implementation of waterborne sanitation especially in rural areas
- Poor planning and budgeting for implementation of the infrastructure development plans that encompass the maintenance of the entire sanitation facilities including wastewater treatment works
- Huge backlog on sanitation.

Challenges on access to Electricity

- Infrastructure in local municipalities is operated above the designed capacity and this had also contributed on the current Eskom debt account due to penalties that are imposed by Eskom on the Notified Maximum Demand (NMD).
- Some municipalities do not have any electricity licenses.

Support interventions by National and Provincial government

Sanitation

The department provided support to Chief Albert Luthuli and Thembisile Hani Local municipalities as follows:

Chief Albert Luthuli Local Municipality

- Was assisted on the planning of a twenty (20) year plan to address sanitation backlogs, project design have been completed.

Thembisile Hani Local Municipality

- The department assisted the municipality in the planning and designing of the Tweefontein waste water treatment works, and designs are in progress for a 10 year plan to address sanitation backlog.

ESKOM DEBT

- The department played 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, Emalaheni, Lekwa, Msukaligwa, Mkhondo, Victor Khanye, Dr JS Moroka and Emakhazeni.

5.3 SPATIAL RATIONALE

Progress in municipal performance in this KPA has been assessed in the following focus areas:

- Spatial Development Framework (SDF);
- Municipal readiness on SPLUMA implementation
- Effective Integrated Development Planning process for the period under review;
- District Municipalities with developed Disaster management Policies.

5.3.1 Performance of municipalities on Spatial Development Frameworks

The disintegrated nature of development planning confronted the government during its first term into democracy. The situation was compounded by a lack of clear guiding planning principles that support strategic interventions to address the country's skewed spatial settlement patterns. In 2003 government published the guiding principles in the National Spatial Development Perspective (NSDP). As part of the implementation of the NSDP principles, Cabinet approved the intergovernmental planning framework which crystallized the harmonization and alignment of the NSDP, Provincial Growth and Development Strategies and IDP's.

As provided in the Municipal Systems Act, the IDP's of municipalities must include Spatial Development Frameworks (SDF's). The intergovernmental planning framework thus sets the tone for spatial frameworks of all three spheres to be aligned and be guided by the NSDP principles. Failure by some municipalities to adopt Spatial Development Frameworks had resulted in continuous misdirected public and private sector investment. The development outcome of creating sustainable human settlements cannot be achieved if municipalities fail to create a development environment that is well planned.

Table 30: Indicate municipalities with approved SDFs

DISTRICT	Municipality	2013/14			2014/15			2015/16			Reasons
		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	None
	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
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Ehlanzeni District	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalahleni	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	Yes	None
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

Findings on Spatial Development Framework

Findings

All municipalities in the Province have maintained a good record with regard to having approved Spatial Development Frameworks for the past three financial years. However, a number of challenges were observed in all municipalities.

Challenges

The challenges on spatial rationale are as follows:

- Lack of a land invasion strategy to deal with illegal occupation of land in the province and within municipalities is leading to further informal settlements land invasions,
- housing backlog and lack of sufficient serviced land for human settlements
- More informal settlements are established in various parts of the municipal areas
- Misalignment of IDP projects with SDF proposals
- Municipal services infrastructure is limited to formal areas
- Water infrastructure and electricity network has been recently installed in new informal settlements
- Targeted human settlement areas are not properly planned by the municipality, and the residents end up occupying them on the influence of unknown individuals or traditional authorities
- No budget allocations are made by the council to respond to the targets as set out in the Spatial Development Framework (SDF)
- Misalignment of plans/strategies by municipalities, private business and sector departments across the province.

The Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) came into effect on the 01 July 2015; therefore, making its implementation compulsory to all municipalities. The table below highlights the performance of municipalities on their readiness regarding SPLUMA implementation during the period of reporting. The National Department of Rural Development and Land Reform, SALGA, and COGTA collectively worked in supporting municipalities to be ready for SPLUMA implementation.

Table 31: Municipal readiness on SPLUMA implementation

District	Municipality	2015/16							Reasons
		Municipal Co-operation on SPLUMA preparation	Planning Tribunal Delegation	Appeal Mechanism	Preparation of By-Laws	Urban Renewal Programme	Budget Allocation		
EHLANZENI	Bushbuckridge	Y	Y	Y	Y	Y	Y	Y	None
	Mbombela	Y	Y	Y	Y	Y	Y	Y	None
	Nkomazi	Y	N	Y	Y	Y	Y	N	Municipal delay and unavailability of budget
	Thaba Chweu	Y	N	Y	Y	Y	Y	N	Municipal delay and unavailability of budget
	Umjindi	Y	N	N	Y	Y	Y	N	Municipal delay and unavailability of budget
GERT SIBANDE	Chief Albert Luthuli	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Dipaleseng	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Govan Mbeki	Y	N	N	Y	Y	Y	Y	Municipal delay
	Lekwa	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Mkhondo	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
NKANGALA	Msukaligwa	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
	Dr Pixley Ka Isaka Seme	Y	Y	N	Y	Y	Y	N	Municipal delay and unavailability of budget
NKANGALA	Emalahleni	Y	N	Y	Y	Y	Y	Y	Municipal delay
	Emakhazeni	Y	Y	Y	Y	Y	Y	Y	None
	Steve Tshwete	Y	N	Y	Y	Y	Y	Y	Municipal delay
	Victor Khanye	Y	Y	Y	Y	Y	Y	N	Unavailability of budget
	Dr. JS Moroka	Y	Y	Y	Y	Y	Y	Y	None
	Thembisile Hani	Y	Y	Y	Y	Y	Y	N	Unavailability of budget

(Source: COGTA / State of SPLUMA Readiness report)

5.3.2 Analysis of municipal performance on SPLUMA

Findings

The above table shows that all municipalities were cooperative in the process of preparing for SPLUMA implementation. Further, the results illustrate that six municipalities (Nkomazi, Thaba Chweu, Umjindi, Govan Mbeki, Emalahleni and Steve Tshwete) did not have municipal planning tribunal (MPT). The failure to establish these MPTs was a non-compliance with SPLUMA and failure to put in place a planning governance structure that is crucial for decision making.

Notably, all municipalities in Gert Sibande and the Umjindi Local Municipality failed to adopt delegations on SPLUMA functions. The failure of Umjindi Local Municipality to adopt delegations may be associated with the uncertainty that existed during the amalgamation process. The failure to adopt these delegations meant that no clear roles and responsibilities on SPLUMA functions existed in these municipalities. On the contrary, all municipalities in the Nkangala District and four municipalities in the Ehlanzeni District adopted these delegations.

On appeal mechanisms, all municipalities performed very well because by default in terms of SPLUMA the executive authority of the municipality is the appeal authority. In this regard, the appeal mechanisms were readily available.

It is apparent in the above table that all municipalities had prepared by-laws and tariffs for the processing of SPLUMA related applications and other matters. However, during the period of reporting, only seven municipalities were able to allocate budget for the implementation of SPLUMA. The failure of the other municipalities to allocate sufficient budget to implement SPLUMA is a cause for concern. It is important to note that SPLUMA underscores and espouses the municipal function enshrined in the Constitution of the Republic. In this context, municipalities have a constitutional exclusive obligation on municipal planning in this case governed by SPLUMA and other related legislations to perform municipal planning.

Challenges

The above findings emanates from the following challenges:

Slow pace of municipalities to perform administrative tasks.

- Failure by municipal councils to resolve on tasks related to SPLUMA implementation such as delegations, municipal planning tribunal etc.
- Lack of budget allocating for the implementation of SPLUMA

Support Interventions by National and Provincial government

- Continuous support and monitoring of municipalities on SPLUMA implementation.

Recommendation

- The Department continue to support and monitor Municipalities on land use management in line with SPLUMA

5.4 INTEGRATED DEVELOPMENT PLANNING PROCESS

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 (a-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, districts and its local municipalities within its areas and with the plans, strategies and programme of national and provincial organs of state; and

Section 105 1 (d)

- d) Establish mechanisms processes and procedures to monitor and assess the support needed by municipalities to manage their own affairs, exercise their powers and perform their functions.

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 32: Indicate municipalities with reviewed IDPs

DISTRICTS	Municipality	2013/14		2014/15		2015/16	
		No of Municipalities that reviewed their IDP's	No of stakeholder who participated	No of Municipalities that reviewed their IDP's	No of stakeholder who participated	No of Municipalities that reviewed their IDP's	No of stakeholder who participated
EHLANZENI	Bushbuckridge	Reviewed	1458	Reviewed	34	Reviewed	2200
	Mbombela	Reviewed		Reviewed	INP	Reviewed	30
	Nkomazi	Reviewed		Reviewed	INP	Reviewed	8
	Thaba Chweu	Reviewed		Reviewed	INP	Reviewed	14
	Umjindi	Reviewed		Reviewed	874	Reviewed	20
	Ehlanzeni District	Reviewed	14	Reviewed	INP	Reviewed	INP
GERT SIBANDE	Chief Albert Luthuli	Reviewed		Reviewed	325	Reviewed	INP
	Dipaleseng	Reviewed		Reviewed	INP	Reviewed	13
	Govan Mbeki	Reviewed		Reviewed	28	Reviewed	32
	Lekwa	Reviewed		Reviewed	INP	Reviewed	78
	Mkhondo	Reviewed		Reviewed	60	Reviewed	INP
	Msukaligwa	Reviewed		Reviewed	11	Reviewed	INP
	Dr. Pixley Ka Isaka Seme	Reviewed		Reviewed	1 940	Reviewed	2180
	Gert Sibande	Reviewed		Reviewed	23	Reviewed	27
NKANGALA	Emalahleni	Reviewed		Reviewed	All the 34 wards participated during the IDP Moyoral Izimbizo. IDP Representative forum were also held.	Reviewed	INP
	Emakhazeni	Reviewed		Reviewed	INP	Reviewed	INP
	Steve Tshwete	Reviewed		Reviewed	13	Reviewed	13
	Victor Khanye	Reviewed		Reviewed	20	Reviewed	21
	Dr. JS Moroka	Reviewed		Reviewed	9	Reviewed	INP
	Thembisile Hani	Reviewed		Reviewed	144	Reviewed	38
	Nkangala District	Reviewed		Reviewed	INP	Reviewed	INP

(Source: Section 46 reports from municipalities)

Table 32 above provides an indication of the reviewed Integrated Development Plans in the Province.

Table 33: Status on the adoption of reviewed IDPs

District	Municipality	Tabling to Council	Council Resolution	Submission to MEC	Ranking after Assessment
Nkangala District	Nkangala	25 March 2015	DM 347/03/2015	02 April 2015	Medium
	Steve Tshwete	31 March 2015	SC30/03/2015	10 April 2015	High
	Dr JS Moroka	24 March 2015	R424.03.2015MB	02 April 2015	Low
	Emalahleni	19 March 2015	A.002/15	26 March 2015	Medium
	Victor Khanye	24 March 2015	S03/03/2015	31 March 2015	Low
	Emakhazeni	24 March 2015	21/03/2015	10 April 2015	Medium
	Thembisile Hani	28 May 2015	TH-NDC185/05 /2015	09 June 2015	Medium
Gert Sibande District	Gert Sibande	30 March 2015	C24/032015	21 April 2015	Medium
	Mkhondo	26 March 2015	15/03/341A	08 April 2015	Medium
	Govan Mbeki	31 March 2015	A23/03/2015	07 April 2015	Medium
	Chief Albert Luthuli	31 March 2015	C01/03/15/R	09 April 2015	Medium
	Dr Pixley Ka Isaka Seme	31 March 2015	C31/03/2015A	09 April 2015	Medium
	Msukaligwa	28 May 2015	LM 67/05/2015\ (A/151)	05 June 2015	Medium
	Lekwa	03 June 2015	A48	03 June 2015	Medium
Ehlanzeni District	Dipaleseng	29 May 2015	C49/05/2015	24 June 2015	Low
	Ehlanzeni	28 May 2015	A167/2015	07 June 2015	Medium
	Umjindi	29 May 2015	FA.42/2014	05 June 2015	Medium
	Bushbuckridge	29 May 2015	BLM/137/28/05/15 /2014/15	08 June 2015	Low
	Mbombela	28 May 2015	A1	05 June 2015	High
	Thaba Chweu	29 May 2015	A50/2015	03 June 2015	Low
	Nkomazi	08 June 2015	NKM:A062/2015	15 June 2015	Medium

(Source: Mpumalanga CoGTA IDP Directorate)

5.4.1 Analysis on compliance with the IDP development process

Findings

All 21 municipalities have successfully reviewed their IDPs with the support from sector departments, i.e. CoGTA, Provincial Treasury and Office of the Premier to ensure the alignment of IDP and budget.

Despite challenges, municipalities were able to review their IDPs as required in terms of the law.

However, some challenges were experienced with some municipalities.

Nkangala District

In Nkangala only the district municipality did not fully comply with the IDP process particularly on consultation on its draft IDP. The MEC advised the municipality to consult on the IDP before the IDP was adopted. The municipality did respond to the MEC's advice for compliance purposes. Victor Khanye and Dr JS Moroka were ranked low because their IDPs had too many projects considered to be wish list due to lack of funding for implementation.

Gert Sibande District

All municipalities in the Gert Sibande with the exception of the district municipality did comply with the process during the reviews for the 2015/16 financial year. A letter of compliance was issued by the MEC for the district municipality to comply on consulting its local municipalities on their priorities and projects and also on the inclusion of projects in draft IDP for consultation before adoption of IDP by Council. The IDP was amended and compliance was realized. Dipaleseng IDP fared badly in project planning to address priorities hence it is ranked low.

Ehlanzeni District

All the municipalities followed the prescribed process and complied with legal requirements in the Ehlanzeni district. Bushbuckridge and Thaba Chweu IDPs were ranked low due to a lot of unfunded mandates in their IDPs which do not directly respond to the needs of communities.

Challenges

Despite support provided by the department to municipalities in the development and review of IDPs, there are still challenges experienced in the IDP process. These challenges lead to inadequacies in the development and/or implementation of municipal IDPs and includes amongst others:

- In most cases IDP reviews and development are merely for compliance purposes;
- Lack of framework for practical application of the IDP;
- Poor 5 year IDPs without proper 5 year performance plans ;
- Lack of separation of methodologies for IDP development and review;
- Poor sector planning and alignment within the municipalities and also with other spheres of government;
- Poor stakeholder mobilization and participation;
- Complex IDP format guide;
- Failure by some municipalities to implement the advices on how to align the IDP, budget and SDBIP, and
- Insufficient budget to address competing priorities such as roads infrastructure and waste removal.

Support Interventions by National and Provincial government

- The department conducted IDP analysis sessions to assist municipalities in ensuring that they produce credible IDPs which;
- Co-ordinated sector departments to participate in IDP representative forums to ensure alignment between provincial plans and municipal plans.

Recommendations

The following is recommended to municipalities:

- That they budget for the reviewal of outdated/ or development of sector plans in their medium term expenditure framework during the development of next generation IDPs;
- Limit the use of private service providers to facilitate municipal strategic planning sessions, municipalities should rather use sector departments such as CoGTA, Office of the Premier and Provincial Treasury to provide the required support in this regard;

5.4.2 Developed Disaster Management Policy Frameworks and Plans

Table 34: Indicate municipalities with Disaster Management Policy Framework and Plans

District	Municipality	2014/15			2015/16		
		Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
EHLANZENI	Bushbuckridge	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Mbombela	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Nkomazi	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Thaba Chweu	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Umjindi	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes

District	Municipality	2014/15			2015/16		
		Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes (adopted by council)	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Dipaleseng	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Govan Mbeki	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Lekwa	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Mkhondo	Yes	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Msukaligwa	Yes- shared with fire services	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Dr. Pixley Ka Isaka Seme	Construction underway	Not a statutory obligation	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Gert Sibande	Established satellite centres in the local municipalities	Yes	Yes	Established satellite centres in its local municipalities	Yes	Yes
NKANGALA	Emalahleni	Yes located at district level	Yes	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Emakhazeni	Yes	No framework	Yes (Level one plan)	Not a statutory obligation	Not a statutory obligation	Yes
	Steve Tshwete	No, it is a competency of the District Municipality as stipulated in the Disaster management Act 56 of 2002 Chapter 5 section 43 2b may operate such centre in partnership with those local municipalities.	Yes, Approved by Council, Resolution no: m18/8/2011	Yes, Level 1 plan Approved by Council resolution no: M18/8/2011. Level 2 & 3 plan will serve before Council financial year.	Not a statutory obligation	Not a statutory obligation	Yes
	Victor Khanye	Yes	Yes	Yes	Not a statutory obligation	Not a statutory obligation	Yes
	Dr. JS Moroka	No	Not a statutory obligation	Yes	No	Not a statutory obligation	Yes
	Thembisile Hani	No	Yes	Yes	No	No	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes
Total		17/21	17/21	8/21	2/3	3/3	21/21

(Source: Section 46 reports from municipalities)

5.4.3 Analysis of municipalities' performance on readiness to mitigate disasters

Disaster Management Centres

- Of the three District Municipalities in the 2015/16 financial year, only 2 district municipalities (Ehlanzeni & Nkangala) had established Disaster Management Centres. However, Gert Sibande District Municipality did not establish a Disaster Management Centre, instead they established satellite Disaster Management Centres through their local municipalities.

Disaster Management Frameworks

- In as far as Disaster Management Frameworks are concerned all district municipalities had the Disaster Management frameworks.

Disaster Management Plans

- In as far as Disaster Management Plans are concerned all three districts municipalities had frameworks developed. All 21 local municipalities had disaster management plans in place.

Challenges

- Inadequate funding,
- shortage of staff,
- Lack of relief materials; and Old fire-fighting equipment.

Support Interventions by National and Provincial government

- The province provided real time information and alerts to municipalities on a regular basis on weather conditions that could lead to a disasters;
- The province coordinated teams to municipalities where disasters were experienced; and the province also provided relief materials where there was a need

Recommendations

- All districts to provide necessary support to local municipalities on disaster management
- Municipalities to budget for fire-fighting equipment

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 35: % Capacity of planning and implementing LED functions in municipalities through effective LED Unit

Districts	Municipality	2013/14		2014/15		2015/16	
		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	7	4	9	3	9	3
	Mbombela	41	11	20	14	41	11
	Nkomazi	5	5	5	5	10	6
	Thaba Chweu	1	1	2	2	2	1
	Umjindi	3	3	2	1	3	2
	TOTAL	57	24	38	25	65	23
GERT	Chief Albert Luthuli	8	3	8	3	8	3
SIBANDE	Dipaleseng	7	2	7	2	7	2
	Govan Mbeki	3	3	3	3	4	2
	Lekwa	2	2	2	2	2	2
	Mkhondo	3	3	3	3	4	3
	Msukaligwa	3	3	3	3	3	2
	Dr. Pixley Ka Isaka Seme	3	2	2	2	2	2
	TOTAL	29	18	28	18	30	16
NKANGALA	Emalahleni	4	4	4	4	5	5
	Emakhazeni	2	2	2	2	2	2
	Steve Tshwete	3	3	3	3	2	2
	Victor Khanye	2	1	1	1	2	1
	Dr. JS Moroka	2	2	2	2	1	1
	Thembisile Hani	2	2	3	3	3	3
	TOTAL	15	14	15	15	15	14

(Source: Section 46 reports from municipalities)

5.5.1.1.1 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 across all three districts in the province that; in 2013/14 financial year there were 101 LED posts that were approved and only 56 were filled. In the 2014/15 financial year there were 81 approved posts and 58 were filled and in 2015/16 financial year 110 posts were approved and only 53 were filled.

5.5.2 Budget spent on LED related activities

Table 36: % of budget spent on LED related activities

Districts	Municipality	2013/14			2014/15			2015/16		
		budget	amount spent	percentage %	budget	amount spent	percentage %	budget	amount spent	percentage %
EHLANZENI	Bushbuck-ridge	R1 305 000	R290 478	22.25 %	R7 966	R3 210	40%	R4 471 000	R844 000	18%
	Mbombela	R12 100 000	R1 331 000	11%	R6 070 000	R4 257 656	70%	R2 257 370	R1 257 800	56%
	Nkomazi	-	-	-	R8 418 100	R5 548 315	65%	R2 350 000	R1 350 00	57%
	Thaba Chweu	-	-	-	-	-	-	R736 899	R736 899	100%
	Umjindi	R1 465 256	R709 189	49%	R2 181 737	R 652 474	30%	R1200 000	R1200,000	100%
	Ehlanzeni	R13 464 347 (LED, Tourism and Rural Development, including operational budget)	R11 499 54 1.00 (LED, Tourism and Rural Development, including operational budget)	85%	R7 382 317 (LED, Tourism and Rural Development, including operational budget)	R6 606 801 (LED, Tourism and rural Development, including operational budget)	89%	R15,072,188 (LED and Tourism operational Budget)	R 14,410,008	95.61 %
GERT SIBANDE	Chief Albert Luthuli	0	0	0%	0	0	0%	R800 000	R800 000	100%
	Dipaleseng	0	0	0%	R77 000	R77 000	100%	0	0	0%
	Govan Mbeki	0	0	0%	R375 000	R375 000	100%	R 7 500 000	R 7 500 000	100%
	Lekwa	0	0	0%	INP	INP	INP	0	0	0%
	Mkhondo	R1 000 000	R600 000	60%	R1000 000	R552 764	55%	R732 679.00	R88 200.00	120%
	Msukaligwa	0	0	0%	0	0	0%	0	0	0%
	Dr. Pixley Ka Isaka Seme	0	0	0%	R1 369 850	R802 924.37	59%	R 2 220 000	R 1 586 000	71%
	Gert Sibande	0	0	0%	R1 000 000	R789 000	79%	R12 767 759	R10 724 609	84%
NKAMALA	Emalahleni	0	0	0%	0	0	0%	0	0	0%
	Emakhazeni	0	0	0%	0	0	0%	0	0	0%
	Steve Tshwete	0	0	0%	R1 225 687	R784 500	64%	R 323 400	R 270 425	83.61 %
	Victor Khanye	R3 624 726	R3 198 348	88%	0	0	0%	R 1 530 300	R 1 295 457	84.6%
	Dr. JS Moroka	0	0	0%	0	0	0%	0	0	0%
	Thembisile Hani	R2 700 000	R2 595 205	96%	0	0	0%	0	0	0%
	Nkangala	0	0	0%	R31 617 977 .02	R25 206 966.94	70%	R20 117 648.78	R13 049 745.63	65%

5.5.2.1 Analysis of budget spent on LED related activities

Findings

The following findings have been made on LED budgets and actual spending. In 2013/14 financial year municipalities across the three districts in the province had a total budget of **R 35 662 329** and, municipalities only spent **R 10 405 347** that means a total of **R 25 256 982** was not spent. In 2014/15 year municipalities across the three districts in the province had a total budget of **R 60 725 634** and, municipalities only spent **R 45 656 610** that means a total of **R 15 069 024** was not spent. In 2015/16 financial year municipalities across the three districts in the province had a total budget of **R 72 079 243** and, municipalities only spent **R 55 113 143** that means a total of **R 16 966 100** was not spent.

5.5.3 Existence of LED strategies and plans

Table 37: Indicate municipalities with LED strategies and plans

DISTRICT	Municipality	2013/14			2014/15			2015/16			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
	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
	Umjindi	Yes	Yes	No	Yes	Yes	No	No	No	No	Municipality in the process of merging with Mbombela
Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not applicable
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	Yes	Yes	Yes	Yes	Yes	Yes	No	Updated and revised LED strategy submitted by council by the end July
	Mkhondo	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Partially implemented
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	In a process of developing the growth and development strategy
	Dr. Pixley Ka Isaka Seme	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No	Not implemented due to lack of funds.
Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	No	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	Yes	None
	Thembisile Hani	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkangala	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

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

Findings

With regard to the development or reviewal of LED during the 2013/14 financial year all municipalities had either reviewed or developed their LED strategies. However, LED strategies of Mkhondo and Thembisile Hani municipalities were not approved therefore not implemented. In the 2014/15 financial year all municipalities had either reviewed or developed their LED strategies. However, Umjindi and Emakhazeni local municipalities did not implement their LED strategies. In 2015/16 financial year all municipalities had either 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.

5.5.4 Functionality of LED stakeholder forum

Table 38: Municipalities with functional LED stakeholder forum

Districts	Municipality	2013/14	2014/15	2015/16
EHLANZENI	Bushbuckridge	Yes	Yes	No
	Mbombela	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Umjindi	Yes	No	No
	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	Yes
	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	No	No	Yes
	Thembisile Hani	No	Yes	Yes
	Nkangala	Yes	Yes	Yes

(Section 46 reports from municipalities)

5.5.4.1 Analysis on the existence Local Economic Development Forums in municipalities

Finding

Regarding the functionality of LED Stakeholders Forums in the 2013/14 financial year all municipalities had LED stakeholder forums except Msukaligwa, Dr.JS Moroka and Thembisile Hani local municipalities. In the 2014/15 financial year all municipalities had LED stakeholder forums except for Umjindi, Msukaligwa and Dr.JS Moroka. In the 2015/16 financial year all municipalities had LED stakeholder forums except for Bushbuckridge, Umjindi and Msukaligwa.

5.5.5 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 2015/2016 financial year:

Table 39: Indicate activities in support of SMME

Districts	Municipality	Activity	Outcome
GERT SIBANDE	Chief Albert Luthuli	<input type="checkbox"/> SMMEs and cooperative trained and assisted to register in the Central Database to comply with the National Treasury requirements.	<input type="checkbox"/> 10 Cooperatives appointed by the Municipality for Catering Service <input type="checkbox"/> 5 Cooperatives appointed by the Municipality for Transport Service
	Msukaligwa	<input type="checkbox"/> Through the municipal engagement with Eskom, 11 local companies and SMMEs benefited from the project. In terms of skills development and the following skills (outcomes) were transferred to locals.	<input type="checkbox"/> Artisan assistants <input type="checkbox"/> Environmental officer <input type="checkbox"/> Laboratory technicians <input type="checkbox"/> Operators and Quality
	Lekwa	<input type="checkbox"/> Four training interventions coordinated for SMMEs and Co-operatives annually	<input type="checkbox"/> Two training interventions were coordinated <input type="checkbox"/> SMMEs exhibition not held
	Govan Mbeki	<input type="checkbox"/> Job creation through LED <input type="checkbox"/> Training of SMME's and co-operatives <input type="checkbox"/> Issue business licenses <input type="checkbox"/> Two High Impact Projects	<input type="checkbox"/> 131 Jobs were created through LED Initiatives <input type="checkbox"/> 141 SMME's/ Co-operatives were trained <input type="checkbox"/> 97 business licenses concluded and issued <input type="checkbox"/> Fly-Ash Projects Implemented <input type="checkbox"/> Industrial Park Feasibility study underway
	Dipaleseng	<input type="checkbox"/> None	<input type="checkbox"/> None
	Mkhondo	<input type="checkbox"/> Support 9 co-operatives with tools and materials	<input type="checkbox"/> Create more jobs
	Pixley ka Isaka Seme	<input type="checkbox"/> Co-operatives/SMMEs: day for register on the stakeholder data, i.e. <input type="checkbox"/> DARDLEA, DPWRT, DOE and the municipality <input type="checkbox"/> Tendering skills training skills: in partnership with SEDA <input type="checkbox"/> Financial Management Workshop: Municipality in partnership with MTPA and GSDM <input type="checkbox"/> Municipality in partnership with SARS, CAPITEC and ABSA Bank and SEDA SMMEs were supported by being given training on how to open a business bank account, applying for funding, and how to register their business with SARS- by the municipality in partnership with ABSA, Capitec bank, SARS and SEDA	<input type="checkbox"/> Co-operative and SMMEs were assisted to register on the CSD database <input type="checkbox"/> How to tender and fill tender documents and documents required to tender <input type="checkbox"/> How to manage their finances and being accountable for it and to gain insight on how sustain their business.
NKANGALA	Victor Khanye	<input type="checkbox"/> Funding workshop by Small Enterprise <input type="checkbox"/> Finance Agency (SEFA) <input type="checkbox"/> Workshop with Street vendors <input type="checkbox"/> Hosted Incubation Day <input type="checkbox"/> Registration to Centralized Database <input type="checkbox"/> Tendering and Procurement processes workshop	<input type="checkbox"/> Access to funding <input type="checkbox"/> Facilitated the formation of the Street Vendors Committee <input type="checkbox"/> Information sharing session on available economic opportunities <input type="checkbox"/> To be eligible to get Government economic opportunities <input type="checkbox"/> Understanding of procurement processes
	Emakhazeni	<input type="checkbox"/> The main aim of the programme is to ensure that these SMMEs are developed, they assist in creating employment.	<input type="checkbox"/> To ensure a coordinated approach to SMME and co-operatives, the municipality played a role in the development of the draft –wide NDM cooperative policy.

Districts	Municipality	Activity	Outcome
	Dr JS Moroka	<input type="checkbox"/> Training of cooperative <input type="checkbox"/> SMME training	<input type="checkbox"/> Training of cooperatives conducted on the 27/07/2015 <input type="checkbox"/> SMME trained from 08/04/20175 to 10/04/2015 <input type="checkbox"/> SMME Nedbank training 26-30 January 2015
	Thembisile Hani	<input type="checkbox"/> Business show <input type="checkbox"/> Market Stores <input type="checkbox"/> Training of SMME	<input type="checkbox"/> Business owners became aware of business opportunity by interacting with other business <input type="checkbox"/> SMME's are able to sell their products <input type="checkbox"/> 20 SMME and Cooperatives
	Emalaheni	<input type="checkbox"/> Promotion of SMMEs and co-operative development	<input type="checkbox"/> Inadequate support of SMMEs leading to ineffective growth and sustainability.
	Nkangala	<input type="checkbox"/> skill development program coordinated by June 2016	Three skills development programmes co-ordinated; <input type="checkbox"/> Nedbank SMMEs training 28 September to 1 October 2015 <input type="checkbox"/> Nedbank Training 5 to 9 October <input type="checkbox"/> Community Works program training
	Steve Tshwete	4 LED related summit held <input type="checkbox"/> Udliwonondlebe -31 July 2015 <input type="checkbox"/> Franchise Expo- 22- 23 October 2015 <input type="checkbox"/> Township economy and Industries 25 February <input type="checkbox"/> Job Summit 23 June 2016	<input type="checkbox"/> SMMEs were exposed to business opportunities and information.
EHLANZENI	Thaba Chweu	<input type="checkbox"/> Ehlanzeni District municipality identified SMMEs development as a key aspect of economic growth and development.	<input type="checkbox"/> The SMMEs mentorship programme focuses on a mentorship initiative that sets out to support SMMEs in their endeavour to create jobs for communities
	Bushbuckridge	<input type="checkbox"/> Capacity building of SMME and Cooperatives	<input type="checkbox"/> Assist SMMEs and Co-ops to develop own business profile, business plans and to sustain their businesses. <input type="checkbox"/> Assist local farmers to grow their Agriculture activities, to move towards being commercial farmers. And support by procuring agricultural inputs.
	Umjindi	<input type="checkbox"/> Capacity building of SMMEs and Cooperatives	<input type="checkbox"/> Assist SMMEs and Coops to develop own business profile and business plans. <input type="checkbox"/> Assist local farmers to grow their Agriculture activities, to move towards being commercial farmers.
	Nkomazi	<input type="checkbox"/> LED outreach programme was held for the 2015/16 financial year, where SMME's, Cooperatives, sector departments and Business met to engage on LED issues. <input type="checkbox"/> Hawkers' stalls have been built which benefits 16 hawkers. (6 at the Tonga Hawkers stalks and 10 at the Mzinti hawkers' stalls.)	<input type="checkbox"/> SMMEs' owners acquired entrepreneurial skills.
	Mbombela	<input type="checkbox"/> Organizing and registration of Cooperatives	<input type="checkbox"/> 22 Cooperatives were formalized and registered
	Ehlanzeni district	<input type="checkbox"/> A training and mentorship programme was offered to cooperatives	<input type="checkbox"/> A total of Nineteen co-operatives benefitted from training and mentorship programmes in the FY2015/16

(Source: Section 46 reports from municipalities)

5.5.5.1 Analysis on the municipal plans to stimulate second economy

Findings

The following findings were made that Gert Sibande District municipality in the 2015/16 financial year did not implement any activities to stimulate the second economy. Dipaleseng local municipality in the 2014/15 and 2015/16 financial year did not have any plans/ activities to stimulate the second economy.

5.5.6 No. of employment opportunities created through Extended Public Works Programmes (EPWP) and Public Private Partnerships (PPP).

Table 40: Indicate No of employment opportunities created through EPWP and PPP

District	Municipality	2014/15						2015/16					
		Person years of work including training	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Person years of work including training	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities
EHLANZENI	Bushbuckridge	259	0	1 061	60%	70%	0%	604	0	1,167	65.72%	41.73%	4.20%
	Mbombela	475	0	1 808	63%	41%	0%	388	0	509	54.42%	51.28%	8.45%
	Nkomazi	791	9.83	1 781	65%	44%	0.005 %	351	0	708	60.17%	45.06%	1.69%
	Thaba Chweu	154	0	342	61%	48%	0%	121	0	246	53.25%	51.63%	0.00%
	Umjindi	94	1.64	432	54%	71%	0%	89	0	184	66.85%	54.35%	2.17%
	Ehlanzeni	185	1.51	194	51%	42%	0.026%	230	0	297	53.87%	51.51%	1.68%
GERT SIBANDE	Chief Albert Luthuli	424	0	1 185	71%	52%	0%	52	0	108	64.81%	58.33%	0.00%
	Dipaleseng	121	0	361	64%	53%	0%	105	0	203	65.52%	54.19%	0.00%
	Govan Mbeki	396	0	1 051	65%	52%	0.001%	334	0	443	61.85%	66.82%	1.35%
	Lekwa	47	0	209	72%	48%	0%	38	0	55	58.18%	41.82%	1.82%
	Mkhondo	271	0	752	74%	42%	0%	159	0	227	74.01%	46.70%	0.44%
	Msukaligwa	106	0	250	68%	49%	0%	15	0	52	71.15%	44.23%	1.92%
	Dr. Pixley Ka Isaka Seme	158	0.59	592	76%	62%	0%	113	0	238	81.93%	59.24%	1.26%
	Gert Sibande	398	0	880	67%	63%	0.005 %	343	0	375	58.93%	70.40%	0.53%
NKANGALA	Emalahleni	371	0	730	62%	36%	0%	90	0	282	56.03%	42.20%	0.00%
	Thembisile Hani	179	0	478	69%	56%	0%	132	0	285	79.30%	63.16%	0.35%
	Emakhazeni	57	0	117	80%	44%	0%	51	0	103	66.99%	36.89%	0.00%
	Steve Tshwete	241	0	1 275	68%	31%	0%	658	0	2 076	48.64%	62.19%	0.43%
	Victor Khanye	219	0	549	63%	39%	0.004%	168	0	260	58.08%	50.77%	8.08%
	Dr. JS Moroka	498	22.34	1 629	47%	65%	0.001%	174	0	560	41.43%	64.82	1.25%
	Nkangala	146	0	462	61%	33%	0%	302	0	464	63.7%	38.58%	1.29%

(Source: 2015/16 Audited EPWP Annual Performance Report from Public Works)

5.5.6.1 Analysis of municipalities' performance on number of employment opportunities created through Extended Public Works Programmes (EPWP) and Public Private Partnerships (PPP).

Findings

The following findings were made that in the 2014/15 financial year a total of **16 138 jobs were created** through the Extended Public Works Programme, across municipalities on the three districts in the province, of which 38% were occupied by the designated groups (**65% were held by the youth, 50.1% by women and 0.002% by people with disabilities**). In the 2015/16 a total of **8 842 jobs were created** across municipalities in the three districts in the province of which 39% were occupied by the designated groups (**61% were held by the youth, 52.2% by women and 2.5% by people with disabilities**). This totals to **24 980 jobs created** in the 2015/16 financial year. There has been a decrease in job opportunities created by almost half in the 2015/16 financial year overall. In the youth category there has been a **4% decrease**, an increase by **1.1%** for women and **2.5%** for the disabled.

Challenges in LED Strategy implementation

- Capacity constraints are a major challenge as to why the municipalities are not implementing their LED strategies.
- Poor budgeting and resource allocations to implement LED;
- Where LED budget is available it is not spent,
- Insufficient staff compliment in municipal LED units
- There are no reasons put forth by both municipalities as to why they did not have LED stakeholder forums in particular Msukaligwa local municipality, which for the past three years did not have one.
- Msukaligwa local municipality for the past three financial years did not have an LED forum and that Bushbuckridge municipality did not have an LED forum in 2015/16 financial year.

Support Interventions by National and Provincial government

- Municipalities were workshopped on environmental projects in conjunction with the Department of Environmental Affairs, and those that applied for funding and met the criteria received funding. A total of R 345 000 000 was spent in funding the successful projects in the following municipalities (Chief Albert Luthuli, Bushbuckridge, Nkomazi, Mbombela, Umjindi, Steve Tshwete and Thembisile Hani).
- Three municipalities were supported in the process of reviewing their LED strategies that is: Bushbuckridge, Steve Tshwete and Msukaligwa local municipalities
- Municipalities were also assisted by encouraging the private sector to participate in the municipal LED Forums and foster good working relationship.
- The department coordinated workshops by the DTI on Red Tape reduction.
- The Department through the Public Works Incentive Grant created 93 work opportunities implemented through the Youth Waste Management
- The Implementation of Community Works Programme created 23 178 work opportunities
- The Department has also been supporting the implementation of Catalytic LED Projects like the Amajuba Rail Project between Dr. Pixley Ka Isaka Seme and Msukaligwa Municipalities and the Soya Bean Crusher Plant and 2500 jobs created

Recommendations

It hereby recommended that municipalities:

- Treat LED like other Key Performance Areas (KPA's) of the municipality by ensuring that suitably qualified LED practitioners are appointed in the LED posts and ensuring that LED budget is spent just on LED programmes and projects,
- Comply with the EPWP incentive grant reporting conditions to maximise resources of intensifying job creation and poverty alleviation,
- The municipalities to have twinning relations with other well performing municipalities on LED implementation.

5.6 FINANCIAL MANAGEMENT

5.6.1 Municipal Financial viability and Management

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

5.6.2 Performance of municipalities on financial viability and management

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

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

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

5.6.2.1 Status of the audit outcome

Table 41: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2013/14				Audit Opinion 2014/15				Audit Opinion 2015/16			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge		Yes				Yes			Yes			
	Mbombela	Yes				Yes				Yes			
	Nkomazi		Yes			Yes				Yes			
	Thaba Chweu			Yes				Yes			Yes		
	Umjindi		Yes			Yes				Yes			
	Ehlanzeni district	Yes (Clean)				Yes (Clean)				Yes (Clean)			
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		Yes			Yes					Yes			
NKANGALA	Emalahleni			Yes				Yes				Yes	
	Emakhazeni			Yes				Yes			Yes		
	Steve Tshwete	Yes (Clean)				Yes				Yes (Clean)			
	Victor Khanye		Yes				Yes				Yes		
	Dr. JS Moroka		Yes				Yes				Yes		
	Thembisile Hani		Yes			Yes					Yes		
	Nkangala district	Yes				Yes (Clean)				Yes (Clean)			

(Source: Section 46 reports from municipalities)

	2014/15				2015/16			
	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	Nkangala District	Chief Albert Luthuli, Thembisile Hani, Dr Pixley Ka Isaka Seme and Gert Sibande	Bushbuckridge, Mkhondo,		Steve Tshwete	Bushbuckridge	Msukaligwa, Emakhazeni	
Unchanged	Ehlanzeni	Mbombela, Nkomazi, Umjindi, Dipaliseng, Govan Mbeki, Lekwa,	Victor Khanye and Dr JS Moroka	Emalaheni, Emakhazeni Thaba Chweu Msukaligwa	Ehlanzeni and Nkangala	Lekwa, Nkomazi, Dr Pixley Isaka Seme, Govan Mbeki, Mbombela, Umjindi, Dipaleseng	Thembisile Hani, Dr JS Moroka, Mkhondo, Victor Khanye	Thaba Chweu Emalaheni,
Regressed		Steve Tshwete					Gert Sibande, Chief Albert Luthuli	
Total	2	11	4	4	3	8	8	2

(Source Auditor General Report 2015/16)

5.6.2.2 Analyses of the Audit Outcomes

Findings

- In respect of district municipalities: 2 Clean Audits and 1 qualified opinion with findings
- In respect of local municipalities: 1 Clean Audit , 8 Unqualified, 8 qualified and 2 disclaimer opinions

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

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

Status of compliance with legislation over the past three years

- In 2013/14 financial year 19 out of 21 (90%) municipalities were with findings and only 2 were without findings;
- In 2014/15 financial year 19 (90%) out of 21 municipalities were with findings and only 2 were without findings.
- In 2015/16 financial year 18 municipalities were with findings and only 3 were without findings;

Most common areas of qualifications

- Continued reliance on consultants with or no transfer of skills
- Weak internal control and poor financial management
- Poor revenue management
- Late payment of creditors (Including ESKOM)
- Fruitless and wasteful expenditure
- Unauthorised and irregular expenditure
- Poor internal audit units and audit committees

Risk areas requiring attention from municipalities

- Quality of submitted financial statements- 81% of auditees needed intervention and 19% were without findings;
- Governance - 66% of auditees were concerning, 5% needed intervention and 29% were without findings;
- Leadership management- 62% of auditees were concerning, 24% needed intervention and 14% were without findings;
- Financial performance - 71% of auditees were concerning , 19% needed intervention and 10% were without findings;
- Human resource management- 62% of auditees were concerning, 19% needed intervention and 19% were without findings;
- **Internal controls**- 62% of auditees were concerning, 19% needed intervention and 22% were without findings;

Assurance provided by key role players

- First level of assurance (Management/ Leadership)
- 5% of Senior Management provided quality assurance, 67% provided some assurance and 29% provided limited or no assurance.
- 10% of Accounting Officers provided quality assurance, 67% provided some assurance, and 23% provided limited or no assurance.
- 23% of Executive Mayors provided quality assurance, 67% provided some assurance, and 10% provided limited or no assurance.

Second level of assurance (internal independent assurance and oversight)

- 19% Internal Audit units provided assurance, 71% provided some assurance, 10% provided limited or no assurance
- 19% of Audit Committees provided assurance, 76% provided some assurance, and 5% provided limited or no assurance.
- 100% of Coordinating or monitoring departments provided some assurance.

Third level of assurance (External independent assurance and oversight)

- 24% of Municipal Councils provided assurance, 71% provided some assurance and 5% provided limited or no assurance.
- 19% of Municipal Public Accounts Committees (MPACs) provided assurance, 71% provided some assurance and 10% provided limited or no assurance.
- 100% of Portfolio Committee on local government provided some assurance.

Overall audit outcomes of the past three years

- Slight improvements in the overall audit outcomes;
- Decrease in the number of disclaimed municipalities from 24% to 10%;
- Significant increase in the levels of irregular, unauthorised as well as fruitless and wasteful expenditure;
- Material misstatements in the annual financial statements and annual performance reports for audit purpose remain high;

Intervention

- GAP analysis conducted in Msukaligwa and Emakhazeni Municipalities on root causes contributing to disclaimed audit outcomes to identified specific action and further support.
- Conducted assessment in disclaimed municipalities on record management and identified further support from PT through deployment of additional resources.
- Action plans are being monitored to check progress made.
- Provincial Treasury coordinated a training on Records Management and Disposal of documents for Municipalities.
- Department of Culture Sport and Recreation assisted the PT with training on archiving processes through partnership arrangement

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 request deployment of experts to support on improvement of audit outcomes
- Municipalities to appoint young professionals and engineers to assist with asset registers
- Establishment of committee 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)

5.6.3 Percentage of Capital budget expenditure

Table 42: Indicate % of municipal Capital Budget Expenditure

District	Municipality	2013/14				2014/15				2015/16			
		R'000				R'000				R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	645 328	682 554	561 536	80,9%	434 655	517 828	351 771	68 %	460 915	574 843	416 237	72.41%
	Mbombela	1 849 620	1 777 472	1 749 244	98,4%	522 517	670 158	515 942	77 %	-	-	-	-
	Nkomazi	552 768	558 111	520 321	93,2	INP	INP	INP	INP	230 907	250 397	259 999	103.83%
	Thaba Chweu	308 733	515 440	355 096	68,9%	46 647	64 647	43 367	67 %	44 278	44 278	73 547	166.10%
	Umjindi	256 744	252 409	210 155	83,3	INP	INP	INP	INP	-	-	-	0.00%
	EHLANZENI	3 613 193	3 103 432	3 396 352	78%	1 003 819	1 252 633	911 080	71 %	-	-	-	0.00%
GERT SIBANDE	Chief Albert Luthuli	281 889	355 864	236 206	66,4%	402 344	402 344	402 344	0 %	109 886	116 120	114 048	98.22%
	Dipaleseng	207 832	221 763	117 744	53,1%	79 095	101 395	43 115	43 %	-	-	-	0.00%
	Govan Mbeki	1 445 002	1 711 781	1 120 648	65,5%	INP	INP	INP	INP	-	-	-	0.00%
	Lekwa	614 440	634 252	257 077	40,5%	INP	INP	INP	INP	14 400	14 380	14 353	99.81%
	Mkhondo	373 274	375 674	286 086	76,2%	65 623	97 223	93 629	96%	111 215	111 215	80 406	72.30%
	Msukaligwa	541 965	480 872	406 268	84,5%	51 572	51 572	51 059	98,8%	89 900	61 066	30 157	49.38%
NKANGALA	Dr. Pixley Ka Isaka Seme	238 949	344 534	169 051	49,1%	28 720	31 576	24 388	77%	-	-	-	0.00%
	GERT SIBANDE	3 703 351	4 124 740	2 593 080	77,6%	627 354	281 766	614 535	79%	-	-	-	0.00%
	Emalahleni	1 694 847	1 746 385	289 551	70,5%	159 916	214 087	193 765	90.51%	-	-	-	0.00%
	Emakhazeni	215 075	219 633	127 393	58%	17 232	17 232	17 232	100%	-	-	-	0.00%
	Steve Tshwete	1 210 473	1 242 801	1 121 711	96,7%	187 899	270 234	266 165	98%	236 369	323 87	274 433	84.73%
	Victor Khanye	292 001	277 051	289 694	104,6%	79 929	79 929	79 929	100%	-	-	-	0.00%
Provincial	Dr. JS Moroka	332 583	554 139	336 305	60,7%	116 875	146 875	140 254	95%	-	-	-	0.00%
	Thembisile Hani	334 691	502 600	416 426	82,9%	110 820	111 340	75 392	67,7%	119 139	125 087	125 087	100%
	NKANGALA	4 079 670	4 542 609	2 581 080	10,9%	672 671	839 697	772 737	92%	-	-	-	0.00%
TOTALS	11 770 781	11 396 214	8 570 521	55,5%	1 300 025	1 121 463	2 298 352	81%	1 417 009	1 621 264	1 388 267	85.63%	

(Source: PT Treasury section 71 reports)

5.6.3.1 Provincial Analysis of Capital Budget Expenditure

Findings

The following findings were made on Capital Budget Expenditure:

- Poor spending of capital budget due to the inability to plan for projects;
- Utilisation of grant funding for operational expenditure due to cash flow challenges
- Some municipalities had unfunded budget.
- Some municipalities' Annual Reports do not reflect/report their Capital Budget Expenditure.

Intervention

- Provincial Treasury provided technical support on financial planning; COGTA provided support project management.
- COGTA in partnership with DWS, MISA and other stakeholders to assist Municipalities on Blue Drop requirements for compliance.
- PT to support municipality with revenue enhancement and reprioritisation of budget.
- All municipalities' to be supported in ensuring draft budgets developed, credible realistic and funded
- Sec 71 reports analysed for all municipalities and written feedback provided on a monthly basis
- All municipal budgets were analysed and support provided to ensure that all budgets are credible and funded
- Budget framework reviewed and provided to municipalities.
- All municipal midyear budget performance analysed and feedback provided to municipalities.
- Sec 71 reports analysed for all municipalities and feedback provided

Recommendations

- Municipalities to ring-fence MIG funding;
- 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

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

Table 43: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2013-2014 R'000				2014-2015 R'000				2015-2016 R'000			
		Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%
EHLANZENI													
	Bushbuckridge	671 741	694 023	561 536	80,9%	INP	INP	INP	INP	1 319 476	1 581 099	1 414 656	89,47%
	Mbombela	16 114 52	1 649 742	1 552 283	94,1%	1,746,441	1,746,441	1 751 251	100%	2 559 653	2 742 287	2 439 482	88,96%
	Nkomazi	483 916	484 564	470 416	97,1%	INP	INP	INP	INP	1 056 261	1 084 197	1 024 250	94,47%
	Thaba Chweu	294 560	325 268	286 025	87,9	436,397	467,210	329,314	70,5%	486 791	580 333	529 937	91,32%
	Umgindi	214 333	209 669	189 837	90,5%	158 271	145 770	131 785	90,4%	244 716	244 716	373 726	152,72%
	Ehlanzeni DM	194 001	197 022	192 960	97,9%	INP	INP	INP	INP	258 578	230 428	231 873	100,63%
Total		3 470 003	3 560 288	3 253 077	91,5%	2 341 109	2 359 421	2 212 350	87%	5 925 475	6 463 060	6 013 924	93,05%
	Chief Albert Luthuli	273 721	274 964	279 228	101,6%	296473	299590	453988	153,1%	-	-	-	0,00%
	Dipaleseng	144 145	141 577	144 663	102,2%	149 066	156 853	192 351	123%	166 812	173 393	200 065	115,38%
	Govan Mbeki	1 369 466	-	1 269 722	89,9%	INP	INP	INP	INP	1 657 010	1 908 089	1 617 472	84,77%
	Lekwa	457 091	436 065	313 939	72,0%	INP	INP	INP	INP	596 469	568 734	574 959	101,09%
	Mkhondo	299 542	306 821	269 756	88,0%	299 541	306 521	302 182	99	444 005	636 256	576 866	90,67%
	Msukaligwa	463 855	435 915	55 348	88,6%	INP	INP	INP	INP	544 172	581 698	581 522	99,97%
	Dr Pixley Ka Isaka Seme	196 481	187 462	199 047	106%	197 838	216 152	225 564	104,4%	290 650	291 988	259 058	88,72%
	Gert Sibande	359 503	328 127	285 328	87%	403 486	364 330	290 314	79,7%	-	-	-	0,00%
Total		3 293 533	3 234 945	3 372 025	104%	3 615 144	3 587 124	2 848 534	90,8%	3 865 930	4 160 158	3 809 942	91,58%
NKANGALA													
	Emalahleni	1 595 762	1 595 762	1 433 631	90%	1 682 396	1 702 582	1 658 759	97,4%	2 626 610	2 315 370	2 328 956	100,59%
	Emakhazeni	157 720	164 013	160 664	98%	156 516	176 078	183 312	104,6%	238 921	219 901	235 494	107,09%
	Steve Tshwete	967 102	975 646	975 448	100%	1 141 136	1 160 440	1 121 711	94,67%	1 471 793	1 507 999	1 418 658	94,08%
	Victor Khanye	260 114	266 098	249 621	94%	292 029	288 194	306 181	106,2%	399 100	407 939	452 087	110,82%
	Dr. JS Moroka	402 387	462 720	392 778	85%	371 055	335 840	301 508	89,8%	524 443	551 921	608 825	110,31%
	Thembisile Hani	325 552	389 169	276 970	71%	341 642	334 832	437 800	130,8%	602 876	606 914	702 336	115,72%
	Nkangala DM	328 204	324 963	346 338	107%	339 623	335 642	331 385	98%	353 447	362 303	381 737	105,36%
Total		4 036 841	4 173 371	3 835 450	92%	4 324 397	2 631 026	4 340 656	103,06%	6 217 190	5 972 347	6 128 093	102,61%
TOTAL INCOME AGAINST BUDGET		10 828 856	11 161 154	10 762 985	96%	11 409 544	9 778 438	10 442 267	95,12%	16 008 595	16 595 565	15 951 959	96,12%

(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 15 951 959** as at June 2016 constituting **96.12%** spent own revenue in the province. However, a number of challenges were noted with municipalities on revenue enhancement as follows:

- Failure of municipalities to implement revenue enhancement strategies and plans as developed
- Poor revenue collection.
- Incorrect billing
- Poor enforcement of credit control and debt collection policies
- Municipalities do not reconcile valuation rolls to billing systems
- High number Indigents
- Resistance by consumers to pay

Interventions

- The Department and Provincial Treasury provided support and monitoring of municipal performance on financial management.

Recommendations

- Municipalities expedite the finalisation and adoption of financial policies and by-laws
- Municipalities to continue to reconcile valuation rolls with billing systems
- Implementation of SOP for revenue management

5.6.5 Rate of municipal debt reduction

Table 44: Indicate % rate of municipal debt reduction

Districts	2013-2014 R'000					2014-2015 R'000					2015-2016 R'000							
	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts
EHLANZENI	Bushbuckridge	14 1099	-	779 785	988 109	-	165 213	52 343	INP	583 509	801 066	-16%	178 831	62 597	2 602	147 207	391 237	-51%
	Mbombela	20 630	61 834	-	346 662	-	106 982	10 044	INP	52,001	169 028	-51%	117 514	35 140	-	147 045	299 699	+77%
	Nkomazi	3 424	6 564	-	83 888	-	INP	INP	INP	INP	INP	INP	INP	14 059	-	16 770	33 156	-
	Thaba Chweu	27 055	31 229	-	111 184	-	INP	INP	INP	INP	102 105	+21.7%	71 849	29 764	0	6 639	108 252	-
	Umgindi	18 081	7 966	-	84 179	-	14 904	12 286	INP	74 915	102 105	+21.7%	29 307	10 920	-	4 022	44 249	-56%
Ehlanzeni	-	-	-	-	-	INP	INP	INP	INP	INP	INP	INP	-	-	-	-	-	0
Sub Total	210 289	107 593	-	1 007 754	1 584 022	-	287 099	74 673	INP	710 425	1 072 199	-	411 560	140 748	2 602	321 683	876 593	-81.76%
GERT SIBANDE	Chief Albert Luthuli	3 846	15 736	-	323 791	-	26 532	89 558	INP	257 593	373 683	+15.41%	21 698	68 301	-	16 944	106 943	-71%
	Dipaleseng	50 929	21 724	-	266 095	-	77 863	92 665	INP	91 441	261 969	+1.55%	78 041	89 240	-	107 716	274 997	+4.97%
	Govan Mbeki	256 068	98 501	-	773 734	-	INP	INP	INP	INP	INP	INP	478 277	291 431	-	238 523	1 008 231	-
	Lekwa	66 276	44 489	-	385 597	-	INP	INP	INP	INP	INP	INP	8 010 405	109 127	-	307 934	8 427 466	-
	Mkhondo	18 152	14 795	-	123 368	-	36 160	41 991	INP	81 681	159 832	-29%	56 641	52 032	-	88 057	196 730	+23.08%
	Msuligwa	47 395	54 248	-	302 631	-	110 712	72 519	INP	144 241	327 472	+8.21%	171 039	117 940	-	105 376	394 355	+20.42%
	Dr Pixley Ka Isaka Seme	43 644	19 216	-	198 482	-	INP	INP	INP	INP	INP	INP	93 965	54 347	-	163 526	311 838	-
Gert Sibande	-	-	-	6 571	-	INP	INP	INP	INP	INP	INP	INP	-	-	-	-	-	-
Sub Total	488 310	268 789	-	508 576	2 380 269	-	251 267	296 733	INP	574 956	1 122 956	-52%	8 910 066	782 418	-	1 028 076	10 720 560	-
NKANGALA	Emalahleni	358 229	107 483	-	1 270 621	-	INP	INP	INP	INP	INP	INP	1 209 562	439 715	-	467 020	2 116 297	-
	Emakhazeni	19 666	9 744	-	139 022	-	0	0	0	0	0	0	57 525	16 714	-	-	74 239	-
	Steve Tshwete	4 981	16 979	-	74 358	-	22 739	8 474	0	29 321	60 534	30%	36 042	13 866	52 288	50 521	152 717	125%
	Victor Khanye	-	-	-	-	-	INP	INP	INP	INP	INP	20.8%	171 381	28 287	-	225 779	425 447	-
	Dr. JS Moroka	52 602	-	-	167 054	-	89 911	34 278	58 684	18 727	201 600	-	64 152	27 765	-	108 580	200 497	-82.86%
	Thembisile Hani	120 526	220	-	299 669	-	41 960	14 295	0	45 245	101 500	34%	311	117 437	-	150	117 898	16%
Nkangala DM	-	-	-	23 068	-	154 610	57 047	58 684	93 293	363 634	-	-	-	-	-	-	-	-
Sub Total	556 004	134 426	-	301 448	1 973 792	-	309 220	114 094	117 368	186 586	727 268	-63%	1 538 973	643 784	52 288	852 050	3 087 095	30%
Total Debts	1254603	510 808	-	1 815 778	3 966 264	-	847 586	485 500	117 368	1 471 967	2 922 423	-26%	10 860 539	1 566 950	54 890	2 201 809	14 684 248	-

(Source: Section 46 reports from municipalities)

5.6.5.1 Provincial Analysis on the rate of municipal debt reduction

Findings

The following findings was made that all municipalities were owed a total sum of **R 14 684 248 million** in the **2015/16** financial. The following are some of the causes for this problem:

- Municipalities are slow on data cleansing
- Incorrect indigent registers
- Illegal connections (Izinyokanyoka)
- Incorrect data and inaccurate billing
- Non-compliance with the law
- Customer affordability to pay municipal debts **National and Provincial Interventions**
- PT supported municipalities with completion of D-Forms for submission to NERSA with regard to electricity tariff increases.
- Standard Operating Procedures developed for municipalities on revenue management.
- PT continued to monitor municipalities to review and implement revenue enhancement strategies

Recommendations

- 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 billing system
- Assessment of tariff structures
- Update property database
- Accurate billing
- Implementation of standard operating procedure for revenue management by municipalities

5.6.6 Coordinated payments made to Municipalities by sector departments as at July 2015- June 2016

NKANGALA DISTRICT

Table 45: Co-ordinated payments made to Dr JS Moroka Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture, Rural Development Land and Environmental Affairs	160 401.47	11 998.21	-3 296.47	169 103.21
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	11 540 474.34	288 244.89	-608.30	11 828 110.93
Vote 7	Public Works, Roads and Transport	29 159 886.11	1 349 995.17	-14 462.35	30 495 418.93
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	45 708.75	11034.85	NONE	56 743.60
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB-TOTAL	40 906 470.67	1 661 273.12	-18 367.12	42 549 376.67
	National Department of Public Works(S-ER)	81 378.47	1 824.24	NONE	83 202.71
	National Department of Rural Development and Land Reform (RATES)	5 153 798.37	102 823.96	NONE	5 256 622.33
	SUB-TOTAL	5 235 176.84	104 648.20	NONE	5 339 825.04
TOTAL		46 141 647.51	1 765 921.32	-18 367.12	47 889 201.71

Table 46: Co-ordinated payments made to Emakhazeni Local Municipality

Name of Department	Total amount outstanding	0-30 Days	30 Days and over	Payments received for the month
Office of Premier	-	-	-	-
Department of Labour	29 532.10	1 002.74	28 529.36	-
Cooperative Governance and Traditional Affairs	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs (DARDLA)	111 436.10	7 812.66	107 051.45	-500.00
Economic Development and Tourism	-	-	-	-
Education	1 114 138.76	1 839 056.95	3 661 849.27	-182 892.43
Public Works, Roads and Transport (PWRT)	964 432.34	270 223.32	756 104.83	-200.00
Community Safety Security and Liaison	12 155.09	6 487.73	5 667.36	-4 386.80
Health	961 556.55	180 222.86	781 912.33	-
Department of Police and Justice	375 529.10	289 560.89	525 950.88	-320 283.22
Social Service Development	1 615.91	824.01	1 583.80	-791.90
Human Settlements	-	-	-	-
Sub Total	3 570 395.95	2 595 191.16	5 868 649.28	-509 054.35
SANPARKS (Kruger National Park)	-	-	-	-
National Department of Public Works Province and National	1 669 814.59	478 911.84	1 579 513.26	-222 524.65
National Department of Rural Development and Land Reform	-	-	-	-
Sub-Total	1 669 814.59	478 911.84	1 579 513.26	-222 524.65
Total	5 240 210.54	3 074 103.00	7 448 162.54	-731 579.00

Table 47: Co-ordinated payments made to Emalahleni Municipality

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	12 557 528.63	1 456 645.40	886 949.55	620 666.82	9 593 266.86	-2 284 708.80
Public Works, Roads and Transport	5 034 764.48	170 057.19	167 578.71	151 934.94	4 545 193.64	-
Community Safety Security and Liaison	-	-	-	-	-	-
Health	1 052 418.21	59 841.19	43 079.08	42 823.73	906 674.21	-449 711.03
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	-	-	-	-	-	-
Human Settlements	-	-	-	-	-	-
Sub Total	18 644 711.32	1 686 543.78	1 097 607.34	815 425.49	15 045 134.71	-2 734 419.83
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	8 466 441.08	1 606 385.34	1 476 170.72	984 496.24	4 399 388.78	-
National Department of Rural Development and Land Reform	-	-	-	-	-	-
Sub Total	8 466 441.08	1 606 385.34	1 476 170.72	984 496.24	4 399 388.78	-
Piet Koornhof Building (SARS)	955 877.94	124 975.46	124 389.22	121 838.38	584 674.88	-147 468.84
Total	28 067 030.34	3 417 904.58	2 698 167.28	1 921 760.11	20 029 198.37	-2 881 888.67

Table 48: Co-ordinated payments made to Steve Tshwete Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 813 432.51	208 496.61	-106 798.19	2 915 130.93
Vote 7	Public Works, Roads and Transport	34 698.84	143 901.70	-7 424.35	171 176.19
Vote 9	Health	6 811 051.20	420 580.91	-34 623.14	7 197 008.97
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB-TOTAL	9 659 182.55	772 979.22	-148 845.68	10 283 316.09
	National Department of Public Works	3 002 065.66	165 512.83	-49 438.63	3,118,139.86
	National Department of Rural Development and Land Reform	709 238.49	18 828.73	0.00	728,067.22
	SUB-TOTAL	3 711 304.15	184 341.56	-49 438.63	3 846 207.08
TOTAL		13,370,486.70	957320.78	-198 284.31	14 129 523.17

Table 49: Co-ordinated payments made to Thembisile Hani Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	55 891.58	-	62 468.22
Vote 2	Finance	620.83	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	2 955.71	11 328.40	-	18 288.92
Vote 5	Economic Development and Tourism	27 688.56	-	-	-
Vote 6	Education	1 561 501.74	2 851 250.54	-38 928.15	2 911 133.64
Vote 7	Public Works Roads and Transport	95 909.40	20 630.17	-	2 836.26
Vote 8	Community Safety Security and Liaison	193 701.64	639.81	-652.99	16 180.83
Vote 9	Health	71 053.38	57 732.03	-5 710.37	166 180.84
Vote 10	Culture Sport and Recreation	15635.52	7 009.37	-	16 180.83
Vote 11	Social Development	4208.94	816.60	-	229.97
Vote 12	Human Settlement	246.31	256.90	-254.33	273.86
	SUB -TOTAL	1 973 522.03	3 005 555.40	-45 545.84	3 193 773.37
	National Department of Public Works	246 911.30	443 052.08	-6 900 000	450 703.10
	National Department of Rural Development and Land Reform	9 779 149.70	10 317 831.69	-	3 159 423.51
	SUB-TOTAL	10 026 061	10 760 883.77	-6 900 000	3 610 126.61
	TOTAL	11 999 583.03	13 766 439.17	-6 945 545.84	6 803 899.98

Table 50: Co-ordinated payments made to Victor Khanye Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 813 432.51	208 496.61	-106 798.19	2 915 130.93
Vote 7	Public Works Roads and Transport	34 698.84	143 901.70	-7 424.35	171 176.19
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	6 811 051.20	420 580.91	-34 623.14	7 197 008.97
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	9 659 182.55	772 979.22	-148 845.68	10 283 316.09
	National Department of Public Works	3 002 065.66	165 512.83	-49 438.63	3 118 139.86
	National Department of Rural Development and Land Reform	709 238.49	18 828.73	0.00	728 067.22
	SUB -TOTAL	3 711 304.15	184 341.56	-49 438.63	3 846 207.08
TOTAL		13 370 486.70	957 320.78	-198 284.31	14 129 523.17

Table 51: CONSOLIDATED CO-ORDINATED PAYMENTS MADE TO MUNICIPALITIES AT NKANGALA DISTRICT

Vote Number	Department	Outstanding balances unpaid to municipalities						Overall Outstanding balances per Department Unpaid
		Emalaheni LM	Thembisile LM	Dr JS Moroka	Steve Tshwete	Emakhazeni LM	Victor Khanye LM	
Vote 1	Office of Premier	-	R62 468.22	-	-	-	-	R62 468.22
Vote 2	Finance	-	-	-	-	R29 532.10	-	R29 532.10
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	R18 288.92	R169 103.21	-	R111 436.10	-	R2 109 431.31
Vote 5	Economic Development and Tourism	-	-	-	-	-	-	-
Vote 6	Education	R12 557 528.63	R2 911 133.64	R 11 828 110.93	R2 915 130.93	R1 114 138.76	R2 915 130.93	R31 621 173.82
Vote 7	Public Works Roads and Transport	R5 034 764.48	R2 836.26	R 30 495 418.93	R171 176.19	R964 432.34	R171 176.19	R 53 786 247.20
Vote 8	Community Safety Security and Liaison	-	R16 180.83	-	-	-	-	R 28 335.92
Vote 9	Health	R1 052 418.21	R166 180.84	R 56 743.60	R7 197 008.97	R961 556.55	R7 197 008.97	R16 721 778.80
Vote 10	Culture Sport and Recreation	-	R16 180.83	-	-	R375 529.10	-	R391 709.93
Vote 11	Social Development	-	R229.97	-	-	R1 615.91	-	R1 845.88
Vote 12	Human Settlements	-	R273.86	-	-	-	-	R273.86
	Sub Total	R18 644 711.32	R3 193 773.37	R 42 549 376.67	R10 283 316.09	R3 570 395.95	R10 283 316.09	R86 008 527.66 104 752 797.04
	SANPARKS(Kruger National Park)	-	-	-	-	-	-	-
	National Department of Public Works	R8 466 441.08	R450 703.10	R 83 202.71	R3 118 139.86	R1 669 814.59	R3 118 139.86	R16 906 441.2
	National Department of Rural Development and Land Reform	-	R3 159 423.51	R 5 256 622.33	R728 067.22	-	-	-
	Sub Total	R8 466 441.08	R3 610 126.61	R5 339 825.04	R3 846 207.08	-	R3 846 207.08	R 26 778 621.48
	Piet Koornhof Building (SARS)	R955 877.94	-	-	-	-	-	R955 877.94
	Total per local municipality	R28 067 030.34	R6 803 899.98	R47 889 201.71	R14 129 523.17	R5 240 210.54	R14 129 523.17	R116 259 388.91
Nkangala	Total outstanding balance to municipalities						R116 259 388.91	

GERT SIBANDE DISTRICT

Table 52: Co-ordinated payments made to Dipaleseng Local Municipality

Name of Department	Total amount outstanding	0 -30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture Rural Development Land and Environmental Affairs	-	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	705 696.7	63 267.52	47 654.16	102 955.84	491 819.18	-R10 314.69
Public Works Roads and Transport	363 631.89	6 487.48	10 030.26	9 088.41	338 025.74	-
Community Safety Security and Liaison	1 770 909.48	59 174.70	89 193.29	74 468.52	1 548 072.97	-
Health	21 126.29	7 403.69	7 519.20	4 512.47	1 690.93	-R17 693.72
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	50 164.33	6 712.40	8 938.07	6 570.60	27 943.26	-
Human Settlements	-	-	-	-	-	-
Sub Total	2 911 528.69	143 045.79	163 334.98	197 595.84	2 407 552.08	-R28 008.41
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	752 420.78	3 318.30	6 721.76	6 591.16	735 789.56	-
National Department of Rural Development and Land Reform	198 144.13	8 425.21	17 450.56	17 450.56	154 817.80	-R450.00
Sub Total	950 564.91	11 743.51	24 172.32	24 041.72	890 607.36	-450.00
Total	3 862 093.60	154 789.30	187 507.30	221 637.56	3 298 159.44	-28 458.41

Table 53: Co-ordinated payments made to Pixley Ka Isaka Seme Municipality

Vote number	Name of Department	Opening balance as at 31 May 2016	Invoices for the month of June 2016	Payment for the months of June 2016 as per municipalities	Outstanding balance per municipality payment
Vote 1	Office of Premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	-	-	-	-
Vote 7	Public Works Roads and Transport	9 932 151.40	885 115.47	-28 266.87	10 789 000
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	-	-	-	-
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlements	-	-	-	-
	Sub Total	9 932 151.40	885 115.47	-28 266.87	10 789 000
	SANPARKS(Kruger National Park)	-	-	-	-
	National Department of Public Works	-	-	-	-
	National Department of Rural Development and Land Reform	-	-	-	-
	Total	9 932 151.40	885 115.47	-28 266.87	10 789 000

Table 54: Co-ordinated payments made to Lekwa Local Municipality

Vote number	Name of Department	Opening balance as at 31 May 2016	Invoices for the month of June 2016	Payment for the months of June 2016 as per municipalities	Outstanding balance per municipality payment
Vote 1	Office of the Premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	783 834.29	3 899.72	-	787 734.01
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	519 568.40	92 563.57	-66 647.46	545 484.51
Vote 7	Public Works Roads and Transport	90 902.56	5 852.75	-3 583.12	93 172.19
Vote 8	Community Safety Security and Liaison	4 768.74	4 768.74	-4 591.60	4 945.88
Vote 9	Health	372 728.17	340 897.98	-321 879.06	391 747.09
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlements	16 613.82	9 580.09	-6 825.82	19 368.09
	Sub Total	1 788 415.98	457 562.85	-403 527.06	1 842 451.77
	SANPARKS(Kruger National Park)	-	-	-	-
	National Department of Public Works	17 358 055.85	234 047.50	-812.74	17 591 290.61
	National Department of Rural Development and Land Reform	-	-	-	-
	Total	19 146 471.83	691 610.35	-404 339.80	19 433 742.38

Table 55: Co-ordinated payments made to Chief Albert Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	178 269.25	23 338.59	-29 356.43	172 251.41
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	4 581 159.77	250 286.76	-201 339.66	4 630 106.87
Vote 7	Public Works Roads and Transport	736 485.50	87 970.99	-124 102.00	700 354.49
Vote 8	Community Safety Security and Liaison	13 599.09	5 302.15	-1 061.01	17 840.23
Vote 9	Health	1 510 606.96	322 669.35	-112 498.58	1 720 777.73
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	36 081.65	12 114.49	-4 594 .86	43 601.28
Vote 12	Human Settlement	18 316.54	4 824.58	-3 894.99	19 246.13
	SUB -TOTAL	7 074 518.76	706 506.91	-476 847.53	7 304 178.14
	National Department of Public Works	9 902 554.97	502 336.12	-194 968.34	10 209 922.75
	National Department of Rural Development and Land Reform	4 142 303.87	223 702.49	-	4 366 006.36
	SUB-TOTAL	21 119 377.60	1 432 545.52	-671 815.87	21 880 107.25
	TOTAL	21 119 377.60	1 432 545.52	-671 815.87	21 880 107.25

Table 56: Co-ordinated payments made to Mkhondo Local Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016 (Billed)	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R 13 756.09	R 13 756.09	-	R 13 756.09
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	R 489 826.41	R 489 826.41	-R 140 651.64	R 349 174.77
Vote 7	Public Works Roads and Transport	R 133 403.05	R 133 403.05	-	-
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	R 422 564.41	R 422 564.41	-R 9 2752.96	R 329 811.45
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	R 11 708.81	R 11 708.81	-	R 1 1708.81
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	R 1 071 258.77	R 1 071 258.77	-R 233 404.60	R 704 451.12
	National Department of Public Works	R904 158.81	R904 158.81	-	R904 158.81
	National Department of Rural Development and Land Reform	R 1 547 659.39	R1 547 659.39	-R 3139.86	R 1 544 519.53
	SUB -TOTAL	R 2 451 818.20	R 2 451 818.20	-R 3 139.86	R 2 448 678.34
	TOTAL	R 3 523 076.97	R 3 523 076.97	-R236 544.46	R3 153 129.46

Table 57: Co-ordinated payments made to Msukaligwa Local Municipality

Name of Department	Opening balances as at 31 May 2015	Monthly Invoices until June 2016	Payments	Outstanding balances as per municipality
Cooperative Governance and Traditional Affairs	-	-	-	-
Agriculture Rural Development Land and Environmental Affairs	89 416.65	846 140.80	793 017.43	142 540.02
Economic Development and Tourism	-	-	-	-
Education	114 955.95	1 100 435.72	962 819.42	252 572.25
Public Works Roads and Transport	3 338 722.36	9 995 061.50	12 199 322.70	1 134 461.16
Health	886 206.30	6 861 135.27	5 459 976.91	2 287 364.66
Culture Sport and Recreation	10 008.17	200 655.42	188 118.81	22 544.78
Social Development	76 961.97	753 318.81	768 231.37	62 049.41
Human Settlements	-	-	-	-
Sub Total	4 516 271.40	19 756 747.52	20 371 486.64	3 901 532.28
National Department of Public Works	1 807 546.06	8 586 527.87	8 459 554.64	316 527.59
National Department of Rural Development and Land Reform	2 152 695.05	42 155 911.05	606 838.39	191 667.11
Sub Total	3 960 241.11	50 742 438.92	9 066 393.03	508 194.70
Total	8 476 512.51	70 499 186.44	29 437 879.67	4 409 726.98

Table 58: Co-ordinated payments made to Govan Mbeki Municipality

Vote Number	Name of the department	Opening balances as at 31 May 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-	-
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 079 915.43	Billing not done yet for June	-992 945.34	1 086 970.09
Vote 7	Public Works Roads and Transport	1 912 709.47	Billing not done yet for June	-1 909 442.22	3 267.25
Vote 8	Community Safety Security and Liaison	65 983.74	Billing not done yet for June	-17 008.18	48 975.56
Vote 9	Health	731 759.19	Billing not done yet for June	-274 598.81	457 160.38
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	4 790 367.83	N/A	-3 193 994.55	1 596 373.28
	National Department of Public Works	-	-	-	-
	National Department of Rural Development and Land Reform	-	-	-	-
	SUB -TOTAL	-	-	-	-
TOTAL		4 790 367.83	-	-3 193 994.55	1 596 373.28

Table 59: CONSOLIDATED PAYMENTS MADE TO MUNICIPALITIES AT GERT SIBANDE DISTRICT BY SECTOR DEPARTMENTS

Vote Number	Department	Outstanding balances unpaid to municipalities								Outstanding balance as per municipality unpaid
		Chief Albert LM	Dipaleseng LM	Govan Mbeki LM	Lekwa LM	Mkhondo LM	Msukaligwa LM	Dr Pixley Ka Isaka Seme LM		
Vote 1	Office of Premier	-	-	-	-	-	-	-	-	-
Vote 2	Finance	-	-	-	-	-	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R172 251.41	-	-	-	R13 756.09	R142 540.02	R787 734.01	-	R1 116 281.53
Vote 5	Economic Development and Tourism	-	-	-	-	-	-	-	-	-
Vote 6	Education	R4 630 106.87	R705 696.7	R1 086 970.09	R349174.77	R252 572.25	R545 484.51	R7 570 005.19	-	R7 570 005.19
Vote 7	Public Works Roads and Transport	R700 354.49	R363 631.89	R3 267.25	R10 789 000	-	R1 134 461.16	R93 172.19	-	R13 083 886.98
Vote 8	Community Safety Security and Liaison	R17 840.23	R1770909.48	R48 975.56	-	-	-	R4 945.88	-	R1 842 671.15
Vote 9	Health	R1 720 777.73	R21 126.29	R457 160.38	-	R329 811.45	R2 287 364.66	R391 747.09	-	R5 207 987.6
Vote 10	Culture Sport and Recreation	-	-	-	-	-	R22 544.78	-	-	R22 544.78
Vote 11	Social Development	R43 601.28	R50 164.33	-	-	R11 708.81	R62 049.41	-	-	R167 523.83
Vote 12	Human Settlements	R19 246.13	-	-	-	-	-	R19 368.09	-	R38 614.22
	Sub Total	R7 304 178.14	R2 911 528.69	R1 596 373.28	R10 789 000	R704 451.12	R3 901 532.28	R1 842 451.77	R29 049 515.28	R29 049 515.28
	National Department of Public Works	R10 209 922.75	R752 420.78	-	-	R904 158.81	R316 527.59	R17 591 290.61	-	R29 774 320.54
	National Department of Rural Development and Land Reform	R4 366 006.36	R198 144.13	-	-	R 1 544 519.53	R191 667.11	-	-	R6 300 337.13
	Sub -Total	R14 575 929.11	R950 564.91	-	-	R2 448 678.34	R508 194.70	R17591290.61	-	R36 074 657.67
	Total per local municipality	R21 880 107.25	R3 862 093.60	R1 596 373.28	R10 789 000	R3 153 129.46	R 4 409 726.98	R19 433 742.38	-	R65 124 172.95
Gert Sibande	Total outstanding balance to municipalities									R65 124 172.95

Table 60: Co-ordinated payments made to Bushbuckridge Local Municipality

Vote Number	Name of Department	Total amount outstanding	0 -30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Vote 1	Office of Premier	-	-	-	-	-	-
Vote 2	Finance	-	-	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	10 920.00	742.00	742.00	742.00	8 694.00	-
Vote 5	Economic Development and Tourism	-	-	-	-	-	-
Vote 6	Education	3 14 311.81	81 808.81	54 000.00	1950 13	3008 552 87	227 423.57
Vote 7	Public Works Roads and Transport	216 015 626.00	-	-	-	216 015 626 00	5 241 456.00
Vote 8	Community Safety Security and Liaison	-	-	-	-	-	-
Vote 9	Health	5 201 156.18	500 500.90	343 598.45	368 287 50	3 988 769 33	777 969.13
Vote 10	Culture Sport and Recreation	-	-	-	-	-	-
Vote 11	Social Development	-	-	-	-	-	-
Vote 12	Human Settlements	-	-	-	-	-	-
	Sub Total	25 265 883.18	583 051 .71	398 340.45	370 979.63	223 021 642.20	6 246 848.70
	SANPARKS(Kruger National Park)	38 179 261.01	1 521 462.49	1521 462.49	1521 462.15	33 614 873.88	-
	National Department of Public Works	48 939 397.40	82 446.00	4 754.54	9 090.15	48 843 106.71	-
	National Department of Rural Development and Land Reform	138 195 060.00	-	-	-	138 195 060.00	-
	Sub Total	225 3313 718.41	1 603 908.49	1 526 217.03	1 521462.15	220 653 040.59	-
	Total	2 505 972 601.59	2 186 960.20	1 924 557.48	1 892 441.78	443 674 682.79	6 246 848.70

Table 61: Co-ordinated payments made to Mbombela Local Municipality

Vote Number	Opening balances as at 31 may 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-
Vote 2	Finance	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	-	-	-
Vote 5	Economic Development and Tourism	-	-	-
Vote 6	Education	R 14 270 996.16	-R 247 741.26	R 14 023 254.90
Vote 7	Public Works Roads and Transport	R 21 611 964.89	-R 4 164 618.71	R 17 447 346.18
Vote 8	Community Safety Security and Liaison	R 41 310.93	-	R 41 310.93
Vote 9	Health	R 4 658 437.26	-R 846 115.42	R 3 812 321.84
Vote 10	Culture Sport and Recreation	-	-	-
Vote 11	Social Development	-	-	-
Vote 12	Human Settlement	-	-	-
	SUB -TOTAL	R 40 582 709.24	-R 5 258 475.39	R 35 324 233.85
	National Department of Public Works	R 25 800 215.15	-R 6 905 801.64	R 18 894 413.51
	National Department of Rural Development and Land Reform	R 3 268 464.56	-	R 3 268 464.56
	SUB -TOTAL	R 29 068 679.71	-R 6 905 801.64	R 22 162 878.07
	TOTAL	R 69 651 388.95	-R 12 164 277.03	R 57 487 111.92

Table 62: Co-ordinated payments made to Umjindi Local Municipality

Vote Number	Opening balances as at 31 may 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-
Vote 2	Finance	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R19 898.51	-R16 615.83	R72 367.72
Vote 5	Economic Development and Tourism	-	-	-
Vote 6	Education	R104 184.75	-R325 432.40	R109 826.32
Vote 7	Public Works Roads and Transport	R774 168.18	-R 0.00	R4 745 955.54
Vote 8	Community Safety Security and Liaison	-	-	-
Vote 9	Health	R191 376.60	-R353 256.01	R394 811.88
Vote 10	Culture Sport and Recreation	R20 990.13	-R38 343.23	R43 434.95
Vote 11	Social Development	R6 753.00	-R1 752.04	R6 753.00
Vote 12	Human Settlement	-	-	-
	SUB -TOTAL	R111 7371.17	-R735 399.51	R5 373 149.41
	National Department of Public Works	-	-	-
	National Department of Rural Development and Land Reform	-	-	-
	TOTAL	R1 117 371.17	-R735 399.51	R5 373 149.41

Table 63: Co-ordinated payments made to Nkomazi Local Municipality

Vote Number	Department	Opening balances as at 31 may 2016	Invoices for the month of June 2016	Payments for the month of June 2016 as per municipalities	Outstanding balance as per municipality payment
Vote 1	Office of the premier	-	-	-	-
Vote 2	Finance	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	22 694 387.73	1 567 232.9	-326 152.41	23 935 468.22
Vote 5	Economic Development and Tourism	-	-	-	-
Vote 6	Education	2 043 369.8	180 846.66	-1 535.48	2 222 681.03
Vote 7	Public Works Roads and Transport	1 839 731.92	177 650.23	-857 072.94	1 160 309.21
Vote 8	Community Safety Security and Liaison	-	-	-	-
Vote 9	Health	121 751.16	250 784.75	-5 738.61	366 797.30
Vote 10	Culture Sport and Recreation	-	-	-	-
Vote 11	Social Development	-	-	-	-
Vote 12	Human Settlement	-	-	-	-
	SUB -TOTAL	26 699 240.66	2 176 514.54	-1 190 499.44	27 685 255.70
	National Department of Public Works	3 636 077.29	316 827.94	-317 167.14	3 635 738.09
	National Department of Rural Development and Land Reform	-	-	-	-
	SUB -TOTAL	3 636 077.29	316 827.94	-317 167.14	3 635 738.09
	TOTAL	30 335 317.95	2 493 342.48	-1 507 666.58	31 320 993.85

Table 64: Co-ordinated payments made to Thaba Chweu Local Municipality

Name of Department	Total amount outstanding	0 -30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture Rural Development Land and Environmental Affairs	868.24	868.24	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	1 592 215.95	441 272.11	135 300.14	121 309.58	894 334.12	-
Public Works Roads and Transport	81 637.18	32 115.14	49 084.46	437.58	-	-
Community Safety Security and Liaison	35 738.28	10 824.53	9 209.12	6 674.08	9 030.55	-
Health	769 190.64	292 058.44	208 902.86	90 006.66	178 222.68	-
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	113 128.62	13 339.24	4 707.69	6 087.23	88 994.46	-
Human Settlements	-	-	-	-	-	-
Sub Total	2 592 778.91	790 477.70	407 204.27	224 515.13	1 170 581.81	-
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	14 046 409.51	258 978.54	-	-	13 787 430.97	-
National Department of Rural Development and Land Reform	2 268 859.21	119 016.19	119 083.44	109 403.34	1 921 356.24	-199 000.00
Sub Total	16 315 268.72	377 994.73	119 083.44	109 403.34	15 708 787.21	-199 000.00
Total	18 908 047.63	1 168 472.43	526 287.71	333 918.47	16 879 369.02	-199 000.00

Table 65: CONSOLIDATED PAYMENTS TO MUNICIPALITIES AT EHLANZENI DISTRICT BY SECTOR DEPARTMENTS

Vote Number	Department	Outstanding balances unpaid to municipalities					Overall Outstanding balances per Department unpaid
		Bushbuckridge LM	Mbombela LM	Nkomazi LM	Thaba Chweu LM	Umjindi LM	
Vote 1	Office of Premier	-	-	-	-	-	-
Vote 2	Finance	-	-	-	-	-	-
Vote 3	Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Vote 4	Agriculture Rural Development Land and Environmental Affairs	R10 920.00	-	R23 935 468.22	R868.24	R72 367.72	R24 019 624.18
Vote 5	Economic Development and Tourism	-	-	-	-	-	-
Vote 6	Education	R314 311.81	R 14 023 254.90	R2 222 681.03	R1 592 215.95	R109 826.32	R18 262 290.01
Vote 7	Public Works Roads and Transport	R216 015 626.00	R17 447 346.18	R1 160 309.21	R81 637.18	R4 745 955.54	R239450874.11
Vote 8	Community Safety Security and Liaison	-	R 41 310.93	-	R35 738.28	-	R77049.21
Vote 9	Health	R5 201 156.18	R3 812 321.84	R366 797.30	R769 190.64	R394 811.88	R10 544 277.84
Vote 10	Culture Sport and Recreation	-	-	-	-	R43 434.95	R43 434.95
Vote 11	Social Development	-	-	-	R113 128.62	R6 753.00	R119 881.62
Vote 12	Human Settlements	-	-	-	-	-	-
	Sub Total	R221542013.99	R35 324 233.85	R27 685 255.70	R2 592 778.91	R5 373 149.41	R292 517 431.86
	SANPARKS(Kruger National Park)	R38 179 261.01	-	-	-	-	R38 179 261 01
	National Department of Public Works	R48 939 397.40	R18 894 413.51	R3 635 738.09	R14 046 409.51	-	R85 515 958.51
	National Department of Rural Development and Land Reform	R138 195 060.00	R 3 268 464.56	-	R2 268 859.21	-	R143 732 383.77
	Sub -Total	R225 313 718.41	R22 162 878.07	R3 635 738.09	R16 315 268.72	-	R267 427 603.29
	Total per local municipality	R 446 855 732.4	R 57 487 111.92	R31 320 993.79	R18 908 047.63	R5 373 149.41	R 559 945 035.15
Ehlanzeni	Total outstanding balance to municipalities						R 559 945 035.15

5.6.6.1 Provincial Analysis on payments made to municipalities by sector departments

Findings

The following findings were made that sector departments owed municipalities a total amount of R 741 328 597.01.

Generally municipalities are experiencing the following challenges with regards to payments:

- Sector departments are in arrears in honouring debt responsibilities due to budgetary constraints
- Municipalities are not allocating receipts on time due to late financial system closures
- Municipalities are failing to submit invoices on time to the correct departments
- Data on billing system not credible in certain instances
- Municipalities allocate funds incorrectly in certain instances hence credit balances on some accounts.

National and Provincial Interventions

- Provincial Treasury convened a monthly debt steering committee with sector departments to encourage departments to honour their debt commitments.

Recommendations

- That municipalities acknowledge their responsibility in terms of Section 135 of the Municipal Finance Management Act 56 of 2003 by ensuring that correct information is submitted to sector departments and monies are collected and correctly allocated in accordance with their Credit Control and Debt collection policy;
- Municipalities to report to the Provincial and National Treasury departments persistently failing to honour their debt commitments and request the deduction of a portion of their equitable share towards the payment of outstanding debt;
- That defaulting sector departments be reported to Provincial Management Committee (PMC)
- That each department must reconcile payments made and submit proof of payment per municipality on a monthly basis
- Departments follow up with municipalities to submit credible invoices in order to facilitate prompt payment;

5.6.7 % Municipal Infrastructure Grant budget approximately spent

Table 66: % of Municipal Infrastructure Grant budget approximately spent

District	Municipality	2013/14			2014/15			2015/16		
		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	317.79	317.79	100%	303.56	241.03	79 %	366.16	366.16	100%
	Mbombela	241.16	95.01	39%	286.04	258.64	90 %	298.26	260.67	87%
	Nkomazi	131.42	131.42	100%	245.29	228.81	93 %	219.38	219.38	100%
	Thaba Chweu	39.05	39.05	100%	57.00	44.85	79 %	64.65	64.65	100%
	Umjindi	28.05	26.84	96%	29.82	29.82	100%	40.65	40.65	100%
	Ehlanzeni	757.48	610.11	81%	921.72	803.14	87 %	989.10	951.51	96%
GERT SIBANDE	Chief Albert Luthuli	134.26	104.95	78%	105 407	119 612	88 %	94.09	94.09	100%
	Dipaleseng	20.59	15.87	77%	28.99	16.65	57 %	18.32	9.44	52%
	Govan Mbeki	102.03	102.03	100%	83.78	80.65	96 %	55.89	54.93	98%
	Lekwa	41.32	41.32	100%	33.99	33.75	99 %	27.97	27.97	100%
	Mkhondo	65.62	65.62	100%	82.77	82.77	100 %	81.67	81.67	100%
	Msukaligwa	38.48	38.48	100%	43.76	32.95	75 %	39.98	39.98	100%
	Dr. Pixley Ka Isaka Seme	30.61	30.61	100%	18.22	18.22	100 %	25.65	23.99	94%
	Gert Sibande	432.91	398.87	92%	396.92	370.40	93 %	343.57	332.07	97%
NKANGALA	Emalahleni	76.10	76.10	100%	111.48	109.31	98 %	115.80	115.80	100%
	Emakhazeni	13.32	13.32	100%	17.23	17.23	100 %	20.76	20 76	100%
	Steve Tshwete	41.76	38.36	92%	52.28	51.99	99 %	48.09	47.15	98%
	Victor Khanye	23.63	23.63	100%	23.57	21.48	91 %	24.19	24.19	100%
	Dr. JS Moroka	111.24	111.24	100%	146.88	141.82	97 %	124.75	119.05	95%
	Thembisile Hani	109.28	88.57	81%	47.44	47.44	100 %	89.14	89.14	100%
	Nkangala	375.33	317.78	85%	398.88	389.28	98 %	422.73	416.09	98%
	1565.72	1326.76	85%	1708.52	1562.82	91%	1755.40	1699.67	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 2013/14 financial year municipalities across the province were allocated **R 1.5 billion** and were only able to spend **R 1.3 billion** the spending was at 85%. In the 2014/15 financial year municipalities were allocated **R 1.7 billion** and were only able to spend **R 1.5 billion** which is (91%). In the 2015/16 financial year municipalities were allocated **R 1.7 billion** and were only able to spend **R 1.6 billion**, which was (97%). A total of 6 municipalities were unable to spend 100% of their allocations by the end of their financial year. These include Mbombela, Dipaliseng, Govan Mbeki, Dr Pixley Ka Isaka Seme, Steve Tshwete and Dr JS Moroka.

5.6.8 % of Municipal Systems Improvement Grant spent as of total MSIG budget

The Municipal System Improvement Grant (MSIG) is a conditional grant directed to selected District and local municipalities. The purpose of the grant is to support municipalities' new systems as provided in the Municipal Systems Act, Municipal Structures Act and other related local government policy and legislation so that they can carry mandated functions effectively. The focus of MSIG varies year in and year out considering the strategic priorities of government with regards to the implementation of 5 Year Local

Government Strategic Agenda. The focus of MSIG is as follows;

- Development and implementation of municipal turnaround strategies;
- Strengthening administrative systems for effective implementation of ward participation systems;
- Support interventions for municipal viability management and improvement of a municipal audit outcomes; and
- Implementation of effective information systems enabling regular reporting on drinking and waste water quality.

Table 67: Indicate % spent on total MSIG budget per municipality

Name of municipality	2014/15				2015/16			
	Allocation 2014/15	Expenditure 2014/15	Balance	Percentage	Allocation 2015/16	Expenditure 2015/16	Balance	Percentage
Ehlanzeni district	R934 000	INP	INP	INP	R940 000	R940 000	-	100%
Bushbuckridge	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Mbombela	R934 000	R934 000	0	100	R930 000	R542 045	R387 955	58.28%
Nkomazi	R934 000	INP	INP	INP	R930 000	R930 000	-	100%
Thaba Chweu	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Umjindi	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Gert Sibande District	R934 000	R934 000	0	100	-	-	-	0
Chief Albert Luthuli	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Dipaleseng	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Govan Mbeki	R934 000	INP	INP	INP	R930 000	R895 584	R34 416	96%
Lekwa	R934 000	INP	INP	INP	R930 000	R738 739	R191 261	79%
Mkhondo	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Msukaligwa	R934 000	R934 000	0	100	R930 000	R177 650	R752 350	19.10%
Dr. Pixley Ka Isaka Seme	R934 000	R498 708	435 292	53	R930 000	R912 540	R17 460	98%
Nkangala district	R934 000	R934 000	0	100	R930 000	R930 000	-	100%
Emalahleni	R934 000	R934 000	934 000	100	-	-	-	0
Emakhazeni	R934 000	R934 000	934 000	100	R930 000	R495 811	R434 189	51%
Steve Tshwete	R934 000	R789 954	144 046	85	R940 000	R940 000	-	100%
Victor Khanye	R934 000	R934 000	934 000	100	R930 000	R930 000	-	100%
Dr. JS Moroka	R934 000	R890703	43 297	95	R930 000	R830776	R99 224	89.33%
Thembisile Hani	R934 000	R934 000	934 000	100	R930 000	R930 000	-	100%
TOTAL	R19 614 000	R14 321 365	R4 358 635	73%	R17 690 000	R15 773 145	R1 916 855	89%

(Source: Section 46 reports from municipalities)

5.6.8.1 Analysis of the Municipal Systems Improvement Grant spent as of total MSIG budget

Findings

The following findings were made on the ability of municipalities to spending the MSIG, that in the 2014/15 financial year municipalities across the province were allocated **R 19 614 000** and were only able to spend **R 14 321 365** for which the spending was at 73%. In the 2015/16 financial year municipalities were allocated **R 17 690 000** and were able to spend **R 15 773 145** which means an expenditure of 89% which means a 16% increase.

12 municipalities managed to spend 100% of their MISG allocation, while Emalahleni and Gert Sibande District did not receive the any allocation. Mbombela, Govan Mbeki, Lekwa, Msukaligwa, Dr Pixley Ka Isaka Seme, Emakhazeni and Dr JS Moroka municipalities could not spend their entire allocation and their spending ranged between 19% and 98% of their allocations.

Challenges

The following challenges were noted with regards:

- Municipalities do not spend their budget in line with their business plans;
- Poor reporting by municipalities;
- Non -submission of detailed business plans to National DCoG by Municipalities;
- Municipalities don't utilise the funding for what it is intended for (System improvement)

National and Provincial Interventions

- Municipalities were visited and assisted to complete business plans; and to report
- Municipalities were also advised not to spend the MSIG grant for operational activities

Recommendations

- That the Department encourages municipalities to adequately report on their activities and submit business plans on time to National DCoG.
- That municipalities implement the planned projects in line with the business plan
- That the CFOs offices monitor the correct expenditure

5.6.9 Submission of Annual Financial Statements for 2015/16 Financial Year

Table 68: Submission of AFS for 2015/16 FY

Name of Municipality	2014/15		Date of AFS submission to AG by the municipality	2015/16		Date of AFS submission to AG by 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		31/08/2015	Yes		31/08/2016
Msukaligwa	Yes		31/08/2015	Yes		31/08/2016
Mkhondo	Yes		31/08/2015	Yes		31/08/2016
Dr. Pixley Ka Isaka Seme	Yes		31/08/2015	Yes		31/08/2016
Lekwa	Yes		31/08/2015	Yes		31/08/2016
Dipaleseng	Yes		31/08/2015	Yes		31/08/2016
Govan Mbeki	Yes		31/08/2015	Yes		31/08/2016
Gert Sibande District	Yes		31/08/2015	Yes		31/08/2016
Victor Khanye	Yes		31/08/2015	Yes		31/08/2016
Emalahleni	Yes		31/08/2015	Yes		31/08/2016
Steve Tshwete	Yes		31/08/2015	Yes		31/08/2016
Emakhazeni	Yes		31/08/2015		No	INP
Thembisile Hani	Yes		31/08/2015	Yes		31/08/2016
Dr. JS Moroka	Yes		31/08/2015	Yes		31/08/2016
Nkangala District	Yes		31/08/2015	Yes		31/08/2016
Bushbuckridge	Yes		31/08/2015	Yes		31/08/2016
Thaba Chweu	Yes		31/08/2015	Yes		31/08/2016
Mbombela	Yes		31/08/2015	Yes		31/08/2016
Umjindi	Yes		31/08/2015	Yes		31/08/2016
Nkomazi	Yes		31/08/2015	Yes		31/08/2016
Ehlanzeni District	Yes		31/08/2015	Yes		31/08/2016
Total	21		31/08/2015	Yes		31/08/2016

(Source: AG 2015/16 Audit Outcomes)

5.6.9.1 Analysis on the preparation and submission of AFS

Findings

All 20 municipalities met the statutory deadline of 31 August 2016 to submit the annual financial statements to the Auditor General, except Emakhazeni LM.

5.6.10 Use of consultants to prepare AFS

Table 69: Indicate municipalities that utilized consultants to prepare AFS

Name of Municipality	2014/15				2015/16			
	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		No	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		No	Yes		Yes			Yes
Emalahleni	Yes			Yes	Yes			Yes
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni		No	Yes		Yes		Yes	
Thembisile Hani	Yes		Yes		Yes			Yes
Dr.JS Moroka		No	Yes		Yes			Yes
Nkangala District		No	Yes			No	Yes	
Bushbuckridge	Yes		Yes		Yes		Yes	
Thaba Chweu		No	Yes		Yes			Yes
Mbombela		No	Yes			No	Yes	
Umjindi		No	Yes			No	Yes	
Nkomazi		No		Yes		No		Yes
Ehlanzeni District		No	Yes			No	Yes	
Total	7	14	18	3	11	10	14	7

(PT Consolidated Municipal Report: 2015)

5.6.10.1 Analysis on the use of consultants when preparing AFS

Findings

11 out of 21 municipalities used consultants to prepare annual financial statements in the year under review: Msukaligwa, Mkhondo, Dr. Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Emalahleni, Emakhazeni, Thembisile Hani, Dr JS Moroka, Bushbuckridge and Thaba Chweu. 7 out of 21 municipalities had acting chief financial officers during 2015/16 financial year namely; Msukaligwa, Victor Khanye, Emalahleni, Thembisile Hani, Dr JS Moroka, Thaba Chweu and Nkomazi.

5.6.11 Timely submission of the Annual Report for the 2015/16 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 70: Submission of the 2015/16 Annual Report

Name of Municipality	2014/15		2015/16	
	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2015?		Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2016?	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes		Yes	
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalaheni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes			No
Thembisile Hani	Yes		Yes	
Dr. JS Moroka	Yes		Yes	
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
Mbombela	Yes		Yes	
Umjindi	Yes		Yes	
Nkomazi	Yes		Yes	
Ehlanzeni District	Yes		Yes	
Total	21		20	1

(Source: AG 2015/16 Audit Outcomes)

5.6.11.1 Provincial Analysis

Findings

All 20 municipalities submitted the unaudited 2015/16 Annual Reports together with the Annual Financial Statements by the statutory deadline of 31 August 2016, only Emakhazeni Municipality did not submit on the prescribed deadline.

Challenges

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

Intervention

- Provincial Treasury to assist municipalities where capacity challenges are experienced

Recommendation

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

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 71: Indicate municipalities' with functional ward committees

DISTRICT	Municipality	2013/14		2014/15		2015/16	
		No of functional ward committees	% of functional ward committees	No of functional ward committees	% of functional ward committees	No of functional ward committees	% of functional ward committees
EHLANZENI	Mbombela	36	98%	22	56%	18	46%
	Umjindi	09	100%	06	67%	09	0%
	Nkomazi	32	98%	11	33%	25	78%
	Bushbuckridge	37	100%	16	43%	37	100%
	Thaba Chweu	12	96%	11	79%	04	29%
NKANGALA	Emakhazeni	07	98%	04	50%	03	38%
	Steve Tshwete	26	96%	26	90%	25	86%
	Dr J S Moroka	26	94%	25	81%	29	94%
	Emalahleni	23	88%	33	97%	32	94%
	Thembisile Hani	27	93%	32	100%	32	100%
	Victor Khanye	04	48%	09	100%	05	56%
GERT SIBANDE	Chief Albert Luthuli	24	98%	23	92%	22	88%
	Msukaligwa	12	89%	17	89%	17	89%
	Lekwa	08	63%	12	80%	11	73%
	Govan Mbeki	02	03%	25	78%	13	41%
	Dipaleseng	05	98%	04	67%	06	100%
	Mkhondo	12	88%	17	84%	05	26%
	Dr Pixley Ka Isaka Seme	11	100%	11	100%	11	100%
TOTAL		289	72%	304	76%	295	73%

(Source: Section 46 reports from municipalities)

5.7.1.1 Analysis on Functionality of Ward Committees

Findings

The following findings were made that in the 2013/14 financial year only 289 ward committees were functional out of 402. In the 2014/15 financial year there was an increase as 304 ward committees were functional. In 2015/16 financial year functionality of ward committees dropped again to only 295 operational ward committees.

Challenges

The drop in performance and functionality of ward committees were a result of the following reasons:

- Failure to convene meetings by Ward Councillors
- Non implementation of ward operational plans
- Poor working relationship between CDWs and Ward Committees

Interventions

- COGTA has held sessions to assist ward committees to develop ward operational plans
- COGTA held session with ward committees that were reported to be dysfunctional to improve their functionality;
- Role clarification workshops convened between CDWs and Ward Committees to strengthen working relationships

Recommendations

- Speakers offices in municipalities to ensure that all ward councillors convene community meetings as required.
- Municipalities to monitor and enforce the implementation of the Ward Operational Plans.

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

All CDWs are performing their duties as expected, however in some wards CDWs have died and have not been replaced currently there are 342 CDWs and there are 60 vacant posts.

Challenges

- Shortage of CDWs due to death and/or resignations
- Poor working relationship between CDWs and Ward committees
- Shortage of tools of trade

Support interventions by National and Provincial government

- Programme 2 motivated for the filling of all vacant CDW posts because the appointment of the CDW has exceeded benchmark.

Recommendations

- Programme 2 to motivate for the filling of all vacant CDW posts

5.8 ADMINISTRATIVE & INSTITUTIONAL CAPACITY

5.8.1 Institutional Development and Transformation

The Department supports and monitors 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 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 2016

Table 72: Vacancy Rate in Senior Management Posts as of June 2016 per District

District	2014/15						2015/16					
	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	38	33	26	7	5	13%	39	33	26	7	6	15%
Gert Sibande	49	45	37	8	4	8%	49	46	36	10	3	6%
Nkangala	38	26	17	9	12	31%	38	32	19	13	6	15%
Total	125	104	80	24	21	17%	126	111	81	30	15	12%

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

Posts	2014/15			2015/16		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	6	5	1	6	4	2
Chief Financial Officer	6	5	1	6	4	2
Technical Services	6	4	3	6	4	2
Corporate Services	6	6	0	6	6	0
Community Services	6	6	0	6	6	0
Development and Planning	2	2	0	6	4	2
Chief Operations Officer	2	2	0	1	1	0
LED and Tourism	2	2	0	-	-	-
Manager Human Settlements	1	1	0	-	-	-
Total	38	33	5	37	29	8

(Source: Section 46 reports from municipalities)

At Ehlanzeni district in the 2015/16 financial year out of 37 approved section 56/57 posts, only 29 posts were filled and the vacancy rate stood at 22% as compared to 13% for 2014/15 financial year. The following posts remained vacant 2 Municipal Managers, 2 Chief Financial Officers 2 Technical Services Managers and 2 Development and Planning Senior Managers.

Table 74: Filling of S54 and S56 Managers

Posts	2014/15			2015/16		
	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	7	1	8	8	0
Chief Financial Officer	8	7	1	8	7	1
Technical	8	7	1	8	6	2
Corporate Services	8	8	0	8	8	0
Community Services	8	8	0	8	8	0
Development and Planning	6	6	0	8	6	2
Human Settlement	1	0	1	1	1	0
Public Safety	2	2	0	-	-	-
TOTAL	49	45	4	49	44	5

(Source: Section 46 reports from municipalities)

At Gert Sibande district out of 49 approved section 56/57 posts only 44 were filled in the 2015/16 financial year indicating a slight decline in the rate of filling of vacant posts by 10% (unfilled) as compared to 8% (unfilled) in 2014/15 financial year. The following posts were still vacant 1 CFO, 2 Technical Services and 2 Development and Planning.

Nkangala District

Table 75: Filling of S54 and S56 Managers in Nkangala

Posts	2014/15			2015/16		
	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	2	5	7	6	1
Chief Financial Officer	7	2	1	7	5	2
Technical	7	6	1	7	6	1
Corporate Services	7	5	2	7	6	1
Development Planning	2	2	0	2	2	0
Community Services	7	5	2	7	6	1
Environmental waste management	1	0	1	-	-	-
TOTAL	38	26	12	37	31	6

(Source: Section 46 reports from municipalities)

At Nkangala District in the 2014/15 financial year out of 38 approved S56/57 posts only 26 were filled which was 31.6% unfilled. 2015/16 financial year out of 37 approved S56/57 posts only 31 were filled which is an improvement of 16.2% vacancy rate. However the following posts were vacant 1 Municipal Manager, 2 CFOs, 1 Corporate Services, 1 Technical Services and 1 Community Services.

5.8.2.3 Analysis of Performance on Institutional Development Findings

In 2014/15 financial year out of 125 senior managers posts that were approved across all municipalities in the province and only 104 were filled of which 80 were held by male and 24 by female candidates and none were filled by the disabled individuals still 21 posts were never filled. In 2015/16 out of 126 approved posts only 111 were filled of which 81 were filled by male and 30 by female candidates and none were filled by the disabled individuals. The vacancy rate decreased from 17% in 2014/15 financial year to 12% in 2015/16 financial year.

The breakdown of vacant posts across all three districts in the province as at the end of June 2016 is as follows:

- At Steve Tshwete, Ehlanzeni District and Thaba Chweu Municipal managers post were vacant.
- At Dr Pixley Ka Isaka Seme, Victor Khanye, Dr JS Moroka, Umjindi and Nkomazi, CFOs posts were vacant.
- At Gert Sibande District, Dipaleseng, Dr Pixley Ka Isaka Seme, Steve Tshwete, Umjindi and Nkomazi Technical Services Directors were vacant.
- At Steve Tshwete Corporate Services Director post was vacant.

Challenges in the filling of vacant posts

The following challenges were experienced by all municipalities:

- There is sometimes low turn up of applicants who meet the post requirements, making it difficult for the municipality to fill the posts within the stipulated timeframe.
- Delays by municipalities in advertising and filling vacant posts

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 was 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.

Recommendation

- 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.

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 76: Filling of S54 and S56 Managers

Districts	Municipality	2013/14			2014/15			2015/16		
		No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of vacancies for female Section 57 Managers	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of vacancies for female Section 57 Managers	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of vacancies for female Section 57 Managers
EHLANZENI	Bushbuckridge	6	2	0	7	2	0	7	2	0
	Mbombela	8	1	0	8	2	0	8	2	0
	Nkomazi	6	1	0	6	1	0	6	1	0
	Thaba Chweu	5	0	0	5	1	0	5	1	0
	Umgjindi	7	0	0	7	0	0	7	0	0
	Ehlanzeni	7	1	0	7	1	0	7	1	0
	TOTAL	39	05	0	40	07	0	39	7	0
GERT SIBANDE	Chief Albert Luthuli	7	0	0	7	0	0	7	0	0
	Dipaleseng	6	2	0	6	2	0	6	2	0
	Govan Mbeki	6	2	0	6	2	0	6	2	0
	Lekwa	6	1	0	6	2	0	6	2	0
	Mkhondo	5	0	0	6	0	0	6	1	0
	Msukaligwa	6	0	0	6	0	0	6	1	0
	Dr. Pixley Ka Isaka Seme	5	1	0	5	1	0	5	1	0
	Gert Sibande	6	1	0	7	1	0	7	1	0
	TOTAL	47	07	0	49	08	0	49	10	0
NKANGALA	Emalahleni	6	1	0	7	1	1	7	3	0
	Emakhazeni	6	3	0	6	2	1	6	3	0
	Steve Tshwete	5	3	0	5	2	0	4	2	0
	Victor Khanye	5	3	0	5	1	0	4	1	0
	Dr. JS Moroka	5	1	0	5	0	0	5	2	0
	Thembisile Hani	5	0	0	5	1	0	5	1	0
	Nkangala	5	3	0	5	3	0	5	3	0
	TOTAL	37	14	0	38	10	02	38	16	0

(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 increase in the appointment of female section 57 (54A/56) from 26 (21.14%) in the 2013/14 financial year, 25 (16.69%) in the 2014/15 financial year it was slightly lower and 33 (26.19%) appointments in the 2015/16 financial year there was a slight increase again. Nkangala District had the highest female appointees at 42% at S54/56 level, followed by Gert Sibande District at 20.4 %, with Ehlanzeni District with the lowest at standing at 17.95%.

Challenges

Municipalities experienced the following challenges:

- Failure by municipalities to comply with the Employment Equity Act

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.

Recommendation

- Municipalities must comply with the Employment Equity Act.

5.8.4 Employment of people with disabilities

Table 77: Employment of People with Disabilities

DISTRICTS	Municipality	2013/14			2014/15			2015/16		
		Total no. of people with disabilities	no. of people with disabilities	% No of vacancies for people of disabilities	Total no. of people with disabilities	no. of people with disabilities	% No of vacancies for people of disabilities	Total no. of people with disabilities	no. of people with disabilities	% No of vacancies for people of disabilities
EHLANZENI	Bushbuck rid gee	3	3	0	4	4	0	12	12	0
	Mbombela	15	15	0	6	6	0	6	6	0
	Nkomazi	5	5	0	4	4	0	4	4	0
	Thaba Chweu	4	4	0	4	4	0	4	4	0
	Umjindi	3	3	0	3	3	0	3	3	0
	Ehlanzeni	0	0	0	0	0	0	0	0	0
	TOTAL	30	30	0	21	21	0	29	29	0
GERT SIBANDE	Chief Albert Luthuli	1	1	0	1	1	0	1	1	0
	Dipaleseng	2	2	0	5	5	0	5	5	0
	Govan Mbeki	13	13	0	13	13	0	18	18	0
	Lekwa	3	3	0	5	5	0	4	4	0
	Mkhondo	4	4	0	4	4	0	14	14	0
	Msukaligwa	7	7	0	6	6	0	4	4	0
	Dr. Pixley Ka Isaka Seme	4	4	0	4	4	0	4	4	0
	Gert Sibande	2	2	0	1	1	0	2	2	0
	TOTAL	36	36	0	38	38	0	53	53	0
NKANGALA	Emalahleni	20	20	0	21	21	0	21	21	0
	Emakhazeni	1	1	0	0	0	0	0	0	0
	Steve Tshwete	23	23	0	24	24	0	24	24	0
	Victor Khanye	5	5	0	7	7	0	7	7	0
	Dr. JS Moroka	2	2	0	2	2	0	1	1	0
	Thembisile Hani	7	7	0	5	5	0	9	9	0
	Nkangala	1	1	0	2	2	0	2	2	0
TOTAL	59	59	0	61	61	0	59	59	0	

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 all the posts of the people with disabilities as planned. Out of a total 375 approved posts across the three districts in the province a total of 141 posts were filled accounting for 38% of the entire staff compliment. The top four (4) municipalities with the highest number employees with disabilities are:

- Steve Tshwete at twenty four (24) followed by
- Emalahleni with 21
- Govan Mbeki with 18 and
- Bushbuckridge with 12 employees of disability.

Emakhazeni has performed dismally in this area with only one (1) post designated for this group.

Challenges

- Municipalities are finding it difficult to attract individuals with disabilities in all categories.

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.

Recommendations

- Municipalities to comply as per the Employment Equity Act.

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

Table 78: Employees aged between 35 or younger

Districts	Municipality	2013/14			2014/15			2015/16		
		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	1113	186	17%	1029	229	22%	1773	271	15%
	Mbombela	2063	444	22%	2210	479	22%	4743	449	9%
	Nkomazi	1500	379	25%	1500	385	27%	1500	385	26%
	Thaba Chweu	760	64	8%	541	100	18.5%	697	101	14%
	Umjindi	345	165	49%	405	77	19%	405	77	19%
	Ehlanzeni	135	39	29%	145	35	24%	152	35	23%
	TOTAL	5916	1277	21%	5830	1305	22%	9270	1318	14%
GERT SIBANDE	Chief Albert Luthuli	470	156	33%	454	0	0	490	0	0%
	Dipaleseng	424	34	8%	334	0	0	334	60	18%
	Govan Mbeki	894	321	40%	2005	271	14%	2005	271	14%
	Lekwa	692	105	14%	606	91	15%	606	99	16.34 %
	Mkhondo	662	171	26%	-	-	-	600	190	32%
	Msukaligwa	837	143	17%	854	123	14.40%	854	113	13%
	Dr. Pixley Ka Isaka Seme	375	75	20%	375	74	20%	375	75	20%
	Gert Sibande	322	12	4%	328	149	45.4%	297	98	33%
	TOTAL	4676	1017	21.7%	4956	708	14.3%	5561	906	16%
NKANGALA	Emalahleni	1625	307	19%	1 711	319	19%	3336	291	8.7%
	Emakhazeni	529	139	26%	507	144	28%	514	122	24%
	Steve Tshwete	1442	379	26%	1477	401	27%	1477	406	27%
	Victor Khanye	523	95	18%	459	124	27%	496	124	25%
	Dr. JS Moroka	903	136	15%	986	159	16%	981	159	16%
	Thembisile Hani	544	78	14%	587	141	24%	406	116	28.6%
	Nkangala	254	92	36%	287	87	30%	287	97	34%
	TOTAL	5820	1226	21%	6014	1375	23%	7497	1315	17.54%
GRAND TOTAL	16412	3 520	21%	16 800	3 388	20.17%	20 328	3 539	17%	

(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 2013/14 financial year there were 16 412 approved posts for people 35 and younger across all municipalities in the province only 3 520 were filled. In the 2014/15 financial year out of 16 800 approved posts only 3 388 were filled. In the 2015/16 financial year there were 20 328 approved posts for people 35 and younger across all municipalities in the province. Out of the 20 328 approved posts only 3 539 were filled accounting for 17% of the entire staff compliment of municipalities which was 4% decrease as compared to the 2013/14 financial year and 3.17% decrease when compared to the 2014/15 financial year.

Challenges

- Municipalities set targets to employ youth but fail to budget for those posts.
- Financial constraints (Moratorium) resulting in posts not advertised.

Interventions by National and Provincial department

Municipalities were also advised on the implementation of the Employment Equity Act to ensure that youth posts are also created in the municipal organograms.

Recommendations

- Municipalities to comply with employment equity act.
- Municipalities to budget for youth employment as per the act.

5.8.6 Integrated Capacity Building Plans Implementation

Table 79: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	Management level	2013/14		2014/15		2015/16	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
EHLANZENI	Bushbuckridge	Councillors	28	28	130	48	74	24
		Senior Management level	4	4	33	41	44	42
		Lower level employees	853	111	154	123	660	166
		Technicians and professional	6	6	352	148	295	46
		TOTAL	891	149	669	360	1073	278
	Mbombela	Councillors	78	53	39	39	89	0
		Senior Management level	35	30	48	40	104	26
		Lower level employees	500	359	610	110	610	19
		Technicians and professional	59	50	131	118	131	6
		TOTAL	672	492	828	307	934	51
	Thaba Chweu	Councillors	28	10	INP	INP	27	27
		Senior Management level	6	3	INP	INP	4	4
		Lower level employees	349	75	INP	INP	56	56
		Technicians and professional	45	18	INP	INP	38	38
		TOTAL	428	106	INP	INP	125	125
	Umjindi	Councillors	12	12	18	16	18	4
		Senior Management level	10	9	7	0	06	03
		Lower level employees	222	118	222	5	323	211
		Technicians and professional	62	38	64	10	11	0
		TOTAL	306	177	311	31	358	218
Nkomazi	Councillors	65	21	65	25	65	45	
	Senior Management level	29	27	31	31	32	31	
	Lower level employees	854	700	870	826	912	865	
	Technicians and professional	37	37	49	49	51	51	
	TOTAL	985	785	1015	931	1060	992	
Ehlanzeni District	Councillors	30	10	28	14	11	6	
	Senior Management level	22	9	26	10	21	7	
	Lower level employees	45	45	47	37	70	44	
	Technicians and professional	60	8	55	25	59	65	
	TOTAL	157	72	156	86	161	129	
GERT SIBANDE	Chief Albert Luthuli	Councillors	50	32	49	3	6	6
		Senior Management level	18	10	28	10	20	20
		Lower level employees	348	68	342	20	348	23
		Technicians and professional	32	10	35	25	32	6
		TOTAL	448	120	454	58	406	55
	Dipaleseng	Councillors	12	12	12	1	12	7
		Senior Management level	16	16	13	13	15	15
		Lower level employees	89	65	20	10	152	88
		Technicians and professional	27	27	150	35	20	16
		TOTAL	144	120	195	59	199	126
	Govan Mbeki	Councillors	60	59	63	18	63	32
		Senior Management level	30	29	34	6	29	2
		Lower level employees	1015	989	1075	59	1003	74
		Technicians and professional	152	76	188	32	351	18
		TOTAL	1257	1153	1360	115	1446	126

DISTRICT	Municipality	Management level	2013/14		2014/15		2015/16	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
	Lekwa	Councillors	20	20	30	20	30	20
		Senior Management level	5	5	27	5	6	0
		Lower level employees	41	41	433	41	462	40
		Technicians and professional	12	12	57	12	108	20
		TOTAL	78	78	547	78	606	80
NKANGA DISTRICT	Mkhondo	Councillors	25	25	25	25	38	08
		Senior Management level	3	3	3	3	27	19
		Lower level employees	320	312	320	312	258	108
		Technicians and professional	15	12	15	12	127	54
		TOTAL	363	352	363	352	450	189
	Msukaligwa	Councillors	14	10	INP	10	38	22
		Senior Management level	16	7	INP	4	6	2
		Lower level employees	71	41	INP	16	28	10
		Technicians and professional	46	15	INP	0	1	0
		TOTAL	147	73	INP	30	73	34
	Dr. Pixley Ka Isaka Seme	Councillors	65	65	21	11	21	01
		Senior Management level	21	19	21	21	21	17
		Lower level employees	66	66	328	88	248	178
		Technicians and professional	25	25	5	5	4	4
		TOTAL	177	175	375	125	294	200
	GERT SIBANDE DISTRICT	Councillors	18	18	19	8	19	13
		Senior Management level	12	6	5	5	5	3
		Lower level employees	134	134	179	55	77	52
		Technicians and professional	12	12	41	18	142	95
		TOTAL	176	170	244	86	243	163
NKANGA DISTRICT	Emalahleni	Councillors	4	4	67	23	68	15
		Senior Management level	7	7	69	37	69	51
		Lower level employees	538	389	1121	324	1176	244
		Technicians and professional	50	23	331	106	193	129
		TOTAL	599	423	1588	490	1506	439
	Emakhazeni	Councillors	-	-	15	6	15	3
		Senior Management level	4	4	6	5	20	19
		Lower level employees	31	31	28	19	154	26
		Technicians and professional	5	5	9	6	61	8
		TOTAL	40	40	58	36	250	56
	Steve Tshwete	Councillors	7	5	5	28	58	0
		Senior Management level	8	12	13	5	58	4
		Lower level employees	114	202	253	162	549	176
		Technicians and professional	54	48	80	102	857	7
		TOTAL	183	267	351	297	1522	187
	Victor Khanye	Councillors	15	10	17	4	17	8
		Senior Management level	22	6	42	8	5	3
		Lower level employees	260	113	169	60	318	50
		Technicians and professional	40	27	152	25	58	8
		TOTAL	337	156	380	97	398	69
Dr. JS Moroka	Councillors	55	19	64	46	62	62	
	Senior Management level	10	6	5	23	8	8	
	Lower level employees	310	66	320	56	486	273	

DISTRICT	Municipality	Management level	2013/14		2014/15		2015/16	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
		Technicians and professional	86	40	90	44	12	5
		TOTAL	461	131	479	169	568	348
	Thembezi Hani	Councillors	69	59	64	11	64	16
		Senior Management level	14	14	5	4	4	1
		Lower level employees	122	122	325	10	350	32
		Technicians and professional	28	28	75	18	36	17
		TOTAL	233	223	469	43	454	66
	NKAN- GALA DISTRICT	Councillors	65	18	59	24	24	24
		Senior Management level	52	12	33	27	33	16
		Lower level employees	119	150	136	28	136	30
		Technicians and professional	117	101	57	25	57	20
		TOTAL	353	281	285	104	250	90

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

In the 2013/14 financial year there was a total of **720** councillors and officials approved for training, but only **490** were actually trained. In the 2014/15 financial year there was a total of **790** councillors and officials approved for training, but only **380** were actually trained. In the 2015/16 financial year there was a total of **819** councillors and officials approved for training, but only **343** were actually trained.

- In Ehlanzeni District there was a total of 3711 staff compliment out of which 1793 were trained
- In Gert Sibande District there was a total of 3717 staff compliment out of which 973 were trained
- In Nkangala District there was a total of 4948 staff compliment out of which 1255 were trained
- Some Municipalities are completing the report for compliance purpose which lead to the incorrect information reported. Relevant KPAs leaders are not hands on in the completion of Section 46 report.

Challenges Experienced

- Poor attendance of the planned trainings.
- None submission of portfolio of committees by some trainees
- Municipalities not budgeting adequately for training

Interventions by National and Provincial department

- Local Government SETA provided funding for accredited trainings for both councillors and officials.

Recommendations:

The following recommendation is made that:

- Municipalities budget for the training of its workforce
- Municipalities should sign performance agreements with all staff members which will assist to identify skills gaps.
- That trainees must sign commitment agreements that should they abandon the training or fail to submit the portfolio of evidence they should repay the state for the costs incurred.

5.8.7 Implementation of Performance Management Systems Framework

EHLANZENI

Table 80: 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 IDP linked to SDBIP?	Section 57 Performance contract signed?	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	No	Yes	Yes	Yes	None
Mbombela	Yes	Yes	Yes	8	8	Yes	No	Yes	Yes	No	Financial
Nkomazi	Yes	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	Cascading of PMS to lower level employees planned for 2016/17
Thaba Chweu	Yes	Yes	Yes	4	4	Yes	No (Audit Committee does this function)	Yes	Yes	No	Insufficient staff in the PMS Unit.
Umjindi	Yes	Yes	Yes	5	5	Yes	No	Yes	No	No	Municipality submitted IPMS Policy item to LLF for consultation to cascade PMS to all employees
Ehlanzeni District	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
Total	6	6	6	33	33	6	2	6	5	2	

(Source: Section 46 reports from municipalities)

GERT SIBANDE DISTRICT

Table 81: 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 IDP linked to SDBIP?	Section 57 Performance contract signed?	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	7	7	Yes	Yes	Yes	Yes	No	None
Dipaleseng	Yes PMS Adopted	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	In a process of exhausting due all legislation
Govan Mbeki	Yes	Yes	Yes	6	6	No	No	Yes	Yes	No	Cascading PMS to lower levels will be roll-out in phases
Lekwa	Reviewed by 2016-04-30 but not adopted.	Yes	Yes	6	6	Yes	Audit Committee serves as Performance Audit Committee	Yes	Yes	No	Reviewed PMS Policy approved by Council. PMS not yet cascaded. Policy for its implementation to be developed in line with completed and updated job descriptions

Names of Municipality	PMS Framework developed/ reviewed and adopted by council (state date of adoption)	Analysed IDP and engaged with community	Adopted IDP linked to SDBIP?	Section 57 Performance contract signed?	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
Mkhondo	Yes	Yes	No	6	6	Yes	Yes	Yes	Yes	Yes	Municipal Manager post vacant.
Msukaligwa	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Dr. Pixley Ka Isaka Seme	PMS Framework	Communities were engaged	Yes	4	4	Yes	Yes	Yes	Yes	No. PMS only applicable to	PMS not cascaded down due to Insufficient staff in the PMS Unit.
	adopted in 2013	during and after the drafting of the IDP								S56 and S57 Managers. Meeting scheduled with SALGA for March 2017	
Gert Sibande District	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Total	8	8	7	43	43	7	7	8	8	0	

(Source: Section 46 reports from municipalities)

NKANGALA

Table 82: 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 IDP linked to SDBIP?	Section 57 Performance contract signed?	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
Emalaheni	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	None
Emakhazeni	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Steve Tshwete	Yes	Yes	Yes	2	2	Yes	Yes	Yes	Yes	Level 1 -3	None
Victor Khanye	Yes	Yes	Yes	4	4	No	No	No	Yes	No	<input type="checkbox"/> The PMS is up for review and will be audited by the Internal Audit; <input type="checkbox"/> The Audit Committee is responsible for performance audit instead of PAC; <input type="checkbox"/> Oversight report was not made public due to late submission to Council for Adoption; and <input type="checkbox"/> The Monitoring and Evaluations Unit has requested assistance from the audit committee on the process of cascading the PMS..
Dr. JS Moroka	Yes	Yes	Yes	3	3	Yes	Yes	Yes	Yes	No	Insufficient staff in the PMS Unit.
Thembisile Hani	Yes 26 July 2016	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	Insufficient staff in the PMS Unit.
Nkangala District	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	Yes	None
Total	7	7	7	29	29	6	6	6	6	2	

(Source: Section 46 reports from municipalities)

5.8.6.1 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 2013/14 financial year only one (1) municipality (Bushbuckridge) had cascaded PMS to officials lower than section 54 and 56 managers. In 2014/15 financial year two (2) municipalities in the province (Bushbuckridge and Ehlanzeni District) were implementing the PMS to officials lower than section 54 and 56 managers. In 2015/16 financial year two more (2) municipalities in the province had started cascading PMS to officials lower than section 54 and 56 managers. That is Steve Tshwete and Nkangala District municipalities bringing the total number to four (4).

- PMS Framework policy has been developed/reviewed and adopted by Council
- Section 57 Managers signed their Performance Agreements
- 21 Municipalities in the Province have developed/reviewed PMS frameworks

Challenges

- Shortage of staff in municipalities to implement PMS
- Insufficient budget to cascade PMS to officials lower than section 54 and 56 managers.
- In some municipalities PMS is implemented only to section 57 Managers in most municipalities Job evaluation not done

Support interventions by National and Provincial government

Provincial COGTA developed the Provincial PMS Framework to guide municipalities in the development of their own PMS frameworks. The aim of the frame work is to ensure that all municipal employees should enter into agreements on a yearly basis in order gauge or measure their productivity in the work place.

Recommendations

The following recommended are made to municipalities:

- Filling of all PMS vacant posts by municipalities
- Budget for PMS functions
- Finalisation of job evaluation
- Municipalities to prioritise the resourcing of PMS Units.

PART C

6. SUMMARY OF FINDINGS

6.1 KEY CHALLENGES AND RECOMMENDATIONS PER MUNICIPALITY

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

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 1: Good Governance	Focal Area	District	Municipality	Challenges	Recommendations
	Performance of Council Committees	Ehlanzeni Nkangala and Gert Sibande	Nkomazi, Thaba Chweu, Dr JS Moroka, Victor Khanye, Dr Pixley Ka Isaka Seme and Nkangala District Municipality	<ul style="list-style-type: none"> No challenges were specified on why the municipalities did not comply with S70 of the Municipal Systems Act 32 of 2000; Municipalities are not enforcing or fully implementing financial policies especially with regards to councillors and officials. 	<ul style="list-style-type: none"> Municipalities to be reminded to enforce their policies with regard to debt collection in particular to defaulting councillors and staff members

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

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 2: Service Delivery and Infrastructure Development	Focal Area	District	Municipality	Challenges	Recommendations
	Access to water and Sanitation	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> Inadequate Bulk water source Illegal connections in the bulk infrastructure Poor planning and budgeting Huge backlog on sanitation Water losses 	<ul style="list-style-type: none"> Effective monitoring and support of municipalities in planning.
	Electricity	Ehlanzeni Nkangala and Gert Sibande	Thaba Chweu, Emalahleni, Lekwa, Msukaligwa, Mkhondo, Emakhazeni, Dr JS Moroka and Victor Khanye	<ul style="list-style-type: none"> In ability to service ESKOM debt 	<ul style="list-style-type: none"> The Department and Provincial Treasury to continue to monitor municipalities to honour their obligations to ESKOM.

Table 85: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 3: Spatial Rationale	Focal Area	District	Municipality	Challenges	Recommendations
	Spatial Development Frameworks	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> Misalignment of plans/strategies by municipalities private business and sector departments across the province Slow pace of municipalities to perform administrative tasks and failure by municipal Councils to take resolutions orientated to concluding tasks in time. Municipalities are not allocating the budget for the implementation of SPLUMA and SDFs 	That the Department continues to support and monitor municipalities on land use management in line with SPLUMA.

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 4: Intergrated Development Planning Process	IDP	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> □ In most cases IDP reviews and development are merely for compliance purposes; □ Insufficient budget to address competing priorities such as roads infrastructure and waste removal. 	That they budget for the review of outdated/ or development of sector plans in their medium term expenditure framework during the development of next generation IDPs;

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 5: Local Economic development	LED Forums	Ehlanzeni and Gert Sibande	Bushbuckridge Umjindi and Msukaligwa	Capacity constraints are major challenge as to why the municipalities are not able to run and manage stakeholder forums	Municipalities to recruit staff with the requisite skills on stakeholder management
	LED Budget	Gert Sibande and Nkangala Districts	Lekwa, Msukaligwa, Dipaleseng, Emalahleni, Emakhazeni, Dr JS Moroka and Thembisile Hani	<ul style="list-style-type: none"> • Poor budgeting and resource allocations to implement LED; • Where LED budget is available it is not spent 	<ul style="list-style-type: none"> • Municipalities need to treat LED just like other KPAs of the municipalities in terms of implementing the LED programme to ensure that the available budget is spent accordingly to develop their economies and not for other purposes.
	LED strategies	Gert Sibande and Ehlanzeni District	Msukaligwa and Umjindi	□ LED strategy not approved	□ COGTA to assist the municipality to review and implement the LED strategy

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 6: Financial Management	Revenue collection	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> • Failure of municipalities to implement revenue enhancement strategies and plans as developed • Poor revenue collection. • Incorrect billing 	<ul style="list-style-type: none"> • Municipalities expedite the finalization and adoption of financial policies and by -laws • Municipalities to continue to reconcile valuation rolls with billing systems • Implementation of standard operating procedures for revenue management
	Municipal debtors	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> • Municipalities are slow on data cleansing. • Inaccurate billing of clients • Illegal connections • Customer affordability to pay their debt 	<ul style="list-style-type: none"> • Municipalities to expedite the process of data cleansing • Ensure billing information is accurate • Set up a system to monitor illegal connections
	Capital Budget Expenditure	Ehlanzeni Nkangala and Gert Sibande	Ehlanzeni District, Mbombela, Umjindi, Gert Sibande District, Dipaliseng, Govan Mbeki, Dr Pixley Ka Isaka Seme, Nkangala District, Dr JS Moroka, Emalahleni, Emakhazeni, Victor Khanye.	<ul style="list-style-type: none"> • Poor spending of capital budget due to the inability to plan for projects; • Utilisation of grant funding for operational expenditure due to cash flow challenges • Some Municipalities had unfunded budget. □ Some municipalities' Annual Reports (Section 46 Reports) do not reflect/report their Capital Budget Expenditure. 	<ul style="list-style-type: none"> □ Municipalities to ring -fence MIG funding; □ 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

Table 89: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 7: Public Participation	Focal Area	District	Municipality	Challenges	Recommendations
	Ward committees	Ehlanzeni Nkangala and Gert Sibande	Mbombela, Umjindi, Nkomazi, Thaba Chweu, Emakhazeni, Dr JS Moroka, Steve Tshwete, Emalahleni, Victor Khanye, Mkhondo, Chief Albert Luthuli, Msukaligwa, Lekwa and Govan Mbeki	<ul style="list-style-type: none"> Failure to convene meetings by Ward Councillors Non implementation of ward operational plans Poor working relationship between CDWs and Ward Committees 	<ul style="list-style-type: none"> Speakers' offices in municipalities to ensure that all ward councillors convene community meetings as required. Municipalities to monitor and enforce the implementation of the Ward Operational Plans.

Table 90: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 8: Institutional Development and Transformation	Focal Area	District	Municipality	Challenges	Recommendations
	Filling of S54 and S56 Managers	Ehlanzeni Gert Sibande and Nkangala	All	<ul style="list-style-type: none"> There is sometimes low turn-up of applicants who meet the post requirements making it difficult for the municipality to fill the posts within the stipulated timeframe. Delays by municipalities in advertising and filling vacant posts 	<input type="checkbox"/> That all 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.
	Vacant PMS posts	Ehlanzeni Gert Sibande and Nkangala	Dr JS Moroka, Thembisile Hani, Emakhazeni, Emalahleni, Dr Pixley Ka Isaka Seme, Lekwa, Msukaligwa, Dipaleseng, Chief Albert Luthuli, Nkomazi, Thaba Chweu, Bushbuckridge,	<input type="checkbox"/> Shortage of staff and Budgetary constraints	<input type="checkbox"/> Municipalities to budget and fill approved posts

VISION

Responsive, effective, efficient and sustainable co-operative governance system.

MISSION

To co-ordinate, support, monitor and strengthen an integrated co-operative governance system.

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