

MPUMALANGA SECTION 47 REPORT

Consolidated Annual Municipal Performance

2016/17



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



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ii. ABBREVIATIONS

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

MEC'S EXECUTIVE SUMMARY

This report presents the consolidated performance of municipalities in Mpumalanga for the financial year 2016/17. It is informed by Section 47 of the Municipal Systems Act 32 of 2000. The year under assessment ushered in a new local government to run municipalities until 2021.

Valuable insight has been presented by the report. Marked improvement has been realised since the department developed the Integrated Municipal Support Plan (IMSP) in September 2014. The IMSP has put together various participants in the local government space to minimise duplications, overlaps, gaps and silos. This collaboration of various stakeholders to deal with shortcomings in municipal performance has been the main cause of the improved municipal performance. The Back to Basics policy position from National Government has also enhanced clear and dedicated focus to various pillars of performance.

Public participation remains an area which still needs more attention. The social distance that exists between the elected public representatives and the communities whether real or perceived is a serious challenge. The need to close this gap cannot be over emphasised. As a province we have sought to close this gap by introducing the Operation Vuka Sisebente Programme. Despite all efforts in improving service delivery by establishing ward committees, ward war rooms through or Operation Vuka Sisebente (OVS) and the appointment of Community Development Workers CDWs, we are still engulfed by sporadic acts of protests due to lack of one service or the other. Pointers from the report are that more effort must be made to close the social distance between municipalities and the community.

Our communities continue to cry out for improved delivery of basic services of water, sanitation, electricity, housing and roads. Whilst we have made significant progress to address these we acknowledge that there is more that still needs to be done. Despite constraints in revenue, municipalities have shown a lot of desire to meet service delivery imperatives. We will continue to monitor and support municipalities in accelerating the roll out of these basic services.

The role of the Districts Municipalities in supporting Local municipalities needs to be improved. Municipalities cannot continue to be overburdened with all the challenges that they are faced with and the Districts not providing the necessary support. The Department needs to evaluate the functions of local municipalities as Water Services Authority, pointers are that capacity at local is lacking. A relook at the powers and functions of the District Municipalities as WSA needs to be considered for the capacity of locals to be improved. Aging infrastructure, poor contract management at project level has also been a challenge for the municipalities and the Department has been readily available to save the situation. Pointers from the report are that more effort must be made to close the social distance between municipalities and the community.

In the year under review, the province was the only one to record improvement in the AG report. This can be attributed to systems of internal controls being monitored on a monthly and quarterly basis by the province. The only disclaimed municipality, Thaba Chweu, is receiving all the necessary support for it to realise improvement.

In terms of institutional capabilities of the municipalities, we note that all municipalities were manned by capable personnel with requisite qualifications and experience. However it is of concern that some municipalities take long to fill vacant senior managers' posts and by so doing transgressing the prescripts. Our review of the municipal organisational structures has also shown that they were fit for purpose and adhering to the local government mandate. We are guaranteed that the calibre of the workforce will deliver services optimally.

The experiences gained from this report will assist the department to strengthen their support and monitoring capacity for greater and impactful improvements in service delivery.



MR SK MASHILO

MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 16.11.18

2. HOD'S EXECUTIVE SUMMARY OF PERFORMANCE

The Section 47 of the Municipal Systems Act, 32 of 2000 gives an account of a consolidated performance of the municipalities in the 2016/17 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 some challenges in Victor Khanye local municipality which held only 02 meetings, however the department advised the municipality to have a schedule of meetings and adhere to it. The Department developed guidelines and a schedule of meetings to support the functionality of TROIKA and the frequency of their meetings in the Province. 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 is hampering enforcing the implementation of decisions in as far as their operations are concerned.

Oversight Committees (MPACs, S79 & 80 and Audit Committees) were established in all municipalities except in Victor Khanye where the Section 80 committee was de-established and the City of Mbombela uses a different model called a cluster approach. 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, was one of the contributing factors on failure to implement resolutions.

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 was restricted.

(b) Service Delivery and Infrastructure Development

The number of households rose from 1 075 488 in 2011 to 1 238 860 households in 2016. In the 2016/17 financial year a total of 1 132 615 households were receiving electricity, 1 104 685 households had access to portable water, 1 200 927 households had access to sanitation in province and 667 434 households had access to waste removal services. There has been an overall increase in areas of service delivery. The influx of people in Victor Khanye municipality resulted in a 51 bucket system emergence, especially in the Mandela informal settlement.

(c) Financial Performance Management

A slight improvement of the municipal audit outcomes was recorded in the 2016/17 financial year. Two (2) district municipalities achieved clean audits. Ten (10) municipalities obtained unqualified audit outcomes with findings whilst seven (7) achieved qualified outcomes with findings. Disclaimed municipalities decreased from two (2) to one (1). The achievement of clean audits remains the primary ambition of the Department. Efforts to turn around the poor audit outcomes are always implemented by the Department through ensuring that all systems of internal controls are in place. The achievement of clean audits by two municipalities only in the 2016/17 financial year indicates the need to do more in pursuit of this target.

(d) Local Economic Development

In the 2015/16 a total of 8 842 jobs opportunities were created across municipalities in the three districts 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). In 2016/17 financial year a number of 5 340 job opportunities created across the province in which 62% were occupied by the youth, 48% by the woman and 0.78% by the people with disability showing a decrease compared to the previous financial year. The institutional capacity to lead and manage LED is crucial element and a fundamental imperative in the success of municipal LED programmes. In the 2016/17 financial year 48 posts in various municipalities in the province were filled. All municipalities reviewed their LED strategies. It can be noted that the LED Forum in Msukaligwa and Bushbuckridge did not function appropriately in the year under review and the department undertook the steps to remedy the situation.

(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 16 posts were filled by the end of the municipal financial year. The Department coordinated the training of 4 021 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.



MR TP NYONI

HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 16.11.18

PART A

3 INTRODUCTION

3.1 Legislative Background

RSA Constitution, Act 108 of 1996

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

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

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

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

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

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

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

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

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

Informed and empowered by the legislative provisions summarised above, the MEC for local government in Mpumalanga has prepared the consolidated S47 report on municipal performance for the 2016/17 Municipal Financial Year.

3.2 Limitations of the Report

- Late submission of annual reports with information gaps making it difficult to conduct the analysis timeously affecting the ability of the department to compile the section 47 report as required by the Municipal Systems Act, 32 of 2000.
- The quality and accuracy of statistical data on demographics and socio-economic profile in the various municipalities is suspect often inconsistent with the previous reports and Stats SA making it difficult to accurately measure and compare performance on service delivery, municipal ability to generate revenues, and evaluate the impact of local economic development strategies.
- The unavailability of all primary data required to evaluate, contrast and compare municipal performance for the current and previous financial years on certain targets and key performance areas.

4. OVERVIEW OF THE DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILES

4.1 DEMOGRAPHIC PROFILE

Based on Statistics SA, 2011, 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 4.1.1 to 4.1.3 provide a local level population breakdown per district area.

Table 1: Demographic Profile for Mpumalanga as per National Census, 2011 & 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	39.2
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 four (4) local municipalities namely, City of Mbombela, Nkomazi, Bushbuckridge and Thaba Chweu local municipalities. City of Mbombela Local Municipality accounts for the largest population estimate at 655 950 or 39% 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% is the smallest municipality 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 HOUSEHOLD SURVEY 2016	%
City of Mbombela Municipality	655 950	39	181 336	40	205 496	42
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	6	33 352	8	37 022	9

(Source: SERO 2015)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

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

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

4.2.2 Unemployment and Socio-economic challenges

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

The rate of female headed households in Ehlanzeni District was at 44.1% and child headed (10-17 years) households was at 1.2% in 2011. In Gert Sibande District the rate of female headed households was at 38.8% while child headed (10-17 years) households rate was at 0.7 % in 2011. Female headed households in Nkangala District was at 36.2% and child headed (10-17years) households was at 0.3% in 2011.

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

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

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

PART B

5. ANALYSIS OF MUNICIPAL KEY PERFORMANCE AREAS

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

5.1 GOOD GOVERNANCE

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

Political Stability

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

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

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
EHLANZENI	Bushbuckridge	Troika was functional and 18 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 06 meetings held	10 Protests
	City of Mbombela	Troika was functional and 11 meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 20 meetings held	27 Protests
	Nkomazi	Troika was functional and 20 meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need .10 meetings are held.	07 Protests
	Thaba Chweu	Troika was functional and having meetings. 05 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need 13 Council meetings held.	04 Protests
	Ehlanzeni	Troika was functional and 06 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings of Council were convened as per the need.10 Council meetings held.	Not applicable
	District Totals	60	59	48

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
GERT SIBANDE	Chief Albert Luthuli	Troika was functional and 12 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 10 Council meetings held.	01 Protest
	Dipaleseng	Troika was functional and 11 Troika meetings convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need.16 meetings held.	None
	Govan Mbeki	Troika was functional and 26 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need.14 meetings held.	03 Protests
	Lekwa	Troika was functional and 15 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 27 meetings held.	14 Protests
	Mkhondo	Troika was functional and 16 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need .20 meetings held.	None
	Msukaligwa	Troika was functional and 12 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need .18 meetings held.	10 Protest
	Dr. Pixley Ka Isaka Seme	Troika was functional and 10 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need 17 meetings held.	04 Protests
	Gert Sibande	Troika was functional and 26 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need 13meetings held.	Not applicable

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
NKANGALA	District Totals	128	135	32
	Dr. JS Moroka	Troika was functional and 22 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need .13 meetings held.	03 Protests
	Emakhazeni	Troika was functional and 4 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need 14 meetings held.	None
	Emalahleni	Troika was functional and 10 Troika meetings were convened	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need .15 meetings held.	17 Protests
	Steve Tshwete	Troika was functional and 5 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need .15 meetings held.	08 Protests
	Thembisile Hani	Troika was functional and 11 Troika meetings convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 14 meetings held.	14 Protests
	Victor Khanye	Troika was not functional and 02 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need.15 meetings held	10 Protests
	Nkangala District	Troika was functional and 08 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need.11 meetings held	Not applicable
	District Totals	62	97	52 Protests

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.1.1 Analysis of Municipal Performance on Good Governance: Political Stability

Findings

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

Ehlanzeni District

The findings that were made at Ehlanzeni District are that all municipal TROIKA were functional and altogether had a total of 60 meetings. In as far as the sitting of municipal Councils is concerned, all municipalities held a total of 59 normal as well as special sittings as and when required amongst them. All municipalities in this district also experienced about 48 service delivery protests actions Bushbuckridge and Mbombela municipalities had the highest number of protests, and Thaba Chweu being the lowest with only four (4).

Gert Sibande District

The findings that were made at Gert Sibande District are that all municipal TROIKA were functional. In total municipalities in this district held 128 TROIKA meetings amongst them. In as far as the sitting of municipal Councils is concerned, all municipalities held their meetings accordingly totalling 135 normal sittings as well as special sittings amongst them as and when required. Municipalities in this district also experienced five (32) service delivery protests.

Nkangala District

The findings that were made at Nkangala District are that all municipal TROIKA were functional; except for Victor Khanye which held only 02 meetings in total they held 62 meetings amongst themselves. In as far as the sitting of municipal Council is concerned, all seven (7) municipalities as required by law held their sittings accordingly totalling ninety seven (97) sittings amongst themselves. Municipalities in this district also experienced fifty two (52) service delivery protests; Emalahleni had the highest number of protest (17).

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

DISTRICTS	Municipality Municipal Public Accounts Committee (MPAC)	Functionality of Oversight Committees		
		S79 and S80 Committees	Audit Committee	
EHLANZENI	Bushbuckridge	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	City of Mbombela	· Functional	· Section 79 Committees were functional. · The municipality is using Cluster system and were not functional.	· Audit committee was functional
	Nkomazi	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	Thaba Chweu	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	Ehlanzeni	· Functional	· Section 79 and Section 80 Committees were functional	· Audit committee was functional
GERT SIBANDE	Chief Albert Luthuli	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	Dipaleseng	· Functional	· Section 79 and 80 committees were functional	· Audit committee was functional
	Govan Mbeki	· Functional	· Section 79 and 80 committees were functional	· Audit committee was functional
	Lekwa	· Functional	· Section 79 committees were established · S80 committee had to be established for 2017/2018	· Audit committee was functional
	Mkhondo	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	Msukaligwa	· Functional	· Section 79 and 80 Committees were functional.	· The Audit committee was not functional. The chairperson resigned and the committee was disbanded.
	Dr. Pixley Ka Isaka Seme	· Functional	· Section 79 and 80 Committees were functional.	· Audit Committee was functional
	Gert Sibande	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
NKANGALA	Emalahleni	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	Emakhazeni	· Functional	· Section 79 and 80 Committees were functional	· Audit Committee was functional
	Steve Tshwete	· Functional	· Section 79 and 80 committees were functional	· Audit committee was functional.
	Victor Khanye	· Functional	· All section 79 committees were functional. Section 80 committee were de-established	· Audit committee was functional
	Dr. JS Moroka	· Functional	· Section 79 and 80 Committees were functional	· Audit committee was functional
	Thembisile Hani	· Functional	· Sections 79 and 80 Committees were functional	· Audit committee was functional
	Nkangala	· Functional	· Section 79 and 80 committees were functional	· Audit committee was functional

(Source: Section 46 reports from municipalities)

**Umjindi was merged with Mbombela to form City of Mbombela in 2016/17*

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; In Victor Khanye all Section 80 were de-established, because of the few number of councillors and they opted to have the Sec 79 and MMC's. In the City of Mbombela local municipality a cluster approach was utilised, there was inconsistency in the sitting of the clusters.

Challenges

TROIKA

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

- The roles and responsibilities of the Speaker and the Executive Mayor were well defined in the legislation, except those of the Chief Whip.
- Some municipalities did not provide CoGTA with minutes citing confidentiality.

MPACs

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

- MPAC reporting lines were not clearly defined (some are reporting to the Executive Mayor)
- There were no dedicated staff members (Secretary & Researcher) to assist MPACs with administrative issues.
- Lack of tools of trade for the offices

Internal Audit Committees

The following challenges were noted with internal audits:

- Poor implementation of Internal Audit action plan
- Insufficient budget for training of oversight committees,

Section 79 & 80 Committees

- City of Mbombela municipality was not using a standard model of S80 committees instead they were using a cluster approach
- Victor Khanye Local municipality Section 80 committees were de- established, because of the few number of councillors and they opted to have the Section 79 and MMC's.

Support Interventions by National and Provincial government

- Cogta advised municipalities to have schedule Troika meetings to sit frequently.
- Cogta provided accredited training for MPACs and their staff.

Recommendations

- CoGTA and SALGA to continue conduct training and support on separation of powers for all councillors.
- Ongoing training on roles and responsibilities for section 79 and 80 committees
- The role of the Chief Whip must find expression in the legislation especially in the Municipal Structures Act.

5.1.3 Anti-corruption Measures & Policies

Table 8: Anti-Corruption prevention plans implemented

District	Municipality	2014/15		2015/16		2016/17	
		Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Com-piled	Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Com-piled	Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Com-piled
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes
	Umjindi	Yes	Yes	Yes	Yes	Merged with City of Mbombela	
	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	Yes	Yes	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Findings

- All municipalities in the Province had Anti-corruption Measures, Policies developed and adopted by council.

Challenges

- 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 was therefore recommended:

- That council consider the reports as and when they are submitted and make sure that strategies are reviewed annually.

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) 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) had distinct roles and responsibilities.

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

The Premier's Coordinating Forum met quarterly and was 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 (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 arrears with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Municipal Management	IDP representative forum	Council	Executive Mayoral committee					
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	No	Yes	None	Yes	Yes
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP	INP
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	No	Yes	Yes	Yes	Yes	Yes
	Msukaligwa		Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	None	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	No	Yes	None	Yes	Yes
	Dr JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	No	No	No	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	None	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

Table 10: Indicate effectiveness of Council Committees (2015/16)

DISTRICT	Municipality	2015/16												
		All admin delegations adopted	S59 MSA delegations adopted	Roles of Committees and Political Office Bearers	Meetings convened			No. of meetings where quorum was not achieved		Code of conduct adopted (council and staff)	Code communicated to community	Interest of councillors and staff declared	Councillors and Staff members in arrears with municipalities	
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral Committee					
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	10	8	19	None	None	Yes	Yes	Yes	None	
	City of Mbombela	Yes	Yes	Yes	14	4	10	None	None	Yes	Yes	Yes	None	
	Nkomazi	Yes	Yes	Yes	16	16	13	None	None	Yes	Yes	Yes	Yes	
	Thaba Chweu	No	No	Yes	13	12	9	None	None	Yes	Yes	Yes	Yes	
	Umjindi	Yes	Yes	Yes	14	12	13	None	None	Yes	Yes	Yes	None	
GERT SIBANDE	Ehlanzeni	Yes	Yes	Yes	10	10	11	None	None	Yes	Yes	Yes	None	
	Chief Albert Luthuli	Yes	Yes	Yes	8	9	2	None	None	Yes	Yes	Yes	None	
	Dipaleseng	Yes	Yes	Yes	4	11	9	None	None	Yes	Yes	Yes	None	
	Govan Mbeki	Yes	Yes	Yes	8	11	23	None	None	Yes	Yes	Yes	None	
	Lekwa	No	Yes	Yes	10	8	33	None	None	Yes	Yes	No	Yes	
	Mkhondo	Yes	Yes	Yes	12	8	6	None	None	Yes	Yes	Yes	None	
	Msukaligwa	Yes	Yes	Yes	8	9	2	None	None	Yes	Yes	Yes	None	
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	13	12	46	None	None	Yes	Yes	Yes	Yes	
NKANGALA	Gert Sibande	Yes	Yes	Yes	8	9	2	None	None	Yes	Yes	Yes	None	
	Emalahleni	Yes	Yes	Yes	7	11	8	None	None	Yes	Yes	Yes	Yes	
	Emakhazeni	Yes	Yes	Yes	10	10	9	None	None	Yes	Yes	Yes	None	
	Steve Tshwete	Yes	Yes	Yes	15	26	38	None	None	Yes	Yes	Yes	None	
	Victor Khanye	Yes	Yes	Yes	21	16	37	None	None	Yes	Yes	Yes	Yes	
	Dr. JS Moroka	Yes	Yes	Yes	12	14	14	None	None	Yes	Yes	Yes	Yes	
	Thembisile Hani	Yes	Yes	Yes	11	13	2	None	None	Yes	Yes	Yes	None	
Nkangala District	Yes	Yes	Yes	13	12	10	None	None	Yes	Yes	Yes	Yes		

(Source: Municipal section 46 reports)

Table 11: Indicate effectiveness of Council Committees (2016/17)

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

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Findings

Delegations adoption

- In the 2016/17 financial year all municipalities adopted their delegation which was an improvement compared to 2015/16 and 2014/15 financial years where only 19 municipalities out of 21 adopted their delegations.

Roles of committees and political office bearers

- In the 2016/17 financial year all 20 municipalities had roles of political office bearers and committees defined.

Code of conduct adopted for staff and councillors

- In the 2016/17 financial year 20 municipalities had adopted the code of conduct for councillors and staff, which showed consistency compared to 2015/16 financial year where all 21 municipalities had adopted the code of conduct for councillors and staff which indicates an improvement as compared to 2014/15 financial year in which only 18 municipalities had adopted the code of conduct for staff and councillors.

Declaration of Councillors and Staff interest

- In the 2016/17 financial year all municipalities had their councillors and staff declared their interest which was an improvement compared to 2015/16 financial year where only 20 municipalities out of 21 had their councillors and staff who declared their interest.

Councillors and Staff in arrears with municipal accounts

- In the 2016/17 only 10 out of 20 municipalities had their councillors and staff who were in arrears with municipal accounts which were an increase compared to 2015/16 financial year where 7 out of 21 municipalities had their councillors and staff who were in areas with municipal account.

5.1.6 Analysis on Performance of Council Committees

Findings

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

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

Challenges:

- Municipalities were not enforcing or fully implementing financial policies to councillors and officials who owe the municipality.

5.2 BASIC SERVICES

5.2.1 Service Delivery and Infrastructure Development

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

The focal areas of this KPA are the following:

- Access to potable water, adequate sanitation, electricity and to refuse removal.
- Free basic services and indigent policy implementation; Free basic water (FBW), Free basic sanitation (FBS), to Free Basic Electricity (FBE) and Free Basic Refuse Removal (FBRR)

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	2015/16						2016/17							
	Total No. of Households Community Survey 2016	Water		Sanitation		To date	Total No. of Households Community Survey 2016	Water		Sanitation				
		To date	To date	To date	To date			Municipal assessment report	To date	To date	Municipal assessment report	To date		
City of Mbombela	181 794	140 782	77.44%	77.44%	174 715	96.11%	96.11%	205 496	162 570	79.11%	79.11%	197 325	96.2%	96.2%
Bushbuckridge	137 419	122 202	88.93%	88.93%	130 240	94.78%	94.78%	137 419	122 202	88.92%	88.92%	130 240	94.77%	94.77%
Nkomazi	103 965	88 675	85.29%	85.29%	97 504	93.78%	93.78%	103 965	88 675	85.29%	85.29%	97 504	93.78%	93.78%
Umjindi	23 702	21 141	89.20%	89.20%	22 520	95.05%	95.05%	Merged with City of Mbombela						
Thaba Chweu	37 022	32 940	88.97%	88.97%	36 696	99%	99%	37 022	35 665	96.33%	96.33%	36 740	99.77%	99.77%
EHLANZENI	483 902	405 740	83.85%	83.85%	461 675	95.41%	95.41%	483 902	409 112	84.54%	84.54%	461 809	95.43%	95.43%

(Source: Stats SA, general household survey 2016)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Findings

Out of the 483 902 households in Ehlanzeni District for 2016/17 financial year, 409 112 had access to potable water which indicates an increase by 3 372. A total of 461 809 households had access to sanitation in 2016/17 from 461 675 in 2015/16 financial year, which shows an increase by 134 households as at June 2017

Gert Sibande District

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

Municipality	2015/16						2016/17							
	Total No of Households	Water		Sanitation		To date	Households Community Survey 2016	Water		To date	Sanitation		To date	
	To date	To date	To date	To date	Municipal assessment report			To date	Municipal assessment report					
Govan Mbeki	108 894	107 191	98.44%	98.44%	108 168	99.33%	99.33%	108 894	107 191	98.44%	98.44%	108 168	99.33%	99.33%
Chief Albert Luthuli	53 480	43 656	81.63%	81.63%	51 679	96.63%	96.63%	53 480	43 656	81.63%	81.63%	51 679	96.63%	96.63%
Msakaligwa	51 089	46 846	91.70%	91.70%	49 794	97.47%	97.47%	51 089	46 846	91.70%	91.70%	49 794	97.47%	97.47%
Lekwa	37 334	34 987	93.71%	93.71%	36 220	97.01%	97.01%	37 334	34 987	93.71%	93.71%	36 220	97.01%	97.01%
Mkhondo	45 595	38 789	85.10%	85.10%	43 630	95.69%	95.69%	45 595	38 789	85.10%	85.10%	43 630	95.69%	95.69%
Dipaleseng	14 877	13 479	90.60%	90.60%	13 976	93.94%	93.94%	14 877	13 479	90.60%	90.60%	13 976	93.94%	93.94%
Dr Pixley Ka Isaka Seme	22 546	20 334	90.19%	90.19%	21 587	95.75%	95.75%	22 546	20 334	90.19%	90.19%	21 587	95.74%	95.75%
GERT SIBANDE	333 815	305 282	91.45%	91.45%	325 054	97.38%	97.38%	333 815	305 282	91.45%	91.45%	325 054	97.37%	97.37%

(Source: Stats SA, general household survey 2016)

Findings

Out of the 333 815 households in Gert Sibande District, 305 282 had access to potable water in 2016/17. Out of the 333 815 households in Gert Sibande District, 325 054 had access to sanitation in 2016/17.

Nkangala District

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

Municipality	2015/16							2016/17						
	Total No of Households	Water		To date	Sanitation		To date	Households Community Survey 2016	Water			Sanitation		
										Municipal assessment report	To date	Municipal assessment report	To date	
Emalahleni	150 420	136 628	90.83%	90.83%	148 234	98.55%	98.5%	150 420	136 628	90.83%	90.83%	148 349	98.62%	98.62%
Thembisile Hani	82 740	77 972	94.24%	94.24%	80 623	97.44%	97.44%	82 740	77 972	94.23%	94.23%	80 623	97.44%	97.44%
Dr JS Moroka	62 367	48 599	77.92%	77.92%	61 599	98.77%	98.77%	62 367	57 669	92.46%	92.46%	61 599	98.76%	98.76%
Steve Tshwete	86 713	82 631	95.29%	95.29%	85 671	98.80%	98.80%	86 713	83 164	95.90%	95.90%	85 671	98.79%	98.79%
Emakhazeni	14 633	12 947	88.48%	88.48%	13 877	94.83%	94.83%	14 633	13 765	94.06%	94.06%	13 870	94.84%	94.84%
Victor Khanye	24 270	21 093	86.91%	86.91%	23 952	98.69%	98.69%	24 270	21 093	86.90%	86.90%	23 952	98.69%	98.69%
NKANGALA	421 143	379 870	90.20%	90.20%	413 956	98.29%	98.29%	421 143	390 291	92.67%	92.67%	414 064	98.31%	98.31%
PROVINCIAL TOTAL	1238 860	1 090 892	88.06%	88.06%	1 200 693	96.92%	96.92%	1 238 860	1 104 685	89.16%	89.16%	1 200 927	96.93%	96.93%

(Source: Stats SA, general household survey 2016)

Findings

In 2016/17 financial year, Nkangala District had 421 143 households. Out of the 421 143 households in Nkangala District 390 291 had access to potable water as at June 2017. This shows that there has been an increase of 10 421 households that were receiving water. In terms of sanitation in 2016/17 financial year a total of 414 064 households had access to sanitation as compared to 413 956 in 2015/16 which indicates an increase of 108 households as at June 2017.

5.2.1.2 Households with access to Free Basic Water

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

Local Municipality	2015/16				2016/17			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW
City of Mbombela	181 794	12 037	12 037	100%	205 496	9 734	9 734	100%
Bushbuckridge	137 419	45 132	45 132	100%	137 419	45 132	45 132	100%
Nkomazi	103 965	20 952	20 952	100%	103 965	12 953	12 953	100%
Umjindi	23 702	2 225	2 225	100%	Merged with City of Mbombela			
Thaba Chweu	37 022	4 935	4 935	100%	37 022	4 107	4 107	100%
TOTAL	483 902	85 281	85 281	100%	483 902	71 926	71 926	100%

(Source: Stats SA, general household survey 2016)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Findings

In 2016/17 financial year, a total of **71 926** indigents in Ehlanzeni District were served with free basic water. This shows a decrease of 13 355 indigent households that were served with free basic water as compared to 2015/16 where there were 85 281 indigents.

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

Local Municipality	2015/16				2016/17			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBW	% Served with FBW
Govan Mbeki	108 894	8 970	8 970	100%	108 894	12 957	12 957	100%
Chief Albert Luthuli	53 480	7 525	7 525	100%	53 480	4 920	4 920	100%
Msukaligwa	51 089	10 916	10 916	100%	51 089	11 139	11 139	100%
Lekwa	37 334	3 937	3 937	100%	37 334	3 894	3 894	100%
Mkhondo	45 595	442	442	100%	45 595	1 500	1 500	100%
Dipaleseng	14 877	1 859	1 859	100%	14 877	878	878	100%
Dr Pixley Ka Isaka Seme	22 546	6 577	6 577	100%	22 546	1 718	1 718	100%
TOTAL	333 815	40 226	40 226	100%	333 815	37 006	37 006	100%

(Source: Stats SA, general household survey 2016)

Findings

In 2016/17 financial year, a total of **37 006** indigents in Gert Sibande District were served with free basic water as compared to **40 226** in 2015/16 financial year, indicating a decrease of 3 220.

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

Local Municipality	2015/16				2016/17			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBW	% Served with FBW
Emalahleni	150 420	11 000	11 000	100%	150 420	10 552	10 552	100%
Thembisile Hani	82 740	5 529	5 529	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	1 368	759	55.48%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 107	14 326	79.11%	86 713	17 738	14 452	81.47%
Emakhazeni	14 633	1 473	1 473	100%	14 633	1 478	1 478	100%
Victor Khanye	24 270	2 571	2 571	100%	24 270	1 812	1 812	100%
Total	421 143	40 048	35 658	89.04%	421 143	41 562	38 276	92.09%
Provincial Total	1 238 860	165 555	161 165	97.35%	1 238 860	150 494	147 208	97.81%

(Source: Stats SA, general household survey 2016)

Findings

In 2016/17 financial year, a total of **38 276** indigent households were served with free basic water in Nkangala District as compared to **35 658** in 2015/16 financial year. An additional 2 618 indigents were served with water which indicates an increase from 89.04% to 92.09%. Steve Tshwete is not serving 3 286 indigents.

5.2.1.3 Households with access to Sanitation

Table 18: Households with access to sanitation

Municipality	2015/16			2016/17		
	Total No of Households	Sanitation	%	Households Community Survey 2016	Municipal assessment report (Sanitation)	%
City of Mbombela	181 794	174 715	96.11%	205 496	197 325	96.2%
Bushbuckridge	137 419	130 240	94.78%	137 419	130 240	94.77%
Nkomazi	103 965	97 504	93.78%	103 965	97 504	93.78%
Umjindi	23 702	22 520	95.05%	Merged with City of Mbombela		
Thaba Chweu	37 022	36 696	99%	37 022	36 740	99.77%
EHLANZENI	483 902	461 675	95.41%	483 902	461 809	95.43%
Emalahleni	150 420	148 234	98.55%	150 420	148 349	98.62%
Thembisile Hani	82 740	80 623	97.44%	82 740	80 623	97.44%
Dr JS Moroka	62 367	61 599	98.77%	62 367	61 599	98.76%
Steve Tshwete	86 713	85 671	98.80%	86 713	85 671	98.79%
Emakhazeni	14 633	13 877	94.83%	14 633	13 870	94.84%
Victor Khanye	24 270	23 952	98.69%	24 270	23 952	98.69%
NKANGALA	421 143	413 956	98%	421 143	414 064	98.31%
Govan Mbeki	108 894	108 168	99.33%	108 894	108 168	99.33%
Chief Albert Luthuli	53 480	51 679	96.63%	53 480	51 679	96.63%
Msukaligwa	51 089	49 794	97.47%	51 089	49 794	97.48%
Lekwa	37 334	36 220	97.01%	37 334	36 220	97.01%
Mkhondo	45 595	43 630	95.69%	45 595	43 630	95.69%
Dipaleseng	14 877	13 976	93.94%	14 877	13 976	93.94%
Dr Pixley Ka Isaka Seme	22 546	21 587	95.75%	22 546	21 587	95.75%
GERT SIBANDE	333 815	325 054	97.38%	333 815	325 054	97.37%
PROVINCIAL TOTAL	1 238 860	1 200 685	96.92%	1 238 860	1 200 927	96.93%

(Source: Stats SA, general household survey 2016)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Table 19: Status Quo on Free Basic Sanitation in Ehlanzeni

Local Municipality	2015/16				2016/17			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS
City of Mbombela	181 794	12 037	12 037	100%	205 496	9 734	9 734	100%
Bushbuckridge	137 419	45 132	45 132	100%	137 419	45 132	45 132	100%
Nkomazi	103 965	20 952	0	0%	103 965	12 953	12 953	100%
Umjindi	23 702	2 225	1 494	67.15%	Merged with City of Mbombela			
Thaba Chweu	37 022	4 935	4 935	100%	37 022	4 107	4 107	100%
TOTAL	483 902	85 281	63 598	74.57 %	483 902	71 926	71 926	100%

(Source: Stats SA, general household survey 2016)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Local Municipality	2015/16				2016/17			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS
Govan Mbeki	108 894	8 970	8 970	100%	108 894	12 957	12 957	100%
Chief Albert Luthuli	53 480	7 525	7 525	100%	53 480	4 920	4 920	100%
Msukaligwa	51 089	10 916	10 916	100%	51 089	11 139	11 139	100%
Lekwa	37 334	3 937	3 937	100%	37 334	3 894	3 894	100%
Mkhondo	45 595	442	442	100%	45 595	1 500	1 500	100%
Dipaleseng	14 877	1 859	1 859	100%	14 877	878	878	100%
Dr Pixley Ka Isaka	22 546	6 577	6 577	100%	22 546	1 718	1 718	100%
GERT SIBANDE	333 815	40 226	40 226	100%	333 815	37 006	37 006	100%

(Source: Stats SA, general household survey 2016)

Table 21: Status Quo on Free Basic Sanitation at Nkangala

Local Municipality	2015/16				2016/17			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS
Emalahleni	150 420	11000	11000	100%	150 420	10 552	10 552	100%
Thembisile	82 740	5 529	5 529	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	1 368	759	55.48%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 107	18 107	100%	86 713	17 738	17 738	100%
Emakhazeni	14 633	1473	1473	100%	14 633	1 478	1 478	100%
Victor Khanye	24 270	2 571	2 571	100%	24 270	1 812	1 812	100%
Total	421 143	40 048	39 439	98.52%	421 143	41 562	41562	100%
Provincial Total	1 238 860	165 555	143 263	86.53%	1 238 860	150 494	150 494	100%

(Source: Stats SA, general household survey 2016)

A Provincial Summary Status Quo on Free Basic Sanitation

Findings

In 2016/17 financial year there was a total of **150 494** indigents of which were served with free basic sanitation as compared to **143 263** that were served in 2015/16 financial year, this indicates an increase of **7 231 indigents**.

5.2.1.4 Bucket System Eradication

Table 22: Indicate Bucket System

Municipality	2015/16				2016/17			
	Village/Town	Number of Buckets	Project Value	Comments	Village/Town	Number of Buckets	Project Value	Comments
Victor Khanye	Mandela Informal Settlement	51	R3 Million	Provided chemical toilets	Mandela Informal Settlement	51	R4 Million	Provided chemical toilets

(Source: Stats SA, general household survey)

There was a bucket system emergence at Victor Khanye municipality, which resulted in 51 bucket systems in 2015/16 due to illegal land invasion, however the bucket system was eradicated in the same financial year. In the 2016/17 the bucket system emerged with the same amount of bucket due to a new influx into the Mandela informal settlement.

5.2.1.5 Households with access to Electricity Services

Table 23: Households with access to electricity at Ehlanzeni

Municipality	2015/16				2016/17			
	Total No of Households	Electricity		To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
City of Mbombela	181 794	175 378	96.47%	96.47%	205 496	197 444	96.08%	96.08%
Bushbuckridge	137 419	133 892	97.43%	97.43%	137 419	136 079	99.02%	99.02%
Nkomazi	103 965	99 678	95.88%	95.88%	103 965	99 678	95.87%	95.87%
Umjindi	23 702	21 102	89.03%	89.03%	Merged with City of Mbombela			
Thaba Chweu	37 022	33 261	89.84%	89.84%	37 022	33 261	89.84%	89.84%
EHLANZENI	483 903	463 311	95.74%	95.74%	483 902	466 462	96.39%	96.39%

(Source: Stats SA, general household survey)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Findings

Out of the 483 902 households in Ehlanzeni District in 2016/17 financial year 466 462 had access to electricity as compared to 463 311 in 2015/16, this indicates an increase by 3 151.

Table 24: Households with access to electricity at Nkangala

Municipality	2015/16				2016/17			
	Total No of Households	Electricity		To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Emalahleni	150 420	106 306	70.67%	70.67%	150 420	106 506	70.8%	70.8%
Thembeisile Hani	82 740	80 839	97.70%	97.70%	82 740	80 839	97.70%	97.70%
Dr JS Moroka	62 367	61 362	98.39%	98.39%	62 367	61 858	99.18%	99.18%
Steve Tshwete	86 713	78 147	90.12%	90.12%	86 713	79 845	92%	92%
Emakhazeni	14 633	12 288	83.97%	83.97%	14 633	12 707	86.83%	86.83%
Victor Khanye	24 270	22 324	91.98%	91.98%	24 270	22 324	91.98%	91.98%
Nkangala	421 143	361 266	85.80%	85.80%	421 143	364 079	86.45%	86.45%

(Source: Stats SA, general household survey)

Findings

Out of the **421 143** households in Nkangala District in 2016/17 financial year **364 079** had access to electricity as compared to **361 266** in 2015/16, this indicates an increase by **2 813**.

Table 25: Households with access to electricity in Gert Sibande

Municipality	2015/16				2016/17			
	Total No of Households	Electricity		To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Govan Mbeki	108 894	102 752	94.36%	94.36%	108 894	102 752	94.35%	94.36%
Chief Albert Luthuli	53 480	51 383	96.08%	96.08%	53 480	51 578	96.44%	96.44%
Lekwa	37 334	33 991	91.05%	91.08%	37 334	34 341	67.21%	91.98%
Mkhondo	45 595	36 163	79.31%	79.31%	45 595	36 163	96.86%	79.31%
Dipaleseng	14 877	12 126	81.51%	81.51%	14 877	12 126	26.59%	81.51%
Dr Pixley Ka Isaka Seme	22 546	19 824	87.93%	87.93%	22 546	19 884	88.19%	88.19%
Msukaligwa	51 089	42 222	82.64%	82.64%	51 089	45 230	88.53%	88.53%
Gert Sibande	333 815	298 461	89.41%	89.41%	370 027	302 074	81.63%	81.63%
PROVINCIAL TOTAL	1 238 860	1 123 038	90.65%	90.65%	1 212 072	1 132 615	93.44%	93.44%

(Source: Stats SA, general household survey)

Findings

Out of the **370 027** households in Gert Sibande District in 2016/17 financial year **302 074** had access to electricity as compared to **298 461** in 2015/16, this indicates an increase by **3 613**.

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	2015/16				2016/17			
	Total H/H	Total indigents	Total served energy	%	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2017	%
Govan Mbeki	108 894	8 970	8 970	100%	108 894	12 957	12 957	100%
Chief Albert Luthuli	53 480	7 525	7 525	100%	53 480	4 920	4 920	100%
Lekwa	37 334	3 937	3 937	100%	37 334	11 139	11 139	100%
Mkhondo	45 595	442	442	100%	45 595	3 894	3 894	100%
Dipaleseng	14 877	1 859	1 859	100%	14 877	1 500	1 500	100%
Dr Pixley Ka Isaka Seme	22 546	6 577	6 577	100%	22 546	878	878	100%
Msukaligwa	51 089	10 916	10 916	100%	51 089	1 718	1 718	100%
Gert Sibande District	333 815	40 226	40 226	100%	333 815	37 006	37 006	100%
Emalahleni	150 420	11 000	11 000	100%	150 420	10 552	10 552	100%
Thembeisile Hani	82 740	5 529	5 529	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	1 368	759	55.48%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 107	4 058	22.41%	86 713	17 738	17 738	100%
Emakhazeni	14 633	1 473	1 473	100%	14 633	1 478	1 478	100%
Victor Khanye	24 270	2 571	2 571	100%	24 270	1 812	1 812	100%

HOUSEHOLDS WITH ACCESS TO FREE BASIC ELECTRICITY								
Municipality	2015/16				2016/17			
	Total H/H	Total indigents	Total served energy	%	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2017	%
Nkangala District	421 143	40 048	25 390	63.40%	421 143	41 562	41562	100%
City of Mbombela	181 794	12 037	12 037	100%	205 496	9 734	9 734	100%
Bushbuckridge	137 419	45 132	45 132	100%	137 419	45 132	45 132	100%
Nkomazi	103 965	20 952	20 952	100%	103 965	12 953	12 953	100%
Umjindi	23 702	2 225	1 223	55%	Merged with City of Mbombela			
Thaba Chweu	37 022	4 935	4 935	100%	37 022	4 107	4 107	100%
Ehlanzeni District	483 902	85 281	84 279	98.82%	483 902	71 926	71 926	100%
Provincial total	1 238 860	165 555	149 895	90.54%	1 238 860	150 494	150 494	100%

(Source: Stats SA, general household survey)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Findings

In 2016/17 financial year there was a total of **150 494** indigents of which **150 494** were served with free basic electricity as compared to **149 895** that were served in 2015/16 financial year, this shows an increase of 599 in the province

5.2.1.7 Households with access to refuse removal

Table 27: Households with access to refuse removal at Ehlanzeni

Municipality	2015/16				2016/17			
	Total No of Households	refuse removal		To date	Households Community Survey 2016	Municipal assessment report (Refuse Removal)	%	To date
City of Mbombela	181 794	52 537	28.8%	28.8%	205 496	67 461	31.8%	31.8%
Bushbuckridge	137 419	34 372	25%	25%	137 419	34 372	25%	25%
Nkomazi	103 965	82 186	79%	79%	103 965	83 742	80.5%	80.5%
Umjindi	23 702	14 924	62.9%	62.9%	Merged with City of Mbombela			
Thaba Chweu	37 022	21 048	56.8%	56.8%	37 022	21 048	56.8%	56.8%
EHLANZENI	483 903	205 415	42.4%	42.4%	483 902	206 623	42.7%	42.7%

(Source: Stats SA, general household survey)

Findings

Out of the 483 902 households in Ehlanzeni District in 2016/17 financial year 206 623 had access to refuse removal as compared to 205 415 which indicates an increase by 1 208.

Table 28: Households with access to refuse removal at Nkangala

Municipality	2015/16				2016/17			
	Total No of Households	refuse removal		To date	Households Community Survey 2016	Municipal assessment report (refuse removal)	%	To date
Emalahleni	150 420	95 114	63.2%	63.2%	150 420	95 114	63.2%	63.2%
Thembsile Hani	82 740	11 674	14.1%	14.1%	82 740	32 675	39.5%	39.5%
Dr JS Moroka	62 367	13 561	21.7%	21.7%	62 367	13 561	21.7%	21.7%
Steve Tshwete	86 713	59 675	68.8%	68.8%	86 713	79 804	92%	92%
Emakhazeni	14 633	12 254	83.7%	83.7%	14 633	12 404	84.7%	84.7%
Victor Khanye	24 270	13 894	57.2%	57.2%	24 270	13 894	57.2%	57.2%
Nkangala	421 143	212 672	50.5%	50.5%	421 143	247 452	58.7%	58.7%

(Source: Stats SA, general household survey)

Findings

Out of the 421 143 households in Nkangala District in 2016/17 financial year, 247 452 had access to refuse removal as compared to 212 672 which indicates an increase by 34 780.

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

Municipality	2015/16				2016/17			
	Total No of House-holds	refuse removal		To date	Households Com-munity Survey 2016	Municipal as-sessment report (Refuse Removal)	%	To date
Govan Mbeki	108 894	81 150	74.5%	74.5%	108 894	81 150	74.5%	74.5%
Chief Albert Luthuli	53 480	12 853	24%	24%	53 480	12 908	24.1%	24.1%
Lekwa	37 334	31 943	85.5%	85.5%	37 334	25 946	69.5%	69.5%
Mkhondo	45 595	25 946	56.9%	56.9%	45 595	30 726	67.4%	67.4%
Dipaleseng	14 877	9 452	63.5%	63.5%	14 877	9 452	63.5%	63.5%
Dr Pixley Ka Isaka Seme	22 546	10 501	46.5%	46.5%	22 546	20 660	91.6%	91.6%
Msukaligwa	51 089	14 933	29.2%	29.2%	51 089	32 517	63.6%	63.6%
Gert Sibande	333 815	186 778	55.9%	55.9%	333 815	213 359	63.9%	63.9%
PROVINCIAL TOTAL	1 238 860	604 865	48.8%	48.8%	1 212 072	646 646	52.2%	52.2%

(Source: Stats SA, general household survey)

Findings

Out of the **333 815** households in Gert Sibande District in 2016/17 financial year **213 359** had access to refuse removal as compared to **186 778** in 2015/16, this indicates an increase by 26 581 households

5.2.1.8 Households with access to Free Basic Electricity

Table 30: Households with access to Free Basic refuse removal

HOUSEHOLDS WITH ACCESS TO FREE BASIC REFUSE REMOVAL								
Municipality	2015/16				2016/17			
	Total H/H	Total indi-gents	Total served energy	%	Households Community Survey 2016	Municipal as-sessment report (Indigents)	Indigents served as of June 2017	%
Govan Mbeki	108 894	8 970	8 970	100%	108 894	12 957	12 957	100%
Chief Albert Luthuli	53 480	7 525	7 525	100%	53 480	4 920	4 920	100%
Lekwa	37 334	3 937	3 937	100%	37 334	11 139	11 139	100%
Mkhondo	45 595	442	442	100%	45 595	3 894	3 894	100%
Dipaleseng	14 877	1 859	1 859	100%	14 877	1 500	1 500	100%
Dr Pixley Ka Isaka Seme	22 546	6 577	6 577	100%	22 546	878	878	100%
Msukaligwa	51 089	10 916	10 916	100%	51 089	1 718	1 718	100%
Gert Sibande District	333 815	40 226	40 226	100%	333 815	37 006	37 006	100%
Emalahleni	150 420	11 000	11 000	100%	150 420	10 552	10 552	100%
Thembisile Hani	82 740	5 529	5 529	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	1 368	759	55.48%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 107	4 058	22.41%	86 713	17 738	17 738	100%
Emakhazeni	14 633	1 473	1 473	100%	14 633	1 478	1 478	100%
Victor Khanye	24 270	2 571	2 571	100%	24 270	1 812	1 812	100%
Nkangala District	421 143	40 048	25 390	63.40%	421 143	41 562	41562	100%
City of Mbombela	181 794	12 037	12 037	100%	205 496	9 734	9 734	100%
Bushbuckridge	137 419	45 132	45 132	100%	137 419	45 132	45 132	100%
Nkomazi	103 965	20 952	20 952	100%	103 965	12 953	12 953	100%
Umjindi	23 702	2 225	1 223	55%	Merged with City of Mbombela			
Thaba Chweu	37 022	4 935	4 935	100%	37 022	4 107	4 107	100%
Ehlanzeni District	483 902	85 281	84 279	98.82%	483 902	71 926	71 926	100%
Provincial total	1 238 860	165 555	149 895	90.54%	1 238 860	150 494	150 494	100%

(Source: Stats SA, general household survey)

Findings

In 2016/17 financial year there was a total of **150 494** indigents of which **150 494** were served with free basic refuse removal as compared to **149 895** that were served in 2015/16 financial year, this shows an increase of 599 in the province

5.2.1.9 Households with access to Roads

Ehlanzeni District

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

Municipality	2015/16			2016/17		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
City of Mbombela	3 529,1	588,2	2 940,9	3 821	701	3 120
Bushbuckridge	4 650	345	4 305	4 640	340	4 300
Nkomazi	2 265	266	1 999	2 265	277.7	1 987.3
Umjindi	310	120	190	Merged with City of Mbombela		
Thaba Chweu	INP	INP	INP	582	166	416

(Source: Municipal Section 46 Report)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Finding

In 2016/17 financial year there was a total of 11 308 Kilometres of roads at Ehlanzeni district as a whole, 1 481.7 was either tarred or paved and, 9 823.3 kilometres remained gravelled.

Gert Sibande District

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

Municipality	2015/16			2016/17		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
Govan Mbeki	903	505	398	903	505	393
Chief Albert Luthuli	649	559	90	649	543	106
Msukaligwa	599.5	249.4	350.1	599.5	250.2	349.3
Lekwa	423	175.1	247.8	423	175.1	247.8
Mkhondo	980	392	588	980	392	588
Dipaleseng	147	97.3	49.7	221.1	95.1	126
Dr. Pixley Ka Isaka Seme	278	85	193	278	89	193

(Source: Municipal Section 46 Report)

Finding

In 2016/17 financial year there was a total of 4 053.6 Kilometres of roads at Gert Sibande district as a whole, 2 049.4 was either tarred or paved and, 2,003.1 kilometres remained gravelled.

Nkangala District

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

Municipality	2015/16			2016/17		
	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	1400	843	557	1 400	843	557
Thembisile Hani	946.38	77.6	868.78	2 142.9	249.2	1 893.7
Dr JS Moroka	2 720	85	2 635	2 902.24	182.24	2 720
Steve Tshwete	819	661	158	819	668	151
Emakhazeni	2 617.3	24.6	2 592.76	2 617.3	24.8	2 592.50
Victor Khanye	340	127	213	340	128.5	211.5

(Source: Municipal Section 46 Report)

Findings

In 2016/17 financial year there was a total of 10 221.44 Kilometres of roads at Nkangala district as a whole, 2 095.74 kilometres was either tarred or paved and, 8 125.7 kilometres remained gravelled.

Analysis of performance on Service Delivery and Infrastructure Development

- In 2016/17 financial year there was a total of 150 494 indigents in the province, of which 150 494 were served with free basic electricity as compared to 149 895 that were served in 2015/16 financial year which is an increase of 599 indigents served.
- In 2016/17 financial year, Ehlanzeni District had 483 902 households. Out of the 483 902 households in Ehlanzeni District in 2016/17 financial year, 409 112 had access to potable water which indicates an increase by 3 372. A total of 461 809 households had access to sanitation in 2016/17 from 461 675 in 2015/16 financial year which shows an increase by 134 households as at June 2017.
- In 2016/17 financial year, Gert Sibande District had 333 815 households. Out of the 333 815 households in Gert Sibande District in 2016/17 financial year 305 282 had access to potable water remains constant as per previous financial year this indicates that the information is still constant. In 2016/17 financial year out of a total of 333 815 households 325 054 had access to sanitation, as compared 325 054 in 2015/16.
- In 2016/17 financial year, Nkangala District had 421 143 households. Out of the 421 143 households in Nkangala District 390 291 had access to potable water as at June 2017. This shows that there has been an increase of 10 421 households that are receiving water. In 2016/17 financial year a total of 414 064 households had access to sanitation as compared to 413 956 in 2015/16 which indicates an increase of 108 households as at June 2017.
- In 2016/17 financial year there was a total of 150 494 indigents in the province, of which 150 494 were served with free basic sanitation as compared to 143 263 that were served in 2015/16 financial year which reflects an increase by 7 231.
- In 2016/17 financial year there was a total of 41 562 indigents in Nkangala District of which 41 562 were served with free basic sanitation as compared to 39 439 that were served in 2015/16 financial year which is an increase 7 231.
- In 2016/17 financial year there was a total of 37 006 indigents in Gert Sibande District of which 37 006 were served with free basic sanitation as compared to 40 226 that were served in 2015/16 financial year which reflects a decrease by 3 220.
- In 2016/17 financial year there was a total of 71 926 indigents in Ehlanzeni District of which 71 926 were served with free basic sanitation as compared to 63 598 that were served in 2015/16 financial year which reflects an increase by 8 328.
- Out of the 483 902 households in Ehlanzeni District in 2016/17 financial year 206 623 had access to refuse removal as compared to 205 415 which indicates an increase by 1 208.
- Out of the 421 143 households in Nkangala District in 2016/17 financial year, 247 452 had access to refuse removal as compared to 212 672 which indicates an increase by 34 780.
- Out of the **333 815** households in Gert Sibande District in 2016/17 financial year **213 359** had access to refuse removal as compared to **186 778** in 2015/16, this indicates an increase by 26 581 households

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
- Inconsistent water supply due to limited bulk infrastructure and pipe leakages in the network, aged infrastructure especially in CALM, Lekwa, Bushbuckridge, Nkomazi, Mbombela, Msukaligwa, Emalahleni and Thembisile Hani Local Municipality.
- Some water backlogs in the Northern and Southern Nsikazi in the City of Mbombela, Moremela, Matibidi and Leroro in Thaba Chweu and large proportion of villages in Bushbuckridge, Chief Albert Luthuli and Nkomazi, Mkhondo and Dr JS Moroka Local Municipality.
- O&M and operating capacity not sufficient especially for Thaba Chweu, Bushbuckridge, Nkomazi, Lekwa, Msukaligwa, Emalahleni, Emakhazeni Local Municipality

Challenges on access to Sanitation

- Most municipalities have challenges relating to the overflowing WWTP's due to overloading such as in Lekwa, Dipaleseng, Dr Pixley Ka Isaka Seme, Emalahleni, Emakhazeni, City of Mbombela, Bushbuckridge, Nkomazi, Msukaligwa and Govan Mbeki municipalities.
- Inadequate sanitation in farm and rural areas such as in Emakhazeni, Dr JS Moroka and Thembisile Hani, Dr Pixley Ka Isaka Seme, Dipaleseng, Lekwa, Bushbuckridge and Nkomazi municipalities

Challenges on access to Electricity

- Huge Eskom debts in Thaba Chweu, Emalahleni, Emakhazeni, Chief Albert Luthuli, Govan Mbeki, Lekwa and Msukaligwa Local Municipality
- High technical and none technical losses which had largely contributed on revenue collections losses
- Scourge of illegal connections and electrical infrastructure theft.

Challenges on access to refuse removal

- Unavailability of land for Waste Management facilities
- Prioritization of waste management services in line with the basic services in terms of planning, development and implementation.
- Outdated, implementation, enforcement of IWMPs and By- laws.
- Poor operations and management of waste management facilities: non-compliant with environmental legislation (e.g. non-determination of airspace, cover material, equipment, and technical expertise), waste license conditions and expiring of existing issued licenses.

Support interventions by National and Provincial government Sanitation

- A total of 22 Waste Water Treatment plants were under refurbishment and upgrading in the following municipalities: Bushbuckridge, Chief Albert Luthuli, Msukaligwa, Govan Mbeki, Lekwa, Dr Pixley Ka Isaka Seme, Thembisile Hani, Emakhazeni and Victor Khanye
The Plants are in varying stages of progress where some would be attended to as multi-year projects.
- Dry sanitation toilet structures that can be converted to flush toilets at later stage are an immediate solution for the areas not yet connected to bulk infrastructure. Districts are to support municipalities to technically assess and provide viable interventions.

Water Interventions

- A total of 36 process controllers were trained through Mahube programme, MISA and Mpumamanzi for Thaba Chweu, Emakhazeni, Dipaleseng, Chief Albert Luthuli, Msukaligwa, municipalities.
- CoGTA will be supporting municipalities to tighten project management and contract administration.
- National government shall be lobbied to regulate price ceilings for service infrastructure contracts to avoid government abuse.
- A provincial database for shoddy work and slow pace service providers be activated. Districts to audit & investigate functionality of all Reservoirs, WTWs, WWTWs, water leakages and pipe bursts

Electricity Interventions

- Revised repayments Agreements with Eskom have been signed. Both CoGTA and Provincial Treasury are monitoring adherence and its full implementation on monthly and quarterly basis.
- Revenue improvement and credit control plans have been developed and are both currently being implemented and monitored by the provincially established task team (CoGTA, PT, Eskom and LMs),
- LMs are being advised to consider the installation of pre-paid and smart metering systems to improve revenue collections.
- Community education on the effect of illegal connections and the user pay principle for businesses, residents in each municipality. All councils to heighten the campaigns against illegal connections

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, City of Mbombela, Dr Pixley ka Isaka Seme, Dipaleseng, Chief Albert Luthuli, Govan Mbeki and Emakhazeni.

5.3 SPATIAL RATIONALE

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

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

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

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

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

Failure by some municipalities to adopt Spatial Development Frameworks had resulted in continuous misdirected public and private sector investment. The continued misalignment and disregard of the SDF in the development of municipal IDPs has proven to be detrimental to sustainable development and growth. The development outcome of creating sustainable human settlements cannot be achieved if municipalities fail to create a development environment that is well planned.

Table 34: Indicate municipalities with approved SDFs

DISTRICT	Municipality	2014/15			2015/16			2016/17		
		SDF's approved	SDF's submitted	SDF's implemented	SDF's approved	SDF's submitted	SDF's implemented	SDF's approved	SDF's submitted	SDF's implemented
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Merged with City of Mbombela		
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.3.1 Findings on Spatial Development Frameworks

All municipalities in the Province have maintained a good record with regard to having approved Spatial Development Frameworks for the past three financial years. The SDFs however of Dipaleseng, Dr Pixley ka Isaka Seme and Msukaligwa LMs were approved in 2010 and hence not aligned to the provisions of SPLUMA and the imperatives of the NDP and IUDF.

Challenges

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

- Slow state land release processes preventing spatial transformation and the expedition of security of tenure.
- Spatial plans, land use schemes and development processes (legislation and by-laws) that are not supported by Traditional Leaders.
- Low-density urban sprawl, land invasion and the proliferation of informal settlements close to urban centres.
- Lack of developable and affordable land close to economic centres to enable housing opportunities close to employment opportunities.
- Lack of planning capacity in municipalities to implement spatial plans and to enforce land use schemes.
- Continued misalignment between the municipal SDFs and IDP projects that are implemented.

The department has assisted Chief Albert Luthuli and Lekwa LMs during 2016/17 FY with the review of their SDFs to comply with the provisions of SPLUMA.

The department is in the process of preparing a Provincial Spatial Development Framework for the Province for completion in March 2019. The purpose of the PSDF is, amongst others, to guide district and local municipalities with the preparation of their SDFs.

Table 35: Municipal readiness on SPLUMA implementation

District	Municipality	2016/17						
		Municipal by-law	Tariffs	Delegations	Planning Tribunal	Appeal Mechanisms	SPLUMA Land Use Scheme	Reasons
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	None
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	No	Municipality plans to prepare a SPLUMA compliant land use scheme
	Nkomazi	Yes	Yes	Yes	Yes	Yes	No	Municipality plans to prepare a SPLUMA compliant land use scheme
	Thaba Chweu	Yes	Yes	Yes	No	Yes	No	Appointment of Planning Tribunal members in process, to be published in gazette The Department plans to prepare a SPLUMA compliant land use scheme
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	No	Yes	Yes	No	Delegation prepared and to be adopted by Council. The Department plans to prepare a SPLUMA compliant land use scheme
	Dipaleseng	Yes	Yes	No	Yes	Yes	No	Delegation prepared and to be adopted by Council. Municipality plans to prepare a SPLUMA compliant land use scheme
	Govan Mbeki	Yes	Yes	No	Yes	Yes	Yes	Delegations prepared for adoption by Council
	Lekwa	Yes	Yes	Yes	Yes	Yes	No	The Municipality does not plans to prepare a SPLUMA compliant land use scheme
	Mkhondo	Yes	Yes	Yes	Yes	No	No	Municipality requested to let council adopt an Appeal Authority. Municipality plans to prepare a SPLUMA compliant land use scheme
	Msukaligwa	Yes	Yes	No	Yes	Yes	No	Delegation prepared and to be adopted by Council Municipality plans to prepare a SPLUMA compliant land use scheme
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	No	Municipality plans to prepare a SPLUMA compliant land use scheme
NKANGALA	Emalahleni	Yes	Yes	Yes	No	Yes	No	Appointment of Planning Tribunal members in process, to be published in gazette. Municipality plan to prepare a SPLUMA compliant land use scheme
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	No	District Municipality plan to prepare a SPLUMA compliant land use scheme
	Steve Tshwete	Yes	Yes	Yes	No	Yes	No	Appointment of Planning Tribunal members in process, to be published in gazette. Municipality plan to prepare a SPLUMA compliant land use scheme
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	No	District Municipality plan to prepare a SPLUMA compliant land use scheme
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	No	District Municipality plans to prepare a SPLUMA compliant land use scheme
	Thembe Hani	Yes	Yes	Yes	Yes	Yes	No	District Municipality plans to prepare a SPLUMA compliant land use scheme

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

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.3.2 Analysis of municipal performance on SPLUMA

Findings

All municipalities adopted SPLUMA Municipal by-laws and determined tariffs. During the period of the review Chief Albert Luthuli, Dipaleseng, Govan Mbeki and Msukaligwa Municipalities however failed to get their SPLUMA delegations adopted by their respective Councils.

Further Emalahleni, Steve Tshwete and Thaba Chweu Municipalities concluded processes to finalise appointment of tribunal members. The Councils of these municipalities however need to take resolutions; where after the names of members will be gazetted.

Challenges

- The slow pace of municipalities to perform administrative tasks.
- The staff component of municipalities to effectively implement SPLUMA, especially from an administrative and technical point of view need to be assessed.
- Lack of budget in Lekwa Municipality to plan for the development of a SPLUMA compliant Land Use Scheme.

Support Interventions by National and Provincial government

- Continuous monitoring of municipalities on SPLUMA implementation by DRDLR and COGTA
- Support by COGTA and DRDLR through training on the different areas of SPLUMA.
- Budgeting by the COGTA for SPLUMA support to municipalities e.g. Land Use Schemes.

Recommendation

- That COGTA continue to support and monitor Municipalities on land use management in line with SPLUMA.

5.4 INTEGRATED DEVELOPMENT PLANNING PROCESS

5.4.1 Legislative framework

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

The White Paper on Local Government (1998) paved way for the introduction of the Municipal Systems Act in 2000. The Act aims to regulate amongst others:

- democratic principles on the participation of civil society in the development and planning matters affecting them;
- development and review of integrated development planning instruments and processes followed thereof; and
- measures required to monitor, evaluate, report and review performance against set targets and indicators.

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.

5.4.2 Evolution of IDPs in the province

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

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

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

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

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

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

DISTRICT	Municipality	2014/15		2015/16		2016/17	
		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 adopted their IDP's	No of stakeholder who participated
EHLANZENI	Bushbuckridge	Reviewed	34	Reviewed	17	Adopted	18
	City of Mbombela	Reviewed	INP	Reviewed	30	Adopted	15
	Nkomazi	Reviewed	INP	Reviewed	8	Adopted	10
	Thaba Chweu	Reviewed	INP	Reviewed	14	Adopted	14
	Umjindi	Reviewed	874	Reviewed	20	Merged with City of Mbombela	
	Ehlanzeni	Reviewed	INP	Reviewed	INP	Adopted	19
GERT SIBANDE	Chief Albert Luthuli	Reviewed	325	Reviewed	INP	Adopted	20
	Dipaleseng	Reviewed	INP	Reviewed	13	Adopted	11
	Govan Mbeki	Reviewed	28	Reviewed	32	Adopted	32
	Lekwa	Reviewed	INP	Reviewed	78	Adopted	22
	Mkhondo	Reviewed	60	Reviewed	INP	Adopted	312
	Msukaligwa	Reviewed	11	Reviewed	INP	Adopted	15
	Dr. Pixley Ka Isaka Seme	Reviewed	7	Reviewed	7	Adopted	8
	Gert Sibande	Reviewed	23	Reviewed	27	Adopted	27
NKANGALA	Emalahleni	Reviewed	All the 34 wards	Reviewed	INP	Adopted	40
	Emakhazeni	Reviewed	INP	Reviewed	INP	Adopted	27
	Steve Tshwete	Reviewed	13	Reviewed	13	Adopted	13
	Victor Khanye	Reviewed	20	Reviewed	21	Adopted	18
	Dr. JS Moroka	Reviewed	9	Reviewed	INP	Adopted	18
	Thembisile Hani	Reviewed	144	Reviewed	38	Adopted	20
	Nkangala	Reviewed	INP	Reviewed	INP	Adopted	24

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.4.3 2016 Municipal Elections and IDPs

The Local Government Elections held on 03 August 2016 represented both the ending and start of an electoral term of Municipal Council and therefore the last year of implementation of a reviewed IDP. The elections also brought a transition in the province after two municipalities in the Ehlanzeni district were amalgamated thus reducing the number of municipalities in the province from 21 to 20. Mbombela and Umjindi municipalities were merged to establish a new municipality named City of Mbombela.

This transitional period had serious implications in terms of development in the newly established municipality as new planning instruments had to be developed for the future of the municipality, including the IDP.

5.4.4 Development of five year IDPs

Section 25 (1) of the Municipal Systems Act 32 of 2000 requires that "each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality". The Integrated Development Plan (IDP) becomes the principal strategic planning tool through which a newly elected municipal council plan, prioritise and strategically focus its activities and resources towards the development of its community during the five year term.

Newly elected Councils earnestly began a process of *developing strategic planning documents* to guide the development of the municipality for their term of office and the plan is currently in force until an IDP is adopted by the next Council. These IDPs shall be reviewed by Councils on an annual basis as required by Section 34 of the Municipal Systems Act.

All 20 municipalities in the province have successfully developed their five year IDPs (2017-22) for their term of office with support from key sector departments, i.e. CoGTA and Office of the Premier. The two departments played a pivotal role in the development of IDPs by ensuring that the prescribed process is followed to the latter, IDPs are responsive to the most basic needs of communities and that they are aligned to national and provincial planning requirements, laws and policies.

The table below provides the status quo of the adoption of five year IDPs in 20 municipalities.

Table 37: Status on the adoption of 2017-22 municipal IDPs

District	Municipality	Tabling to Council	Council Resolution	Submission to MEC
Nkangala District	Nkangala	31 May 2017	DM392/05/2017	09 June 2017
	Steve Tshwete	31 May 2017	SC47/05/2017	07 June 2017
	Dr JS Moroka	25 May 2017	R135.05.2017ND	07 June 2017
	Emalahleni	25 May 2017	A-079/17	30 May 2017
	Emakhazeni	31 May 2017	28/05/2017	09 June 2017
	Victor Khanye	31 May 2017	S001/05/2017	15 June 2017
	Thembisile Hani	30 May 2017	TH-NDC204/05/2017	09 June 2017
Gert Sibande District	Gert Sibande	25 May 2017	C35/05/2017	02 June 2017
	Msukaligwa	30 May 2017	LM77/05/2017	09 June 2017
	Chief Albert Luthuli	24 May 2017	CL1.081	07 June 2017
	Dr. Pixley Ka Isaka Seme	31 May 2017	A97/2017	09 June 2017
	Govan Mbeki	30 May 2017	A51/05/2017	02 June 2017
	Mkhondo	30 May 2017	17/05/961	06 June 2017
	Dipaleseng	31 May 2017	C86/05/17	07 June 2017
Ehlanzeni District	Lekwa	31 May 2017	A77/31/05/2017	10 June 2017
	Ehlanzeni	30 May 2017	A43/2017	09 June 2017
	Thaba Chweu	31 May 2017	A59/2017	07 June 2017
	Nkomazi	22 June 201	NLM:S-GCM:A051/2017	30 June 2017
	Bushbuckridge	31 May 2017	BLM/130/31/05/17/20/16/17	09 June 2017
	City of Mbombela	31 May 2017	A1	09 June 2017

(Source: Mpumalanga CoGTA IDP Directorate)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.4.5 Analysis on compliance with the IDP process

Challenges during the IDP development process

Municipalities led by newly elected Councils were able to adopt IDPs and budgets within stipulated legislative timeframes. However, some challenges were experienced during the drafting of IDPs and those require urgent attention of municipalities and the department to address during the annual review of IDPs. Some of the problems identified revolve around the following issues –

- Lack of updated sector/master plans and poor policy implementation;
- Lack of effective strategies in IDPs to address the triple challenges of unemployment, poverty and inequality;
- Some plans by national and provincial departments not fully integrated in IDPs;
- Most IDPs are not adequately funded due to budget deficits, low revenue base and dependence on grants;
- Municipalities not timeously responding to community priorities through the IDP;
- Implementation of projects not prioritised in IDPs;
- Poor implementation of IDP projects and programmes due to unspent conditional grants; etc.

Support interventions by the department during the year under review

- Capacity building to newly elected Councillors and appointed managers on IDPs;
- Monitoring the process followed by municipalities in the IDP development process;
- Facilitating strategic planning sessions for struggling municipalities;
- One-on-one planning sessions with selected municipalities;
- Engagement and integration sessions between municipalities and sector departments;
- Mobilisation of other spheres of government to partake in the municipal IDP processes; and
- Analysis of IDPs and feedback on identified gaps.

Recommendations

The following is recommended to municipalities:

- Mobilise sector departments, in particular the DCoG's Municipal Infrastructure Support Agency (MISA) for resources on the outdated and outstanding sector plans;
- Municipalities to prioritise and budget for the review of outdated and outstanding sector plans in their medium term expenditure framework;
- CoGTA and Office of the Premier to strengthen provincial platforms for integration and alignment of government-wide planning activities and plans.
- Development of an intervention strategy by the department to address gaps in IDPs

5.4.6 Developed Disaster Management Policy Frameworks and Plans

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

District	Municipality	2015/16			2016/17		
		Disaster Management Centre established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre	District Disaster Management framework	Disaster Management Plans
EHLANZENI	Bushbuckridge	Yes	Not a statutory obligation	Yes	In place	Not statutory obligation	In place
	City of Mbombela	Yes	Not a statutory obligation	Yes	In place	Not statutory obligation	In place
	Nkomazi	Yes	Not a statutory obligation	Yes	In place	Not statutory obligation	In place
	Thaba Chweu	Yes- shared with fire services	Not a statutory obligation	Yes	In place	Not statutory obligation	In place
	Umjindi	Yes	Not a statutory obligation	Yes	Merged with City of Mbombela		
	Ehlanzeni District	Yes	Yes	Yes	In place	In place	In place
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes (adopted by council)	Yes	Operating at the District satellite office	Not a statutory obligation	In place
	Dipaleseng	Yes	Not a statutory obligation	Yes	Operating at the District satellite office	Not a statutory obligation	In place
	Govan Mbeki	Yes- shared with fire services	Not a statutory obligation	Yes	In place	No a statutory obligation	In place
	Lekwa	Yes- shared with fire services	Not a statutory obligation	Yes	In place	Not a statutory obligation	In place
	Mkhondo	Yes	Not a statutory obligation	Yes	Operating at the District satellite office	Not a statutory obligation	In place
	Msukaligwa	Yes- shared with fire services	Not a statutory obligation	Yes	In place	Not statutory obligation	In place
	Dr. Pixley Ka Isaka Seme	Construction underway	Not a statutory obligation	Yes	Construction underway	Not a statutory obligation	In place
	Gert Sibande	Established satellite centres in the local municipalities	Yes	Yes	Established satellite centres in the local municipalities	In place	In place
NKANGALA	Emalahleni	Yes located at district level	Yes	Yes	In place	Not a statutory obligation	In place
	Emakhazeni	Yes	No framework	Yes (Level one plan)	In place	Not a statutory obligation	In place
	Steve Tshwete	Not a statutory obligation	Not a statutory obligation	Yes	Operating at the fire station	Not a statutory obligation	In place
	Victor Khanye	Not a statutory obligation	Not a statutory obligation	Yes	Operating at the fire station	Not a statutory obligation	In place
	Dr. JS Moroka	No	Not a statutory obligation	Yes	In place	Not a statutory obligation	In place
	Thembisile Hani	No	No	Yes	In place	Not a statutory obligation	In place
	Nkangala District	Yes	Yes	Yes	In place	In place	In place

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

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.4.7 Analysis of municipalities' performance on readiness to mitigate disasters

Disaster Management Centres

- All three Districts Municipalities in the 2016/17 financial year complied with Section 43 of the Disaster Management Act of 2002 to establish Disaster Management Centres.

Disaster Management Frameworks

- All three Districts had Disaster Management Framework

Disaster Management Plans

- All 20 Municipalities had Disaster Management Plans in Place

Challenges

- Lack of dedicated staff for disaster management activities

Support Interventions by National and Provincial government

- The Province in conjunction with South African Weather Services provides severe weather condition alerts and warning to all emergency stakeholders within the Province.
- Provincial Disaster Management Centre supported municipalities with relief material to shorten response time.
- Provincial Disaster Management Centre encouraged Local municipalities to establish advisory forums, to ensure the active participation of all role players within their jurisdiction

Recommendations

- Municipalities to recruit dedicated disaster management personnel in the centres
- Provincial Disaster Management Centre and Districts Municipalities to provide necessary support to local municipalities.

5.5 LOCAL ECONOMIC DEVELOPMENT

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

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

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

5.5.1 Performance of municipalities on Local Economic Development

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

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

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

Districts	Municipality	2014/15		2015/16		2016/17	
		No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
EHLANZENI	Bushbuckridge	9	3	9	3	9	3
	City of Mbombela	20	14	41	11	41	11
	Nkomazi	5	5	10	6	10	7
	Thaba Chweu	2	2	2	1	2	1
	Umjindi	2	1	3	2	Merged with City of Mbombela	
	TOTAL	38	25	65	23	62	22
GERT SIBANDE	Chief Albert Luthuli	8	3	8	3	8	3
	Dipaleseng	7	2	7	2	3	1
	Govan Mbeki	3	3	4	2	5	1
	Lekwa	2	2	2	2	4	3
	Mkhondo	3	3	4	3	2	2
	Msukaligwa	3	3	3	2	4	0
	Dr. Pixley Ka Isaka Seme	2	2	2	2	2	1
	TOTAL	28	18	30	16	28	11
NKANGALA	Emalahleni	4	4	5	5	5	5
	Emakhazeni	2	2	2	2	5	2
	Steve Tshwete	3	3	2	2	2	2
	Victor Khanye	1	1	2	1	2	2
	Dr. JS Moroka	2	2	1	1	2	2
	Thembisile Hani	3	3	3	3	3	2
TOTAL	15	15	15	14	19	15	

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Findings

- In as far as the capacity of municipalities to implement LED the following findings were made, across all the three districts in the Province that; in 2014/15, 81 LED posts were approved only 58 were filled, in 2015/16 financial year 110 posts were approved and only 53 were filled. In 2016/17 109 LED posts were approved and only 48 were filled.

5.5.2 Existence of LED strategies and plans

Table 40: Indicate municipalities with LED strategies and plans

DISTRICT	Municipality	2014/15			2015/16			2016/17			Reason for no strategy in place
		LED strategy reviewed /developed	LED strategy approved	LED strategy implemented	LED strategy reviewed /developed	LED strategy approved	LED strategy implemented	LED strategy reviewed /developed	LED strategy approved	LED strategy implemented	
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Umjindi	Yes	Yes	No	No	No	No	Merged with City of Mbombela			
	Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	None
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Msukaligwa	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	None
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	No	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	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Findings

- 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. In 2016/17 all Municipalities had Led strategies and were implementing them

5.5.3 Functionality of LED stakeholder forum

Table 41: Municipalities with functional LED stakeholder forum

Districts	Municipality	2014/15	2015/16	2016/17
EHLANZENI	Bushbuckridge	Yes	No	No
	City of Mbombela	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Umjindi	No	No	Merged with City of Mbombela
	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

Districts	Municipality	2014/15	2015/16	2016/17
NKANGALA DISTRICT	Emalahleni	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes
	Dr. JS Moroka	No	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes
	Nkangala	Yes	Yes	Yes

(Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.5.3.1 Analysis on the existence Local Economic Development Forums in municipalities

Finding

- 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.
- In 2016/17 financial year all municipalities had LED stakeholder forums except for 2 municipalities Msukaligwa and Bushbuckridge.

5.5.4 Plans to stimulate second economy

SMMEs supported

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

Table 42: Indicate activities in support of SMME

Districts	Municipality	Activity	Outcome
GERT SIBANDE	Chief Albert Luthuli	<ul style="list-style-type: none"> · Support to secure sustainable opportunities in the private sector. · Establishment of Economic sector working groups 	<ul style="list-style-type: none"> · Appointment of local Cooperative on a three year contract by a mine to render cleaning, catering and laundry services. (Thulasenze Primary Cooperative contracted to Vaalbuilt Colliery) · Various SMME's provide transport services to local mining companies.
	Msukaligwa	<ul style="list-style-type: none"> · SMME assistance and referrals for registration as Cooperatives. 	<ul style="list-style-type: none"> · Registered SMME's
	Lekwa	<ul style="list-style-type: none"> · SMME's Fair on 31 March 2017 in partnership with GSDM · At 30% of business to local SMME's suppliers and contractors 	<ul style="list-style-type: none"> · Local SMME's showcasing their talents, goods and services · Stimulate local economy
	Govan Mbeki	<ul style="list-style-type: none"> · Training of SMME's and Cooperatives 	<ul style="list-style-type: none"> · Ongoing support to SMME's and Cooperatives in terms of training and development
	Dipaleseng	<ul style="list-style-type: none"> · Facilitation and co-ordination of workshops and training for different economic related topics with other departments to empower local SMME's 	<ul style="list-style-type: none"> · SMME's data base developed and updated
	Mkhondo	<ul style="list-style-type: none"> · Capacity building, coordinating SMME's & Co-operative day 	<ul style="list-style-type: none"> · Improved business management (Operational & Financial, book keeping). · Compliance of business in terms of cooperative and SMME's Act. · Marketing of SMME's & Cooperative to surrounding communities
	Pixley ka Isaka Seme	<ul style="list-style-type: none"> · Training of SMME's and Cooperatives 	<ul style="list-style-type: none"> · The municipality in partnership with other government stakeholders have trained 10 Cooperatives and 26 SMME's

Districts	Municipality	Activity	Outcome
NKANGALA	Victor Khanye	<ul style="list-style-type: none"> SMME's and Youth Corporative Training 	<ul style="list-style-type: none"> SMME's and Youth Corporative were trained in financial management and other core measures of business management
	Emakhazeni	<ul style="list-style-type: none"> Subcontractor development 	<ul style="list-style-type: none"> 15 subcontractors benefitted through various projects
	Dr JS Moroka	<ul style="list-style-type: none"> Training of SMME's Coordination of Workshops Grants from DTI 	<ul style="list-style-type: none"> Developed skills and advanced knowledge in business management SMME's can prepare and analyse business plan SMMEs to buy their electronic equipment's
	Thembisile Hani	<ul style="list-style-type: none"> Training of SMME'S 	<ul style="list-style-type: none"> SMME'S informed of financial management and other core measures of business management
	Emalahleni	<ul style="list-style-type: none"> Training SMME's on financial management & Book keeping Assisted the SMME's to register their cooperatives Conducted workshop on understanding governance and roles and responsibilities. 	<ul style="list-style-type: none"> SMMEs have a clear understanding of the Cooperatives and are now exposed to business opportunities and information.
	Nkangala	<ul style="list-style-type: none"> Development and support of SMME's, Cooperatives and informal traders 	<ul style="list-style-type: none"> Hosted the Nkangala District CEO's Breakfast bring together business, government, parastatals as well as financial institutions Gained investments commitment from stakeholders Promote partnership in the interest of gaining the above commitment
	Steve Tshwete	<ul style="list-style-type: none"> 3 Skills development programme training 	<ul style="list-style-type: none"> Plant production Computer studies Woman in business training (PwC)
EHLANZENI	Thaba Chweu	<ul style="list-style-type: none"> EDM implemented the SMME Mentorship Programme for the 2016/2017 financial year and Thaba Chweu Local Municipality was assisted with two SMMEs. 	<ul style="list-style-type: none"> The following SMMEs were selected: Areduchap Cooperative from Pilgrims Rest and Dikgapa Agricultural Cooperative from Moremela
	Bushbuckridge	<ul style="list-style-type: none"> Support and training of SMME's 	<ul style="list-style-type: none"> 53 SMMEs appointed by the municipality.
	Nkomazi	<ul style="list-style-type: none"> Mentorship programme Farmers support Business trade firm 	<ul style="list-style-type: none"> Matsamo traditional custom group has won 10 000 plus the district has procured a mentorship for Matsamo to be capacitated with business management. Siyavuya farmers got position 1 in the district and the DEDET is financing the programme .10 000 has been won and they received equipment worth 15 000
	City of Mbombela Umjindi*	<ul style="list-style-type: none"> Facilitation of the participating of Informal Entrepreneurs in the Informal Trade Upliftment Project (ITUP) 	<ul style="list-style-type: none"> 19 informal entrepreneurs trained and provided with infrastructure (equipment) to grow their businesses.
	Ehlanzeni district	<ul style="list-style-type: none"> An SMME Training, Mentorship and support programme was implemented 	<ul style="list-style-type: none"> 10 SMMEs have benefitted from training, mentorship & support programme

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.5.4.1 Analysis on the municipal plans to stimulate second economy

Findings

- In 2016/17 financial year all municipalities have implemented plans/activities to stimulate second economy, either on their own or through the support of public or private sector
- Capacity Building needed to improve SMMEs skill and experience profile in order to increase access to opportunities. Joint venturing between Big companies and SMMEs should be encourage for skills transfer
- Municipal Supply Chain Policies should be strengthened to give first preference to local SMMEs.
- Local SMMEs benefitted from providing services to the implementation of anchor Projects such as the Majuba Rail Project.

Municipalities through their respective LED Units should play a more meaningful role in facilitating linkages between big business opportunities and SMMEs. Registering SMMEs into big business databases should be simplified and understood well

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

Table 43: Indicate No of employment opportunities created through EPWP

District	Municipality	2015/16						2016/17							
		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	Work opportunities created through MIG allocation	opportunities created through CWP Programme
EHLANZENI	Bushbuckridge	604	0	1,167	65.72%	41.73%	4.20%	464	0	876	64.15%	43.04%	0.11%	1994	2870
	City of Mbombela	388	0	509	54.42%	51.28%	8.45%	921	0	1348	54.30%	44.06%	0.67%	863	2564
	Nkomazi	351	0	708	60.17%	45.06%	1.69%	712	0	1361	58.41%	42.17%	0.22%	128	1975
	Thaba Chweu	121	0	246	53.25%	51.63%	0.00%	116	0	517	64.99%	50.87%	0.58%	898	960
	Umjindi	89	0	184	66.85%	54.35%	2.17%	Merged with City of Mbombela							
	Ehlanzeni	230	0	297	53.87%	51.51%	1.68%	284	0	306	53.27%	55.23%	2.29%	3889	8369
GERT SIBANDE	Chief Albert Luthuli	52	0	108	64.81%	58.33%	0.00%	132	0	311	71.06%	54.98%	0.00%	249	3106
	Dipaleseng	105	0	203	65.52%	54.19%	0.00%	99	0	233	52.36%	34.76%	0.43%	143	1148
	Govan Mbeki	334	0	443	61.85%	66.82%	1.35%	140	0	525	61.52%	63.43%	0.19%	125	1208
	Lekwa	38	0	55	58.18%	41.82%	1.82%	7	0	54	70.37%	14.81%	0.00%	94	1217
	Mkhondo	159	0	227	74.01%	46.70%	0.44%	201	0	367	77.11%	43.87%	0.00%	165	1822
	Msukaligwa	15	0	52	71.15%	44.23%	1.92%	125	0	236	71.19%	34.74%	0.00%	181	1212
	Dr. Pixley Ka Isaka Seme	113	0	238	81.93%	59.24%	1.26%	76	0	225	76.89%	42.22%	0.00%	177	1152
	Gert Sibande	343	0	375	58.93%	70.40%	0.53%	276	17	360	56.11%	69.44%	0.00%	1134	10865
NKANGALA	Emalahleni	90	0	282	56.03%	42.20%	0.00%	401	0	768	53.51%	35.55%	1.30%	238	1137
	Thembisile Hani	132	0	285	79.30%	63.16%	0.35%	136	0	308	72.73%	47.08%	0.65%	178	1410
	Emakhazeni	51	0	103	66.99%	36.89%	0.00%	62	0	181	75.14%	41.99%	0.00%	84	811
	Steve Tshwete	658	0	2 076	48.64%	62.19%	0.43%	489	0	1348	38.87%	75.15%	0.59%	128	1060
	Victor Khanye	168	0	260	58.08%	50.77%	8.08%	144	0	320	58.12%	52.50%	5.94%	129	1230
	Dr. JS Moroka	174	0	560	41.43%	64.82	1.25%	219	0	922	38.29%	69.41%	1.08%	502	1542
	Nkangala	302	0	464	63.7%	38.58%	1.29%	336	0	677	64.55%	44.16%	1.62%	1259	7190

(Source: 2016/17 Audited EPWP Annual Performance Report from Public Works)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Findings

- In the 2015/16 a total of **8 842 jobs were created** across municipalities in the three districts 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**). In 2016/17 financial year a number of **5 340** job opportunities created across the province in which **62% were occupied by the youth, 48% by the woman and 0.78% by the people with disability** showing a decrease compared to the previous financial year. Lekwa, Mkhondo, Msukaligwa, Emakhazeni and Dr Pixley Ka Isaka Seme did not employ people with disabilities in the year under review, in the EPWP.

Challenges in LED Strategy implementation

- Capacity constraints are a major challenge as to why the municipalities are not implementing their LED strategies.
- LED budget is always shifted to other priority areas.
- Insufficient staff compliment in municipal LED units
- Msukaligwa local municipality for the past three financial years did not have an LED forum.

Support Interventions by National and Provincial government

- Provincial Cogta supported municipalities through the implementation of youth waste and 130 work opportunities were created.
- Provincial Cogta supported the implementation of Community Works Programme (CWP) and 25 030 work opportunities were created.

Recommendations

It hereby recommended that municipalities:

- LED budget to be ring-fenced
- Collaborate with Private Sector for partnership
- Prioritise LED (KPA) to be part of the Municipal Managers key performance indicator in the performance contract
- Municipalities must make a concerted effort to employ people with disabilities.

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:

- 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.
- 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.
- Cash flow** measures the rate at which municipalities can cover their costs, that is the debtor collection rates which result in sufficient cash to enable the municipalities to meet their day to day operational costs. It is mandatory for municipalities to determine cash flow requirements to maintain operations and also have adequate measures to foresee the need to alter operations as required.

5.6.2.1 Status of the audit outcome

Table 44: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2014/15				Audit Opinion 2015/16				Audit Opinion 2016/17			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge		Yes			Yes				Yes			
	City of Mbombela	Yes				Yes				Yes			
	Nkomazi	Yes				Yes				Yes			
	Thaba Chweu			Yes				Yes				Yes	
	Umjindi	Yes				Yes				Merged with Mbombela			
	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			

Districts	Municipality	Audit Opinion 2014/15				Audit Opinion 2015/16				Audit Opinion 2016/17			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
NKANGALA	Emalahleni			Yes				Yes			Yes		
	Emakhazeni			Yes			Yes				Yes		
	Steve Tshwete	Yes				Yes (Clean)				Yes			
	Victor Khanye		Yes				Yes				Yes		
	Dr. JS Moroka		Yes				Yes				Yes		
	Thembisile Hani	Yes					Yes			Yes			
	Nkangala district	Yes (Clean)				Yes (Clean)				Yes (Clean)			

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

	2015/16				2016/17			
	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	Steve Tshwete	Bushbuckridge	Msukaligwa, Emakhazeni			Thembisile Gert Sibande Bushbuckridge	Dr JS Moroka Emalahleni	
Unchanged	Ehlanzeni and Nkangala	Lekwa, Nkomazi, Dr Pixley Isaka Seme, Govan Mbeki, Mbombela, Umjindi, Dipaleseng	Thembisile Hani, Dr JS Moroka, Mkhondo, Victor Khanye	Thaba Chweu Emalahleni,	Ehlanzeni Nkangala	Dr Pixley ka Isaka Seme City of Mbombela Lekwa Govan Mbeki Dipaleseng Nkomazi	Emakhazeni, Victor Khanye Msukaligwa Mkhondo Chief Albert Luthuli	Thaba Chweu
Regressed			Gert Sibande, Chief Albert Luthuli			Steve Tshwete		
Total	3	8	8	2	2	10	7	1

(Source Auditor General Report 2016/17)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.6.2.2 Analyses of the Audit Outcomes

Findings

- In respect of district municipalities: 2 Clean Audits: Ehlanzeni and Nkangala and 1 unqualified opinion with findings: Gert Sibande
- In respect of local municipalities: 09 Unqualified, 7 qualified and 1 disclaimer opinions

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

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

Status of compliance with legislation over the past three years

- 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 out of 21 (85.71%) municipalities were with findings and only 3 were without findings;
- In 2016/17 financial year 18 out of 20 (90%) municipalities were with findings and only 2 were without findings;

The root causes of the accountability failure

- **Slow response** by first level assurers to implement sustainable long-term solutions in addressing the weakened internal controls around basic financial, performance and project management. Focus is on unqualified financial statements at great cost by using consultants and auditors to the detriment of credible performance reporting and compliance with legislation.
- **Vacancies and instability** affects ability to make improvements in a systematic and disciplined manner 4 vacancies at MM level, 2 of these vacancies exceeded 6 months 7 vacancies at CFO level, 3 of these vacancies exceeded 6 months
- A culture of “**no-consequence**” is created through inconsistent action by leadership – often as a result of inadequate performance systems and processes. Political infighting at council level and interference in administration also weakens oversight and hinders consequence management. This also makes local government less attractive for professionals to join.

Audit action plans

- Status of audit action plans **slightly regressed from 16% to 15%**
- Usefulness of performance indicators and targets **improved from 47% to 55%**

Internal Control and supervision

- Overall internal controls **regressed from 16% to 10%**
- Basic financial and performance management controls **regressed 21% to 10%**
- ICT controls **improved 0% to 20%**
- Vacancies in CFO positions **slightly regressed 37% to 35%**

Assurance provided by:

- Senior management and municipal managers **unchanged**
- Mayors, councils and MPACs **slightly improved**
- Internal audit units and audit committees **slightly regressed**
- National and provincial role players **unchanged from**

Compliance to legislation

- Compliance with consequence management legislation **slightly regressed from 53% to 50%**
- Investigation of previous year UIFW **improved** (*closing balance of UIFW not dealt with is R12 198 million*) **from 44% to 50%**
- Investigations into SCM findings we reported in previous year **slightly regressed from 42% to 40%**

Overall audit outcomes of the past three years

- Slight improvements in the overall audit outcomes;
- Decrease in the number of disclaimed municipalities from 2 to 1
- 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

- Audit Action Plan Template was developed for the 2016/17 audit findings. The template was sent to all the municipalities for completion.
- All municipalities have sent back completed audit action plans.
- PT reviewed the action plans to ensure that all AG findings were adequately addressed.
- PT developed a Business Plan Framework to assess, monitor and assist municipalities on implementation of Audit Action Plans.
- Appointment of Team Leaders in PT to monitor and assist municipalities with implementation of action plans. Support aimed to be specific for seven municipalities in the areas of Asset Management-, Supply Chain Management- and Revenue Management.
- PT established a Technical Steering Committee as well as a MFMA Steering Committee for coordinating all support to municipalities.
- Business Plan Framework was developed for monitoring on implementation of municipal audit action plans. Coordinating structure has been established.
- Action plan frameworks were developed and sent to municipalities to complete and incorporate into audit action for FMCMM level 1 to 3.
- PT's Municipal Finance-, Internal Audit- and Risk Management Units received training from NT to re-assess the following six municipalities: Lekwa, Msukaligwa, Govan Mbeki, Emalahleni, City of Mbombela and Thaba Chweu.
- FMCMM: PT and NT in the process of developing scorecards for levels 4-6.

Recommendations

- Political leadership and independent oversight by the Audit Committee to play an effective role in monitoring the implementation of audit action plans.
- Municipalities to appoint young professionals and engineers to assist with asset registers
- Establishment of 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)
- Appointment of Team Leaders in PT to monitor and assist municipalities with implementation of action plans. Support aimed to be specific for seven municipalities in the areas of Asset Management-, Supply Chain Management- and Revenue Management.
- District teams must be established and team leaders needs to be identified to follow up on the updated audit action plans.

5.6.3 Percentage of Capital budget expenditure

Table 45: Indicate % of municipal Capital Budget Expenditure

District	Municipality	2014/15				2015/16				2016/17			
		R'000				R'000				R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	434 655	517 828	351 771	68%	460 915	574 843	416 237	72%	728 539	622 045	614 666	99%
	City of Mbombela	522 517	670 158	515 942	77%	-	-	-	-	887 497	741 424	612 750	83%
	Nkomazi	INP	INP	INP	INP	230 907	250 397	259 999	104%	354 405	376 058	254 181	68%
	Thaba Chweu	46 647	64 647	43 367	67%	44 278	44 278	73 547	166%	76 341	96 168	89 569	93%
	Umjindi	INP	INP	INP	INP	-	-	-	0%	Merged with City of Mbombela			
	EHLANZENI	-	-	-	0%	-	-	-	0%	37 058	37 208	23 854	64%
GERT SIBANDE	Chief Albert Luthuli	402 344	402 344	402 344	100%	109 886	116 120	114 048	98%	245 264	243 965	356 910	146%
	Dipaleseng	79 095	101 395	43 115	43%	-	-	-	0%	21 645	21 645	25 347	117%
	Govan Mbeki	INP	INP	INP	0%	-	-	-	0%	100 894	87 395	613 976	703%
	Lekwa	INP	INP	INP	0%	14 400	14 380	14 353	72%	29 678	29 678	29 678	100%
	Mkhondo	65 623	97 223	93 629	96%	111 215	111 215	80 406	72%	0	0	80 700	0%
	Msukaligwa	51 572	51 572	51 059	99%	89 900	61 066	30 157	49%	76 064	77 064	46 900	61%
	Dr. Pixley Ka Isaka Seme	28 720	31 576	24 388	77%	-	-	-	0%	30 959	32 698	28 491	87%
	GERT SIBANDE	-	-	-	0%	-	-	-	0%	16 500	10 100	9 938	98%
NKANGALA	Emalahleni	159 916	214 087	193 765	91%	-	-	-	0%	261 138	317 703	157 491	50%
	Emakhazeni	17 232	17 232	17 232	100%	-	-	-	0%	75 841	76 427	57 407	75%
	Steve Tshwete	187 899	270 234	266 165	98%	236 369	323 870	274 433	85%	257 134	308 979	321 009	104%
	Victor Khanye	79 929	79 929	79 929	100%	-	-	-	0%	0	0	47 016	0%
	Dr. JS Moroka	116 875	146 875	140 254	95%	-	-	-	0%	123 602	123 602	121 108	98%
	Thembisile Hani	110 820	111 340	75 392	68%	119 139	125 087	125 087	100%	117 504	117 504	117 504	100%
	NKANGALA	0	0	0	0%	0	0	0	0%	8 050	39 339	34 803	88%
Provincial	TOTALS	2 303 844	2 776 440	2 298 352	83%	1 417 009	1 621 256	1 388 267	86%	3 428 114	3 359 002	3 643 298	108%

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.6.3.1 Provincial Analysis of Capital Budget Expenditure

Findings

The following findings were made on Capital Budget Expenditure:

- municipalities are still not properly planning for capital projects
- Due to cashflow challenges, municipalities tend to use grant funding for operational expenses
- Municipal budgets were not cash backed

Intervention

- Provincial Treasury provided technical support on financial planning; COGTA provided support on project management.
- COGTA in partnership with DWS, MISA and other stakeholders to assist Municipalities on capital projects.
- 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.

Recommendations

- Municipalities to ring-fence MIG funding for only MIG projects.
- Municipalities to plan in advance for projects to start with implementation as early as the commencement of the financial year;
- Provincial Treasury to continue providing technical support on financial planning.

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

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

Districts	Municipality	2014-2015				2015-2016				2016-2017			
		Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%
EHLANZENI	Bushbuckridge	INP	INP	INP	INP	1 319 476	1 581 099	1 414 656	89%	1 616 153	1 594 243	1 689 634	106%
	City of Mbombela	1,751,441	1,751,441	1 751 251	100%	2 559 653	2 742 287	2 439 482	89%	2 960 365	2 919 857	2 587 290	89%
	Nkomazi	INP	INP	INP	INP	1 056 261	1 084 197	1 024 250	94%	1 067 701	1 139 406	1 128 651	99%
	Thaba Chweu	436,397	467,210	329,314	71%	486 791	580 333	529 937	91%	556 177	556 177	526 320	95%
	Umjindi	158 271	145 770	131 785	90%	244 716	244 716	373 726	153%	Merged with City of Mbombela			
	Ehlanzeni DM	INP	INP	INP	INP	258 578	230 428	231 873	101%	236 391	238 482	237 782	100%
Total		2 346 109	2 364 421	2 212 350	87%	5 925 475	6 463 060	6 013 924	93%	5 369 086	6 448 165	6 169 677	96%
GERT SIBANDE	Chief Albert Luthuli	296 473	299 590	453 988	152%	-	-	-	0%	339 325	393 951	516 048	131%
	Dipaleseng	149 066	156 853	192 351	123%	166 812	173 393	200 065	115%	182 284	182 284	216 177	119%
	Govan Mbeki	INP	INP	INP	INP	1 657 010	1 908 089	1 617 472	85%	1 799 173	1 796 037	1 642 571	91%
	Lekwa	INP	INP	INP	INP	596 469	568 734	574 959	101%	575 966	575 966	617 322	107%
	Mkhondo	299 541	306 521	302 182	99%	444 005	636 256	576 866	91%	469 637	510 360	511 669	100%
	Msukaligwa	INP	INP	INP	INP	544 172	581 698	581 522	100%	562 312	578 870	612 081	106%
	Dr Pixley Ka Isaka Seme	197 838	216 152	225 564	104%	290 650	291 988	259 058	89%	284 404	284 404	308 904	109%
	Gert Sibande	403 486	364 330	290 314	80%	-	-	-	0%	393 327	396 452	377 348	95%
Total		1 346 404	1 343 446	1 464 399	91%	3 699 118	4 160 158	3 809 942	92%	4 606 428	4 718 324	4 802 120	102%
NKANGALA	Emalahleni	1 682 396	1 702 582	1 658 759	97%	2 626 610	2 315 370	2 328 956	101%	2 882 486	2 904 486	2 470 382	85%
	Emakhazeni	156 516	176 078	183 312	105%	238 921	219 901	235 494	107%	216 955	192 107	227 049	118%
	Steve Tshwete	1 141 136	1 160 440	1 121 711	95%	1 471 793	1 507 999	1 418 658	94%	1 446 749	1 418 404	1 448 660	102%
	Victor Khanye	292 029	288 194	306 181	106%	399 100	407 939	452 087	111%	462 266	462 266	481 175	104%
	Dr. JS Moroka	371 055	335 840	301 508	90%	524 443	551 921	608 825	110%	556 292	531 426	621 871	117%
	Thembisile Hani	341 642	334 832	437 800	131%	602 876	606 914	702 336	116%	626 852	691 637	812 345	117%
	Nkangala DM	339 623	335 642	331 385	98%	353 447	362 303	381 737	105%	357 882	368 675	387 883	105%
Total		4 324 397	4 333 608	4 340 656	103%	6 217 190	5 972 347	6 128 093	103%	5 102 733	6 569 001	6 449 365	98%
TOTAL INCOME AGAINST BUDGET		8 016 910	8 041 475	8 017 405	95%	115 841 783	16 595 565	15 951 959	96.12%	15 078 247	17 735 490	17 421 162	98%

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Findings

The following findings were made on municipal revenue as a percentage of the actual budget it amounted to **R 17 421 162** as at June 2017 constituting **98%** 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

- COGTA and Provincial Treasury provided support and monitoring of municipal performance on financial management.
- The Provincial Treasury through the Sasol project has developed the standardised operating processes for municipalities for SCM, revenue management, contract management, expenditure management and asset management.
- Provincial Treasury seconded two officials to participate on a full time basis on this project. They were trained on all aspects of the project to ultimately assist municipalities with the implementation of the SOP's
- Workshops on the processes have been conducted per district for all municipalities on the SOP's
- The SOP's were completed and copies send to all municipalities for inputs.

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
- The four MFIP advisors appointed by NT will assist with the roll out of the SOP's at municipalities.

5.6.5 Rate of municipal debt reduction

Table 47: Indicate % rate of municipal debt reduction

	Municipality	2015-2016						2016-2017					
		R'000						R'000					
		Water & Elec- tricity	Sewage & Refuse	Housing	Rates & Other	Total	Reduction or increase in debts	Water & Elec- tricity	Sewage & Re- fuse	Housing	Rates & Other	Total	Reduction or increase in debts
EHLANZENI	Bushbuckridge	156 838	60 718	2 602	127 797	347 976	-57%	192 237	69 663	2602	245 712	510 214	+47%
	City of Mbombela	117 514	35 140	-	147 045	299 699	+77%	158 956	101 323	-	51 318	311 597	+4%
	Nkomazi	14 059	2 327	-	16 770	33 156	-	15 419	2 559	-	21 545	39 523	+19%
	Thaba Chweu	85 335	32 575	-	9 243	127 155	-	100 229	39 120	-	8 239	147 588	+16%
	Umjindi	29 307	10 920	-	4 022	44 249	-57%	Merged with City of Mbombela					
	Ehlanzeni	Not applicable						Not applicable					
Sub Total		403 073	141 681	2 602	304 877	852 235	-21%	466 841	212 665	2602	326 814	1008 922	+18%
GERT SIBANDE	Chief Albert Luthuli	21 698	68 301	0	16 944	106 943	-71%	19 429	80 730	0	19 289	119 448	+12%
	Dipaleseng	78 041	89 240	0	214 361	381 642	+46%	77 573	89 727	0	114 096	281 396	-26%
	Govan Mbeki	450 587	290 906	0	237 826	979 319	-	418 351	226 114	0	217 051	861 516	-12%
	Lekwa	192 704	99 126	0	307 934	599 764	-	271 845	120 217	0	361 147	753 209	+26%
	Mkhondo	56 641	52 032	0	88 057	196 730	+23%	113 093	74 096	0	78 530	265 719	+35%
	Msukaligwa	171 039	117 940	0	105 376	394 355	+20%	205 401	136 040	0	125 696	467 137	+18%
	Dr Pixley Ka Isa- ka Seme	93 965	54 347	0	163 526	311 838	-	111 535	65 468	0	202 800	379 803	+22%
Gert Sibande	Not applicable						Not applicable						
Sub Total		1064 675	771 892	-	1 134 024	2970 591	+165%	1 217 227	792 391	-	1 118 609	3 128 228	-0.3%
NKANGALA	Emalahleni	1 209 562	439 715	-	467 020	2 116 297	-	1 458 288	523 301	0	2 393 060	4 374 649	+19%
	Emakhazeni	57 525	16 714	-	-	74 239	-	60 115	47 955	0	6 145	114 215	+54%
	Steve Tshwete	35 042	13 866	52 288	50 521	151 717	+151%	42 125	15 507	59 535	54 249	171 416	+13%
	Victor Khanye	171 381	28 287	-	227 217	426 885	-	191 902	32 701	0	277 323	501 926	+18%
	Dr. JS Moroka	64 152	27 765	0	94 957	186 874	-7%	74 034	35 670	0	169 458	279 162	+49%
	Thembisile Hani	316 915	119 591	0	160 935	597 441	+489%	423 676	159 878	0	215 835	799 389	+34%
Nkangala DM	Not applicable						Not applicable						
Sub Total		1 874 577	645 938	52 288	1 000 650	3 553 453	+389%	2 250 140	815 012	59 535	3 116 070	6 240 757	+76%
Total Debts		3 322 325	1 559 511	54 890	2 439 551	7 366 279	152%	3 934 208	1 820 069	62 137	4 561 493	10 377 907	38%

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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 10 377 907 million** in the **2016/17** 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

- NT with the support of PT developed a financial recovery plan
- Municipalities guided and supported to comply with MPRA
- 20 In-year financial management reports analysed per month and feedback provided to municipalities to implement corrective measures
- Tariffs of all 20 municipalities were assessed for cost reflectiveness during the 2017/ 18 budget analysis. A workshop was conducted to introduce municipalities to the Tariff model as developed by NT and Salga. The tool was provided to all municipalities
- Nersa workshop was conducted to assist municipalities with D-forms.

Recommendations

- Implementation of standard operating procedure for revenue management by municipalities
- PT to assist and guide municipalities to phase in tariffs as affordability by consumers should be taken in to consideration.
- National and provincial Cogta had a one on one meeting with municipalities to guide them on how to address findings and observation in the MPRA
- Identified Municipalities to be supported with implementation of recommendations
- PT in collaboration with the NT mSCOA advisor is currently supporting the municipalities to resolve these challenges.
- 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

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

Table 48 Co-ordinated payments made to DR JS MOROKA LOCAL MUNICIPALITY

DR JS MOROKA LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	-	-	-	-	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	0.00	0.00	0.00	0.00	0.00
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	-	-	-	-	-

(Source: National Local Government Database)

Table 49: Co-ordinated payments made to EMAKHAZENI LOCAL MUNICIPALITY

EMAKHAZENI LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	114 864.11	7 812.66	-	-	107 051.45
Economic Development and Tourism	-	-	-	-	-
Education	5 500 906.22	1 839 056.95	-	-	3 661 849.27
Public Works, Roads and Transport	1 026 328.15	270 223.32	-	-	756 104.83
Community Safety Security and Liaison	12 155.09	6 487.73	-	-	5 667.36
Health	962 135.19	180 222.86	-	-	781 912.33
Culture Sport and Recreation	815 511.77	289 560.89	-	-	525 950.88
Social Development	2 407.81	824.01	-	-	1 583.80
Human Settlements	-	-	-	-	-
Sub Total	8 434 308.34	2 594 188.42	0.00	0.00	5 840 119.92
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	2 058 425.10	478 911.84	-	-	1 579 513.26
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	2 058 425.10	478 911.84	-	-	1 579 513.26
Total	10 492 733.44	3 073 100.26	-	-	7 419 633.18

(Source: National Local Government Database)

Table 50: Co-ordinated payments made to EMALAHLENI LOCAL MUNICIPALITY

EMALAHLENI LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	19 181 706.90	1 363 525.29	6 886 080.20	335 278.61	10 596 822.80
Public Works, Roads and Transport	6 018 574.42	675 233.50	153 106.25	139 176.79	5 051 057.88
Community Safety Security and Liaison	-	-	-	-	-
Health	2 330 690.05	1 119 885.46	28 941.39	28 790.71	1 153 072.49
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	27 530 971.37	3 158 644.25	7 068 127.84	503 246.11	16 800 953.17
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	2 931 525.94	437 767.99	298 194.15	247 758.06	1 947 805.74
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	2 931 525.94	437 767.99	298 194.15	247 758.06	1 947 805.74
Total	30 462 497.31	3 596 412.24	7 366 321.99	751 004.17	18 748 758.91

(Source: National Local Government Database)

Table 51: Co-ordinated payments made to STEVE TSHWETE LOCAL MUNICIPALITY

STEVE TSHWETE LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	370 322.56	58 846.28	25 092.41	2 304.24	284 079.63
Public Works, Roads and Transport	2 474 135.75	333 498.98	282 654.45	266 713.57	1 591 268.75
Community Safety Security and Liaison	16 887.14	8 450.06	8 356.35	80.73	-
Health	616 223.35	379 115.21	40 738.37	42 366.33	154 003.44
Culture Sport and Recreation	-41 109.78	-41 109.78	-	-	-
Social Development	342 987.52	22 676.19	18 350.40	18 867.06	283 093.87
Human Settlements	-	-	-	-	-
Sub Total	3 779 446.54	761 476.94	375 191.98	330 331.93	2 312 445.69
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	4 363 736.90	735 860.14	457 300.05	351 066.70	2 819 510.01
National Department of Rural Development and Land Reform	186 827.61	9 579.17	9 628.56	9 621.50	157 998.38
Sub Total	4 550 564.51	745 439.31	466 928.61	360 688.20	2 977 508.39
Total	8 330 011.05	1 506 916.25	842 120.59	691 020.13	5 289 954.08

(Source: National Local Government Database)

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

THEMBISILE HANI LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	63 082.53	614.31	611.57	608.83	61 247.82
Finance	(1 757.43)	-	-	-	(1 757.43)
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	19 869.78	1 854.72	1 840.30	1 823.42	14 351.34
Economic Development and Tourism	(1 659.88)	-	-	-	(1 659.88)
Education	2 962 737.05	75 301.70	71 584.54	70 200.77	2 745 650.04
Public Works, Roads and Transport	3 385.79	549.53	17.42	17.42	2 801.42
Community Safety Security and Liaison	1 484.42	714.57	714.57	55.28	-
Health	177 146.84	10 966.00	11 599.34	10 607.27	143 974.23
Culture Sport and Recreation	17 310.24	1 129.41	1 119.60	1 109.79	13 951.44
Social Development	594.29	364.32	229.97	-	-
Human Settlements	273.86	273.86	-	-	-
Sub Total	3 242 467.49	91 768.42	87 717.31	84 422.78	2 978 558.98
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	464 534.15	20 205.83	11 889.08	11 872.20	420 567.04
National Department of Rural Development and Land Reform	26 210 505.79	-	-	-	26 210 505.79
Sub Total	26 675 039.94	20 205.83	11 889.08	11 872.20	26 631 072.83
Total	29 917 507.43	111 974.25	99 606.39	96 294.98	29 609 631.81

(Source: National Local Government Database)

Table 53: Co-ordinated payments made to VICTOR KHANYE LOCAL MUNICIPALITY

VICTOR KHANYE LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-18 857.85	-	-	-	-18 857.85
Economic Development and Tourism	-	-	-	-	-
Education	2 841 704.69	226 218.58	108 447.97	71 595.53	2 435 442.61
Public Works, Roads and Transport	68 728.36	28 632.14	11 577.76	8 511.12	20 007.34
Community Safety Security and Liaison	-	-	-	-	-
Health	7 129 002.91	420 951.36	137 645.03	129 489.89	6 440 916.63
Culture Sport and Recreation	-	-	-	-	-
Social Development	2 333.00	2 313.04	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	10 022 911.11	678 115.12	257 670.76	209 596.54	8 877 508.73
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	3 139 660.09	164 010.04	64 117.46	65 034.16	2 846 498.43
National Department of Rural Development and Land Reform	720 641.82	18 835.28	18 570.21	18 600.25	664 636.08
Sub Total	3 860 301.91	182 845.32	82 687.67	83 634.41	3 511 134.51
Total	13 883 213.02	860 960.44	340 358.43	293 230.95	12 388 643.24

(Source: National Local Government Database)

Table 54: Consolidated co-ordinated payments made to NKANGALA DISTRICT municipalities

DISTRICT -NKANGALA DISTRICT- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	63 082.53	614.31	611.57	608.83	61 247.82
Finance	(1 757.43)	-	-	-	(1 757.43)
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	520 630.39	32 552.43	24 530.14	24 296.45	439 251.37
Economic Development and Tourism	(1 659.88)	-	-	-	(1 659.88)
Education	34 919 407.96	3 768 482.44	7 202 396.74	578 805.13	23 445 579.72
Public Works, Roads and Transport	9 591 152.47	1 308 137.47	447 355.88	414 418.90	7 421 240.22
Community Safety Security and Liaison	28 151 424.34	963 848.72	941 667.44	917 601.40	25 328 306.78
Health	11 215 198.34	2 111 140.89	218 924.13	211 254.20	8 673 879.12
Culture Sport and Recreation	870 833.80	263 180.36	13 491.00	12 879.30	581 283.14
Social Development	348 322.62	26 177.56	18 580.37	18 867.06	284 677.67
Human Settlements	273.86	273.86	-	-	-
Sub Total	85 676 909.00	8 474 408.04	8 867 557.27	2 178 731.27	66 232 048.53
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	15 125 571.60	1 989 707.73	983 095.12	825 967.95	11 326 800.80
National Department of Rural Development and Land Reform	40 780 743.84	1 001 198.95	987 499.94	989 947.94	37 802 097.01
Sub Total	55 906 315.44	2 990 906.68	1 970 595.06	1 815 915.89	49 128 897.81
Total	141 583 224.44	11 465 314.72	10 838 152.33	3 994 647.16	115 360 946.34

(Source: National Local Government Database)

Table 55: Co-ordinated payments made to DIPALESENG LOCAL MUNICIPALITY

DIPALISENG LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	-	-	-	-	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	0.00	0.00	0.00	0.00	0.00
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	-	-	-	-	-

(Source: National Local Government Database)

Table 56: Co-ordinated payments made to DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY

DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	783 834.29	3 899.72	9 137.50	8 746.86	762 050.21
Economic Development and Tourism	-	-	-	-	-
Education	519 568.40	92 563.57	62 932.43	24 443.21	339 629.19
Public Works, Roads and Transport	90 902.56	5 852.75	3 941.62	2 954.97	78 153.22
Community Safety Security and Liaison	4 768.74	4 768.74	-	-	-
Health	372 728.17	340 897.98	5 596.22	5 514.16	20 719.81
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	1 771 802.16	447 982.76	81 607.77	41 659.20	1 200 552.43
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	17 358 055.85	234 047.50	701 500.29	352 210.94	16 070 297.12
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	17 358 055.85	234 047.50	701 500.29	352 210.94	16 070 297.12
Total	19 129 858.01	682 030.26	783 108.06	393 870.14	17 270 849.55

(Source: National Local Government Database)

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

LEKWA LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	-	-	-	-	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	0.00	0.00	0.00	0.00	0.00
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	-	-	-	-	-

(Source: National Local Government Database)

Table 58: Co-ordinated payments made to CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY

CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	5 475 985.92	2 924 996.48	924 996.48	882 996.48	742 996.48
Economic Development and Tourism	-	-	-	-	-
Education	8 046 589.10	2 809 680.90	2 609 680.90	1 709 680.90	917 546.40
Public Works, Roads and Transport	5 974 230.76	2 465 222.40	2 391 748.36	191 748.36	925 511.64
Community Safety Security and Liaison	35 583.88	10 398.22	9 398.22	8 389.22	7 398.22
Health	1 539 547.05	426 018.32	586 527.31	310 983.10	216 018.32
Culture Sport and Recreation	-	-	-	-	-
Social Development	123 687.07	44 375.49	34 375.49	24 375.49	20 560.60
Human Settlements	17 004.52	5 969.47	4 824.58	3 940.58	2 269.89
Sub Total	21 212 628.30	8 686 661.28	6 561 551.34	3 132 114.13	2 832 301.55
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	13 221 620.74	7 258 837.93	2 987 594.27	1 987 594.27	987 594.27
National Department of Rural Development and Land Reform	11 809 182.64	3 950 152.76	2 550 152.76	2 708 724.36	2 600 152.76
Sub Total	25 030 803.38	11 208 990.69	5 537 747.03	4 696 318.63	3 587 747.03
Total	46 243 431.68	19 895 651.97	12 099 298.37	7 828 432.76	6 420 048.58

(Source: National Local Government Database)

Table 59: Co-ordinated payments made to MKHONDO LOCAL MUNICIPALITY

MKHONDO LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	-	-	-	-	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	0.00	0.00	0.00	0.00	0.00
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	-	-	-	-	-

(Source: National Local Government Database)

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

MSUKALIGWA LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	490 420.00	3 100.00	3 100.00	3 100.00	481 120.00
Agriculture, Rural Development Land and Environmental Affairs	135 472.46	77 039.00	57 944.42	489.04	-
Economic Development and Tourism	4 631.40	4 631.40	-	-	-
Education	154 787.09	85 527.81	67 969.94	1 289.34	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health	563 861.70	518 066.55	42 275.61	2 385.14	1 134.40
Culture Sport and Recreation	37 473.54	19 859.92	17 613.62	-	-
Social Development	72 028.65	72 028.65	-	-	-
Human Settlements	17 886.31	17 886.31	-	-	-
Sub Total	1 476 561.15	798 139.64	188 903.59	7 263.52	482 254.40
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	2 886 193.16	678 352.89	277 035.18	121 092.08	1 809 713.01
National Department of Rural Development and Land Reform	7 908 916.32	482 918.18	477 334.11	473 752.33	6 474 911.70
Sub Total	10 795 109.48	1 161 271.07	754 369.29	594 844.41	8 284 624.71
Total	12 271 670.63	1 959 410.71	943 272.88	602 107.93	8 766 879.11

(Source: National Local Government Database)

Table 61: Co-ordinated payments made to GOVAN MBEKI LOCAL MUNICIPALITY

GOVAN MBEKI LOCAL MUNICIPALITY 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	1 776 900.11	889 553.41	217 364.94	129 264.21	540 717.55
Public Works, Roads and Transport	2 166 789.82	2 164 093.56	2 637.44	31.98	26.84
Community Safety Security and Liaison	76 724.68	24 978.89	732.63	728.46	50 284.70
Health	894 056.09	733 674.54	76 312.47	44 808.28	39 260.80
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	4 914 470.70	3 812 300.40	297 047.48	174 832.93	630 289.89
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	4 914 470.70	3 812 300.40	297 047.48	174 832.93	630 289.89

(Source: National Local Government Database)

Table 62: Consolidated co-ordinated payments made to GERT SIBANDE DISTRICT MUNICIPALITIES

DISTRICT - GERT SIBANDE DISTRICT- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	490 420.00	3 100.00	3 100.00	3 100.00	481 120.00
Agriculture, Rural Development Land and Environmental Affairs	6 395 292.67	3 005 935.20	992 078.40	892 232.38	1 505 046.69
Economic Development and Tourism	4 631.40	4 631.40	-	-	-
Education	10 497 844.70	3 877 325.69	2 957 948.21	1 864 677.66	1 797 893.14
Public Works, Roads and Transport	8 231 923.14	4 635 168.71	2 398 327.42	194 735.31	1 003 691.70
Community Safety Security and Liaison	117 077.30	40 145.85	10 130.85	9 117.68	57 682.92
Health	3 370 193.01	2 018 657.39	710 711.61	363 690.68	277 133.33
Culture Sport and Recreation	37 473.54	19 859.92	17 613.62	-	-
Social Development	195 715.72	116 404.14	34 375.49	24 375.49	20 560.60
Human Settlements	34 890.83	23 855.78	4 824.58	3 940.58	2 269.89
Sub Total	29 375 462.31	13 745 084.08	7 129 110.18	3 355 869.78	5 145 398.27
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	33 465 869.75	8 171 238.32	3 966 129.74	2 460 897.29	18 867 604.40
National Department of Rural Development and Land Reform	19 718 098.96	4 433 070.94	3 027 486.87	3 182 476.69	9 075 064.46
Sub Total	53 183 968.71	12 604 309.26	6 993 616.61	5 643 373.98	27 942 668.86
Total	82 559 431.02	26 349 393.34	14 122 726.79	8 999 243.76	33 088 067.13

(Source: National Local Government Database)

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

BUSHBUCKRIDGE LOCAL MUNICIPALITY- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	17 598.00	742.00	742.00	742.00	15 372.00
Economic Development and Tourism	-	-	-	-	-
Education	16 662 252.22	61 460.47	63 472.73	71 069.98	16 466 249.04
Public Works, Roads and Transport	319 016 697.17	298 308.11	2 969 472.60	2 868 969.05	319 841 519.41
Community Safety Security and Liaison	-	-	-	-	-
Health	18 572 583.17	196 872.61	196 872.61	540 778.38	17 638 059.57
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	354 269 130.56	557 383.19	3 230 559.94	3 481 559.41	353 961 200.02
SANPARKS(Kruger National Park)	58 271 466.60	1 972 991.46	1 972 991.46	1 972 991.46	52 352 492.22
National Department of Public Works	52 765 816.53	84 468.71	133 690.69	74 548.99	52 473 108.14
National Department of Rural Development and Land Reform	102 261 450.70	1 646 724.24	1 642 882.75	1 642 042.16	187 228 700.54

(Source: National Local Government Database)

Table 64: Co-ordinated payments made to CITY OF MBOMBELA LOCAL MUNICIPALITY

CITY OF MBOMBELA LOCAL MUNICIPALITY- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	10 486 648.74	1 072 723.08	608 463.34	596 341.12	8 209 121.20
Public Works, Roads and Transport	17 239 552.55	3 765 968.41	1 209 617.51	919 422.19	17 650 337.42
Community Safety Security and Liaison	39 275.90	15 421.93	23 853.97	-	-
Health	4 590 997.89	813 202.14	278 092.13	724 526.68	2 775 176.94
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	32 356 475.08	5 667 315.56	2 120 026.95	2 240 289.99	28 634 635.56
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	16 526 101.26	1 800 519.90	917 857.20	776 620.27	13 031 103.89
National Department of Rural Development and Land Reform	4 114 972.45	95 275.12	94 648.70	94 022.69	3 831 025.94
Sub Total	20 641 073.71	1 895 795.02	1 012 505.90	870 642.96	16 862 129.83
Total	52 997 548.79	7 563 110.58	3 132 532.85	3 110 932.95	45 496 765.39

(Source: National Local Government Database)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

Table 65: Co-ordinated payments made to NKOMAZI LOCAL MUNICIPALITY

NKOMAZI LOCAL MUNICIPALITY- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	18 431.24	5 479.67	2 076.84	2 096.47	8 778.26
Economic Development and Tourism	-	-	-	-	-
Education	451 173.03	72 541.23	37 223.48	25 137.51	316 270.81
Public Works, Roads and Transport	10 751 053.71	192 499.79	188 776.50	186 640.72	10 183 136.70
Community Safety Security and Liaison	2 120.51	2 120.51	2 110.36	-	-
Health	462 634.48	394 093.16	14 557.06	5 518.35	48 465.91
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	11 685 412.97	666 734.36	244 744.24	219 393.05	10 556 651.68
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	5 004 861.28	491 879.46	522 360.31	333 286.70	3 657 334.81
National Department of Rural Development and Land Reform	9 528 559.95	1 056 122.47	1 013 153.06	1 008 577.67	6 450 706.75
Sub Total	14 533 421.23	1 548 001.93	1 535 513.37	1 341 864.37	10 108 041.56
Total	26 218 834.20	2 214 736.29	1 780 257.61	1 561 257.42	20 664 693.24

(Source: National Local Government Database)

Table 66: Co-ordinated payments made to THABA CHWEU MUNICIPALITY

THABA CHWEU LOCAL MUNICIPALITY- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture,Rural Development Land and Environmental Affairs	17 932.93	-	17 592.82	340.11	-
Economic Development and Tourism	-	-	-	-	-
Education	1 142 853.72	-	-	-	1 142 853.72
Public Works,Roads and Transport	5 963 782.77	-	24 881.36	18 640.59	5 920 260.82
Community Safety Security and Liaison	3 338.05	-	3 338.05	-	-
Health	293 480.97	-	293 480.97	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	130 152.44	-	130 152.44	-	-
Human Settlements	-	-	-	-	-
Sub Total	7 551 540.88	0.00	469 445.64	18 980.70	7 063 114.54
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	1 141 349.36	75 158.24	-	8 597.81	1 057 593.31
National Department of Rural Development and Land Reform	1 365 837.09	83 836.10	-	83 225.96	1 198 775.03
Sub Total	2 507 186.45	158 994.34	-	91 823.77	2 256 368.34
Total	10 058 727.33	158 994.34	469 445.64	110 804.47	9 319 482.88

(Source: National Local Government Database)

Table.67: Consolidated co-ordinated payments made to EHLANZENI DISTRICT municipalities

DISTRICT - EHLANZENI DISTRICT- 30 June 2017					
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture,Rural Development Land and Environmental Affairs	53 962.17	23 814.49	3 158.95	2 838.47	24 150.26
Economic Development and Tourism	-	-	-	-	-
Education	28 742 927.71	1 206 724.78	709 159.55	692 548.61	26 134 494.77
Public Works,Roads and Transport	352 971 086.20	4 281 657.67	4 386 507.20	3 993 672.55	353 595 254.35
Community Safety Security and Liaison	44 734.46	20 880.49	25 964.33	-	-
Health	23 919 696.51	1 404 167.91	783 002.77	1 270 823.41	20 461 702.42
Culture Sport and Recreation	-	-	-	-	-
Social Development	130 152.44	130 152.44	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	405 862 559.49	6 891 433.11	6 064 776.77	5 960 223.15	400 215 601.80
SANPARKS(Kruger National Park)	58 271 466.60	1 972 991.46	1 972 991.46	1 972 991.46	52 352 492.22
National Department of Public Works	75 438 128.43	2 452 026.31	1 573 908.20	1 193 053.77	70 219 140.15
National Department of Rural Development and Land Reform	207 270 829.28	2 881 968.03	2 750 684.51	2 828 869.48	198 809 307.26
Sub Total	340 980 424.31	7 306 985.80	6 297 584.17	5 994 914.71	321 380 939.63

(Source: National Local Government Database)

5.6.6.1 Provincial Analysis on payments made to municipalities by sector departments

Findings

The total aggregate debt based on balance submitted by various municipalities amounted to R 970 million.

The highest contributor to the outstanding debt is Bushbuckridge Local Municipality which amount to R 657 million.

The major contributors to outstanding government debt are as follows:

- Department of Public Works, Roads and Transport R 370 million
- National Department of Rural Development and Land Reform R 267 million
- SANPARKS R 58 million
- National Department of Public Works R 124 million.

Challenges

- It is noted with great concern that departments are still unable to provide progress on payments made after numerous follow up by National Public Works and Provincial Treasury
- Failure to enter into payment arrangements with municipalities after verifying and confirming the debt by National Department of Public Works, National Department of Rural Development and Land Reform, SANParks(Kruger National Park) and Public Works Roads and Transport.

- Inconsistent use of naming conventions for accounts related information (over the years names of votes were changing as well as the BAS codes)
- Changes of departmental roles and responsibilities make it difficult to allocate responsibility for arrear debt.
- Departments are not informing municipalities when a property has been transferred to another department.
- Combining rates and services into one account for different departments and rotating responsibility of payments for shared facilities
- The failure of payment for government debt by departments has an adverse effect on the cash flow of municipalities, the ability to meet their financial obligations (Water Board, Eskom etc.)
- Senior officials from SANARKS (Kruger National Park), Public Works Roads and Transport, the Department of Education do not attend relevant meetings, this results that no constructive decisions can be taken to resolve challenges. Officials from department of health failed to attend the last three government debt forum meetings.

National and Provincial Interventions

- Provincial Treasury convenes monthly debt steering committee with sector departments to encourage departments to honour their debt commitments.
- PT is supporting municipalities to collect their government debt. Government Debt Forum meetings are conducted every second month with sector departments and all municipalities, where challenges are discussed and solutions are agreed upon to settle outstanding debt.
- The Steering committee coordinated the payment of R156 million during 2017/18 financial year towards municipalities

Recommendations

- Departments to enter into payment agreements with municipalities.
- PT to assist municipalities to improve their Revenue Base
- Departments and municipalities to interact to ensure that payment of debt is resolved.
- Department of Public Works , Roads and Transport and Rural Development to convene an urgent meeting to resolve the issue with regards to debt relating to Community Property Associations (CPA's) and State Domestic Facilities (SDF's)
- That the Department of Public Works, Roads and Transport expedite payment of invoices to Bushbuckridge municipality.
- All departments pay municipalities where debt has been confirmed or arrange alternative payments (reprioritize within available budget).
- Mpumalanga Provincial government to undertake a benchmarking exercise with Free State Province on the centralization of the payments of rates and taxes within the department of Public Works, because there is less disputes where the function is centralized

5.6.7 % Municipal Infrastructure Grant budget approximately spent

Table 68: % of Municipal Infrastructure Grant budget approximately spent

	Municipality	2014/15			2015/16			2016/17		
		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	303 560	241 030	79 %	366 158	366 158	100%	393 773	393 773	100%
	City of Mbombela	286 040	258 640	90 %	29 260	26 067	87%	330 659	289 403	88%
	Nkomazi	245 290	228 810	93 %	219 380	219 380	100%	257 355	257 355	100%
	Thaba Chweu	57 000	45 850	79 %	64 647	64 647	100%	61 025	61 025	100%
	Umjindi	29 820	29 820	100%	40 650	40 650	100%	Merged with City of Mbombela		
	Ehlanzeni	864 767	758 345	87 %	720 095	716 902	96%	1042 812	1001 556	96%
GERT SIBANDE	Chief Albert Luthuli	105 407	119 612	88 %	94 091	94 091	100%	90 197	90 197	100%
	Dipaleseng	28 990	16 650	57 %	18 320	944	52%	24 159	24 159	100%
	Govan Mbeki	83 780	80 650	96 %	55 888	55 888	98%	55 161	55 161	100%
	Lekwa	33 990	33 750	99 %	27 978	27 978	100%	38 531	38 531	100%
	Mkhondo	82 770	82 770	100 %	81 668	81 668	100%	74 666	74 666	100%
	Msukaligwa	43 760	32 950	75 %	39 977	39 977	100%	38 492	38 492	100%
	Dr. Pixley Ka Isaka Seme	18 220	18 220	100 %	25 645	18 682	94%	25 220	25 220	100%
	Gert Sibande	396 917	384 602	93 %	343 567	319 228	97%	346 426	346 426	100%
NKANGALA	Emalahleni	111 480	109 310	98 %	115 976	115 976	100%	68 328	68 328	100%
	Emakhazeni	17 230	17 230	100 %	20 755	20 755	100%	25 404	25 404	100%
	Steve Tshwete	52 280	51 990	99 %	48 094	46 189	98%	47 457	47 457	99%
	Victor Khanye	23 570	21 480	91 %	24 189	24 189	100%	30 377	28 191	100%
	Dr. JS Moroka	146 880	141 820	97 %	124 751	124 751	95%	119 102	119 102	100%
	Thembisile Hani	47 440	47 440	100 %	89 139	89 138	100%	117 504	117 504	100%
	Nkangala	398 880	389 270	98 %	422 904	420 998	98%	408 172	405 986	99%
Total	1660 564	1532 217	91%	1486 566	1457 128	97%	1797 410	1753 968	98%	

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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 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%). In the 2016/17 financial year municipalities were allocated **R 1.79 billion** and were only able to spend **R 1.75 billion**, which was (98%).

A total of 2 municipalities were unable to spend 100% of their allocations by the end of their financial year and these include City of Mbombela and Steve Tshwete.

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.69: Indicate % spent on total MSIG budget per municipality

Name of municipality	2015/16				2016/17			
	Allocation 2014/15	Expenditure 2014/15	Balance	Percentage	Allocation 2015/16	Expenditure 2015/16	Balance	Percept age
Ehlanzeni district	R940 000	R940 000	-	100%	0	0	0	0%
Bushbuckridge	R930 000	R930 000	-	100%	0	0	0	0%
City of Mbombela	R930 000	R542 045	R387 955	58.28%	387 955	378 739	9 216	98%
Nkomazi	R930 000	R930 000	-	100%	0	0	0	0%
Thaba Chweu	R930 000	R930 000	-	100%	0	0	0	0%
Umjindi	R930 000	R930 000	-	100%	Merged with City of Mbombela			
Gert Sibande District	-	-	-	0	0	0	0	0%
Chief Albert Luthuli	R930 000	R930 000	-	100%	0	0	0	0%
Dipaleseng	R930 000	R930 000	-	100%	0	0	0	0%
Govan Mbeki	R930 000	R895 584	R34 416	96%	0	0	0	0%
Lekwa	R930 000	R738 739	R191 261	79%	0	0	0	0%
Mkhondo	R930 000	R930 000	-	100%	0	0	0	0%
Msukaligwa	R930 000	R177 650	R752 350	19.10%	0	0	0	0%
Dr. Pixley Ka Isaka Seme	R930 000	R912 540	R17 460	98%	0	0	0	0%
Nkangala district	R930 000	R930 000	-	100%	0	0	0	0%
Emalahleni	-	-	-	0	0	0	0	0%
Emakhazeni	930 000	495 811	434 189	53%	940 000	940 000	-	100%
Steve Tshwete	R940 000	R940 000	-	100%	0	0	0	0%
Victor Khanye	R930 000	R930 000	-	100%	0	0	0	0%
Dr. JS Moroka	R930 000	R830776	R99 224	89.33%	0	0	0	0%
Thembisile Hani	R930 000	R930 000	-	100%	0	0	0	0
TOTAL	17690 000	15773 145	1916 855	89%	1327 955	1318 739	9 216	99%

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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 2015/16 financial year municipalities were allocated **R 17 690 000** and were able to spend **R 15 773 145**. In the 2016/17 financial year only 1 municipality was allocated **R 940 000** and was able to spend **R 940 000** which means is 100%

Challenges

The following challenges were noted:

- 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 2016/17 Financial Year

Table.70: Submission of AFS for 2016/17 FY

Name of Municipality	2015/16			2016/17		
	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality
	Y	N		Y	N	
Chief Albert Luthuli	Yes		31/08/2016	Yes		31/08/2017
Msukaligwa	Yes		31/08/2016	Yes		31/08/2017
Mkhondo	Yes		31/08/2016	Yes		31/08/2017
Dr. Pixley Ka Isaka Seme	Yes		31/08/2016	Yes		31/08/2017
Lekwa	Yes		31/08/2016	Yes		31/08/2017
Dipaleseng	Yes		31/08/2016	Yes		31/08/2017
Govan Mbeki	Yes		31/08/2016	Yes		31/08/2017
Gert Sibande District	Yes		31/08/2016	Yes		31/08/2017
Victor Khanye	Yes		31/08/2016	Yes		31/08/2017
Emalaheni	Yes		31/08/2016	Yes		31/08/2017
Steve Tshwete	Yes		31/08/2016	Yes		31/08/2017
Emakhazeni		No	INP	Yes		31/08/2017
Thembisile Hani	Yes		31/08/2016	Yes		31/08/2017
Dr. JS Moroka	Yes		31/08/2016	Yes		31/08/2017
Nkangala District	Yes		31/08/2016	Yes		31/08/2017
Bushbuckridge	Yes		31/08/2016	Yes		31/08/2017
Thaba Chweu	Yes		31/08/2016	Yes		31/08/2017
City of Mbombela	Yes		31/08/2016	Yes		31/08/2017
Umjindi	Yes		31/08/2016	Merged with Mbombela		
Nkomazi	Yes		31/08/2016	Yes		31/08/2017
Ehlanzeni District	Yes		31/08/2016	Yes		31/08/2017
Total	Yes		31/08/2016	Yes		31/08/2017

(Source: AG 2016/17 Audit Outcomes)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.6.9.1 Analysis on the preparation and submission of AFS

- All 20 municipalities met the statutory deadline of 31 August 2016 to submit the annual financial statements to the Auditor General.

5.6.10 Use of consultants to prepare AFS

Table 71: Indicate municipalities that utilized consultants to prepare AFS

Name of Municipality	2015/16				2016/17			
	Did the municipality use a consultant to compile AFS?		CFO appointed		Did the municipality use a consultant to compile AFS?		CFO appointed	
	Yes	No	Yes	Acting	Yes	No	Yes	Acting
Chief Albert Luthuli		No	Yes		Yes			Yes
Msukaligwa	Yes			Yes	Yes		Yes	
Mkhondo	Yes		Yes		Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes		Yes			Yes
Lekwa	Yes		Yes		Yes		Yes	
Dipaleseng		No	Yes			No	Yes	
Govan Mbeki		No	Yes			No	Yes	
Gert Sibande District		No	Yes			No	Yes	

Name of Municipality	2015/16				2016/17			
	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
Victor Khanye	Yes			Yes	Yes		Yes	
Emalahleni	Yes			Yes		No	Yes	
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni	Yes		Yes		Yes		Yes	
Thembisile Hani	Yes			Yes	Yes		Yes	
Dr.JS Moroka	Yes			Yes	Yes			Yes
Nkangala District		No	Yes			No	Yes	
Bushbuckridge	Yes		Yes			No	Yes	
Thaba Chweu	Yes			Yes	Yes		Yes	
City of Mbombela		No	Yes			No		Yes
Umjindi		No	Yes		Merged with Mbombela			
Nkomazi		No		Yes		No	Yes	
Ehlanzeni District		No	Yes			No	Yes	
Total	11	10	14	7	10	10	16	4

(PT Consolidated Municipal Report: 2017)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.6.10.1 Analysis on the use of consultants when preparing AFS

Findings

- 10 out of 20 municipalities used consultants to prepare annual financial statements in the year under review: Chief Albert Luthuli, Msukaligwa, Mkhondo, Dr. Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Emakhazeni, Thembisile Hani, Dr JS Moroka and Thaba Chweu. 4 out of 20 municipalities had acting chief financial officers during 2016/17 financial year namely; Chief Albert Luthuli, Dr Pixley Ka Isaka Seme, Dr JS Moroka and City of Mbombela.

5.6.11 Timely submission of the Annual Report for the 2016/17 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 72: Submission of the 2016/17 Annual Report

Name of Municipality	2015/16		2016/17	
	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2016?		Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2017?	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes			No
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		No	Yes	
Thembisile Hani	Yes		Yes	
Dr. JS Moroka	Yes		Yes	
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
City of Mbombela	Yes		Yes	
Umjindi	Yes		Merged with Mbombela	
Nkomazi	Yes		Yes	
Ehlanzeni District	Yes		Yes	
Total	20	1	19	1

(Source: AG 2015/16 Audit Outcomes)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.6.11.1 Provincial Analysis

Findings

- All 20 municipalities submitted the unaudited 2016/17 Annual Reports together with the Annual Financial Statements by the statutory deadline of 31 August 2016, only Msukaligwa 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 73: Indicate municipalities' with functional ward committees

DISTRICT	Municipality	2014/15		2015/16		2016/17		
		No of functional ward committees	% of functional ward committees	No of functional ward committees	% of functional ward committees	No of Ward committees	No of functional ward committees	% of functional ward committees
EHLANZENI	City of Mbombela	22	56%	18	46%	45	19	42%
	Umjindi	06	67%	09	0%	Merged with City of Mbombela		
	Nkomazi	11	33%	25	78%	33	25	76%
	Bushbuckridge	16	43%	37	100%	38	38	100%
	Thaba Chweu	11	79%	04	29%	14	11	78%
NKANGALA	Emakhazeni	04	50%	03	38%	08	08	100%
	Steve Tshwete	26	90%	25	86%	29	29	100%
	Dr J S Moroka	25	81%	29	94%	31	31	100%
	Emalahleni	33	97%	32	94%	34	34	100%
	Thembisile Hani	32	100%	32	100%	32	32	100%
	Victor Khanye	09	100%	05	56%	09	09	100%
GERT SIBANDE	Chief Albert Luthuli	23	92%	22	88%	25	25	100%
	Msukaligwa	17	89%	17	89%	19	18	94%
	Lekwa	12	80%	11	73%	15	10	67%
	Govan Mbeki	25	78%	13	41%	32	08	25%
	Dipaleseng	04	67%	06	100%	06	06	100%
	Mkhondo	17	84%	05	26%	19	19	100%
	Dr Pixley Ka Isaka Seme	11	100%	11	100%	11	11	100%
TOTAL		304	76%	295	73%	400	333	83%

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.7.1.1 Analysis on Functionality of Ward Committees

Findings

The following findings were made that in 2014/15 financial year out of 402 wards committees, 304 (76%) ward committees were functional and in 2015/16 financial year out of 402 wards committees only 295 (73%) were functional and in 2016/17 Financial year out 400 wards committees only 333(83%) were functional indicative of the improvement in the functionality of ward committees.

Challenges

The non-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, Ward Committees and Councillors
- Lack of consequence management on councillors who do not convene meetings.

Interventions

- COGTA conducted capacity building workshops to assist ward committees to review and implement ward operational plans.
- COGTA held session with ward committees that were reported to be dysfunctional to improve their functionality;
- Role clarification workshops convened between CDWs, Ward Councillors and Ward Committees to strengthen working relationships

Recommendations

- Speaker's offices in municipalities to assist all ward councillors convene community meetings as per their plans.
- Speaker's office must implement consequence management on councillors who do not convene meetings.
- Municipalities to monitor and enforce the implementation of the Ward Operational Plans.

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 grassroots knowledge about local conditions and serve as a valuable resource to make service delivery more effective. Communities, especially in impoverished areas, are often unaware of their basic minimum service rights related to grant applications, service cuts and school enrolments. CDWs play a crucial role in this regard, informing local communities about government services and assisting in the clearing of service delivery backlogs. This means that these workers form an important communication link between government and communities in order to mobilize their communities to become active participants in government programmes.

5.7.1.2.1 Status on the availability and performance of CDWs

Analysis on Performance of CDWs

Findings

There are 437 CDWs in the province; however there is a vacancy rate of 62 due to attrition. It can be recorded that all CDWs are performing their duties as expected; however in some wards CDWs have died and have not been replaced.

Challenges

- Failure to deal with shortage of CDWs caused by death and/or resignations
- The working relationship between CDWs, Councillors and Ward committees is not harmonious.
- Inadequate tools of trade such as office space, stationery, etc.

Support interventions by National and Provincial government

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

Recommendations

- The Chief Directorate Municipal Support to once again make an official request 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 2017

Table 74: Vacancy Rate in Senior Management Posts as of June 2017 per District

District	2015/16						2016/17					
	Total no. Posts	Posts filled	Males	Females	Vacant Posts	% of Vacancy rate	Total no. Posts	Posts filled	Males	Females	Vacant Posts	% of Vacancy rate
Ehlanzeni	39	33	26	7	6	15%	39	27	19	8	12	31%
Gert Sibande	49	46	36	10	3	6%	47	35	26	9	12	26%
Nkangala	38	32	19	13	6	15%	36	25	12	13	11	30%
Total	126	111	81	30	15	12%	122	87	57	30	35	29%

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Ehlanzeni District

Table 75: Vacancy Rate and Filling of S54 and S56 Managers posts

Posts	2015/16			2016/17		
	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	4	2	5	4	1
Deputy Municipal Manager	0	0	0	2	1	1
Chief Financial Officer	6	4	2	5	3	2
Technical Services	6	4	2	5	4	1
Corporate Services	6	6	0	5	3	2
Community Services	6	6	0	5	5	0
Development and Planning	6	4	2	5	4	1
Public Works and Transport	0	0	0	1	0	1
Service Centre Co-ordination	0	0	0	1	0	1
Chief Operations Officer	1	1	0	0	0	0
Energy Services	0	0	0	1	1	0
Water and Sanitation	0	0	0	1	1	0
Strategic Support	0	0	0	1	1	0
Public Safety	0	0	0	1	0	1
Legal Services	0	0	0	1	0	1
Total	37	29	8	39	27	12

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

At Ehlanzeni district in the 2016/17 financial year out of 39 approved section 56/57 posts, only 27 posts were filled and the vacancy rate stood at 31% as compared to 15% for 2015/16 financial year. The following posts remained vacant MM 1, Deputy MM 1, 2 Chief Financial Officers, 1 Technical Services Managers, 1 Development and Planning, 2 Corporate Services, 1 Service Centre Co-ordination, 1 Public Safety and 1 Legal Services.

Table 76: Filling of S54 and S56 Managers

Posts	2015/16			2016/17		
	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	8	0	8	6	2
Chief Financial Officer	8	7	1	8	7	1
Technical	8	6	2	8	4	4
Corporate Services	8	8	0	8	5	3
Community Services	8	8	0	8	8	0
Development and Planning	8	6	2	6	6	0
Human Settlement	1	1	0	0	0	0
Public Safety	0	0	0	1	1	0
TOTAL	49	44	5	47	35	12

(Source: Section 46 reports from municipalities)

At Gert Sibande district out of 47 approved section 56/57 posts only 35 were filled in the 2016/17 financial year indicating an increase in the rate of filling of vacant posts by 26% (unfilled) as compared to 6% (unfilled) in 2015/16 financial year. The following posts were still vacant 2 Municipal Manager, 1 CFO, 4 Technical Services and 3 corporate services

Nkangala District

Table 77: Filling of S54 and S56 Managers in Nkangala

Posts	2015/16			2016/17		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	7	6	1	7	6	1
Chief Financial Officer	7	5	2	7	4	3
Technical	7	6	1	7	4	3
Corporate Services	7	6	1	7	4	3
Development Planning	2	2	0	1	1	0
Community Services	7	6	1	6	5	1
Environmental waste management	0	0	0	1	1	0
TOTAL	37	31	6	36	25	11

(Source: Section 46 reports from municipalities)

At Nkangala District in the 2016/17 financial year out of 36 approved S56/57 posts only 25 were filled which was 30% not filled as compared to 15% in 2015/16 financial year. However the following posts were vacant 1 Municipal Manager, 3 CFOs, 3 Corporate Services, 3 Technical Services and 1 Community Services.

5.8.2.3 Analysis of Performance on Institutional Development Findings

In 2016/17 financial year out of 122 senior managers posts that were approved across all municipalities in the province and only 88 were filled of which 58 were held by male and 30 by female candidates still 34 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. The vacancy rate increased from 12% in 2015/16 financial year to 24% in 2016/17 financial year.

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 were to capacitate municipalities on the implementation of the Regulations and expedite the filling of vacant Senior Managers positions in municipalities.
- Letters were written to municipalities with vacant positions reminding them to comply with the legislations when filling vacant Senior Managers positions.
- The department also deployed officials to form part of the selection and interviews panels in various municipalities on a request basis.

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 78: Filling of S54 and S56 Managers

Districts	Municipality	2014/15		2015/16		2016/17	
		No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts
EHLANZENI	Bushbuckridge	7	2	7	2	6	2
	City of Mbombela	8	2	8	2	14	2
	Nkomazi	6	1	6	1	6	1
	Thaba Chweu	5	1	5	1	6	2
	Umjindi	7	0	7	0	Merged with City of Mbombela	
	Ehlanzeni	7	1	7	1	7	1
	TOTAL	40	07	39	7	39	8
GERT SIBANDE	Chief Albert Luthuli	7	0	7	0	6	0
	Dipaleseng	6	2	6	2	6	2
	Govan Mbeki	6	2	6	2	6	2
	Lekwa	6	2	6	2	6	2
	Mkhondo	6	0	6	1	6	1
	Msukaligwa	6	0	6	1	6	1
	Dr. Pixley Ka Isaka Seme	5	1	5	1	5	0
	Gert Sibande	7	1	7	1	6	1
	TOTAL	49	08	49	10	47	9
NKANGALA	Emalaheni	7	1	7	3	7	3
	Emakhazeni	6	2	6	3	4	1
	Steve Tshwete	5	2	4	2	5	1
	Victor Khanye	5	1	4	1	5	2
	Dr. JS Moroka	5	0	5	2	5	1
	Thembisile Hani	5	1	5	1	5	2
	Nkangala	5	3	5	3	5	3
	TOTAL	38	10	38	16	36	13

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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 56 managers, In the 2015/16 financial year there was a slight increase to 33 female appointments. In 2016/17 financial year there was a decrease to 30 female appointments compared to 33 of 2015/16. Nkangala District had the highest female appointees with 13 appointed.

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 79: Employment of People with Disabilities

DISTRICTS	Municipality	2014/15		2015/16		2016/17	
		Total no. of people with disabilities	no. of people with disabilities	Total no. of people with disabilities	no. of people with disabilities	Total no. of people with disabilities	no. of people with disabilities
EHLANZENI	Bushbuck ridge	4	4	12	12	12	12
	City Mbombela	6	6	6	6	7	7
	Nkomazi	4	4	4	4	4	4
	Thaba Chweu	4	4	4	4	8	8
	Umjindi	3	3	3	3	Merged with City of Mbombela	
	Ehlanzeni	0	0	0	0	1	1
	TOTAL	21	21	29	29	27	27
GERT SIBANDE	Chief Albert Luthuli	1	1	1	1	2	2
	Dipaleseng	5	5	5	5	5	5
	Govan Mbeki	13	13	18	18	18	18
	Lekwa	5	5	4	4	4	4
	Mkhondo	4	4	14	14	13	13
	Msukaligwa	6	6	4	4	3	3
	Dr. Pixley Ka Isaka Seme	4	4	4	4	4	4
	Gert Sibande	1	1	2	2	2	2
	TOTAL	38	38	53	53	51	51
NKANGALA	Emalahleni	21	21	21	21	21	21
	Emakhazeni	0	0	0	0	2	2
	Steve Tshwete	24	24	24	24	24	24
	Victor Khanye	7	7	7	7	7	7
	Dr. JS Moroka	2	2	1	1	0	0
	Thembisile Hani	5	5	9	9	09	09
	Nkangala	2	2	2	2	3	3
TOTAL	61	61	59	59	66	66	

Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

5.8.4.1 Analysis on employment of people with disability

Findings

- All municipalities across the three districts for the past three financial years have been able to fill posts with people with disabilities. 144 posts were filled with people with disability. 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.
- Dr JS Moroka has performed dismally in this area with only zero (0) post designated for this group

Challenges

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

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 80: Employees aged between 35 or younger

Districts	Municipality	2014/15			2015/16			2016/17		
		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	1029	229	22%	1773	271	15%	1767	225	13%
	City of Mbombela	2210	479	22%	4743	449	9%	4791	493	10%
	Nkomazi	1500	385	27%	1500	385	26%	1580	401	25%
	Thaba Chweu	541	100	18.5%	697	101	14%	853	131	15%
	Umjindi	405	77	19%	405	77	19%	Merged with City of Mbombela		
	Ehlanzeni	145	35	24%	152	35	23%	152	35	23%
	TOTAL	5830	1305	22%	9270	1318	14%	9143	1285	14%
GERT SIBANDE	Chief Albert Luthuli	454	0	0	490	0	0%	512	235	46%
	Dipaleseng	334	0	0	334	60	18%	314	48	15%
	Govan Mbeki	2005	271	14%	2005	271	14%	2171	206	10%
	Lekwa	606	91	15%	606	99	16.34 %	963	531	55%
	Mkhondo	-	-	-	600	190	32%	690	166	24%
	Msukaligwa	854	123	14.40%	854	113	13%	973	109	11%
	Dr. Pixley Ka Isaka Seme	375	74	20%	375	75	20%	393	44	11%
	Gert Sibande	328	149	45.4%	297	98	33%	304	119	39%
	TOTAL	4956	708	14.3%	5561	906	16%	6 320	1 458	23%
NKANGALA	Emalahleni	1 711	319	19%	3 336	291	8.7%	3 336	273	8%
	Emakhazeni	507	144	28%	514	122	24%	406	72	18%
	Steve Tshwete	1477	401	27%	1477	406	27%	1517	379	25%
	Victor Khanye	459	124	27%	496	124	25%	506	124	25%
	Dr. JS Moroka	986	159	16%	981	159	16%	857	154	18%
	Thembisile Hani	587	141	24%	406	116	28.6%	403	60	15%
	Nkangala	287	87	30%	287	97	34%	287	117	40%
	TOTAL	6014	1375	23%	7497	1315	17.54%	7312	1179	16%
GRAND TOTAL	16 800	3 388	20.17%	20 328	3 539	17%	22 775	3922	17%	

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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

Findings

- In the 2015/16 financial year 3 539 posts were filled by people aged 35 and younger across all municipalities in the province. In 2016/17 financial year 3922 posts were filled by people aged 35 and younger across the province, which shows an increase compared to 2015/16 financial year

Challenges

- Municipalities fail to attract skilled youth.

Interventions by National and Provincial department

- Municipalities were also advised to implement the Employment Equity Act to ensure that youth posts are also created in the municipal organograms.

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 81: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	Management level	2014/15		2015/16		2016/17	
			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	130	48	74	24	38	23
		Senior Management level	33	41	44	42	26	24
		Lower level employees	154	123	660	166	361	213
		Technicians and professional	352	148	295	46	92	31
		TOTAL	669	360	1073	278	517	291
	City of Mbombela	Councillors	39	39	89	0	89	0
		Senior Management level	48	40	104	26	53	22
		Lower level employees	610	110	610	19	620	14
		Technicians and professional	131	118	131	6	133	29
		TOTAL	828	307	934	51	895	65
	Thaba Chweu	Councillors	INP	INP	27	27	27	27
		Senior Management level	INP	INP	4	4	6	5
		Lower level employees	INP	INP	56	56	56	30
		Technicians and professional	INP	INP	38	38	22	22
		TOTAL	INP	INP	125	125	111	84
	Umjindi	Councillors	18	16	18	4	Merged with City of Mbombela	
		Senior Management level	7	0	06	03		
		Lower level employees	222	5	323	211		
		Technicians and professional	64	10	11	0		
		TOTAL	311	31	358	218		
	Nkomazi	Councillors	65	25	65	45	11	6
		Senior Management level	31	31	32	31	21	7
		Lower level employees	870	826	912	865	70	44
		Technicians and professional	49	49	51	51	59	57
TOTAL		1015	931	1060	992	161	114	
Ehlanzeni District	Councillors	28	14	11	6	11	6	
	Senior Management level	26	10	21	7	21	7	
	Lower level employees	47	37	70	44	70	44	
	Technicians and professional	55	25	65	59	59	57	
	TOTAL	156	86	167	116	161	114	
GERT SIBANDE	Chief Albert Luthuli	Councillors	49	3	6	6	49	1
		Senior Management level	28	10	20	20	27	16
		Lower level employees	342	20	348	23	128	53
		Technicians and professional	35	25	32	6	147	19
		TOTAL	454	58	406	55	351	89
	Dipaleseng	Councillors	12	1	12	7	12	5
		Senior Management level	13	13	15	15	15	8
		Lower level employees	20	10	152	88	149	12
		Technicians and professional	150	35	20	16	20	7
		TOTAL	195	59	199	126	196	32
	Govan Mbeki	Councillors	63	18	63	32	63	29
		Senior Management level	34	6	29	2	34	6
		Lower level employees	1075	59	1003	74	993	50
		Technicians and professional	188	32	351	18	381	34
		TOTAL	1360	115	1446	126	1471	119

DISTRICT	Municipality	Management level	2014/15		2015/16		2016/17	
			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	30	20	30	20	30	6
		Senior Management level	27	5	6	0	29	7
		Lower level employees	433	41	462	40	421	77
		Technicians and professional	57	12	108	20	73	20
		TOTAL	547	78	606	80	553	110
	Mkhondo	Councillors	25	25	38	08	38	23
		Senior Management level	3	3	27	19	26	24
		Lower level employees	320	312	258	108	361	213
		Technicians and professional	15	12	127	54	92	31
		TOTAL	363	352	450	189	517	291
	Msukaligwa	Councillors	INP	10	38	22	25	13
		Senior Management level	INP	4	6	2	6	3
		Lower level employees	INP	16	28	10	42	9
		Technicians and professional	INP	0	1	0	10	10
		TOTAL	INP	30	73	34	83	35
	Dr. Pixley Ka Isaka Seme	Councillors	21	11	21	01	21	20
		Senior Management level	21	21	21	17	21	17
		Lower level employees	328	88	248	178	347	20
		Technicians and professional	5	5	4	4	4	0
		TOTAL	375	125	294	200	393	57
GERT SIBANDE DISTRICT	Councillors	19	8	19	13	49	01	
	Senior Management level	5	5	5	3	27	16	
	Lower level employees	179	55	77	52	128	53	
	Technicians and professional	41	18	142	95	147	19	
	TOTAL	244	86	243	163	351	89	
NIKANGALA DISTRICT	Emalahleni	Councillors	67	23	68	15	68	43
		Senior Management level	69	37	69	51	81	57
		Lower level employees	1121	324	1176	244	1096	228
		Technicians and professional	331	106	193	129	286	125
		TOTAL	1588	490	1506	439	1531	453
	Emakha-zeni	Councillors	15	6	15	3	15	0
		Senior Management level	6	5	20	19	9	6
		Lower level employees	28	19	154	26	48	10
		Technicians and professional	9	6	61	8	29	9
		TOTAL	58	36	250	56	101	25
	Steve Tshwete	Councillors	5	28	58	0	58	0
		Senior Management level	13	5	58	4	59	8
		Lower level employees	253	162	549	176	642	186
		Technicians and professional	80	102	857	7	828	112
		TOTAL	351	297	1522	187	1587	306
	Victor Khashe	Councillors	17	4	17	8	17	6
		Senior Management level	42	8	5	3	36	9
		Lower level employees	169	60	318	50	239	58
		Technicians and professional	152	25	58	8	98	21
		TOTAL	380	97	398	69	390	94
Dr. JS Moroka	Councillors	64	46	62	62	62	62	
	Senior Management level	5	23	8	8	05	05	
	Lower level employees	320	56	486	273	508	265	
	Technicians and professional	90	44	12	5	12	0	
	TOTAL	479	169	568	348	587	332	
Thembisile Hani	Councillors	64	11	64	16	64	11	
	Senior Management level	5	4	4	1	5	1	
	Lower level employees	325	10	350	32	274	35	
	Technicians and professional	75	18	36	17	105	14	
	TOTAL	469	43	454	66	448	61	
NIKANGALA DM	Councillors	59	24	24	24	59	12	
	Senior Management level	33	27	33	16	27	21	
	Lower level employees	136	28	136	30	103	27	
	Technicians and professional	57	25	57	20	71	29	
	TOTAL	285	104	250	90	260	89	

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

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 2014/15 financial year there were 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 2016/17

- 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 leads 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 Evidence by some trainees
- Municipalities not adequately budget 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 to make budget available 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 abandon them on none submission of portfolio of evidence, they should repay the state for the costs incurred.

5.8.7 Implementation of Performance Management Systems Framework

EHLANZENI

Table 82: 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	Yes	Yes	Yes	Yes	None
City of Mbombela	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	No	Engagement with LLF and Development of the Framework
Nkomazi	Yes	Yes	Yes	2	1	Yes	Yes	Yes	Yes	No	Cascading of PMS to task level 17 managers planned for 2017/18
Thaba Chweu	Yes	Yes	Yes	5	3	Yes	Yes	Yes	Yes	No	The Municipality has not yet cascaded PMS to lower levels below section 56 because currently the Municipality does not have an Individual Performance Management System (IPMS) Unit.
Umjindi	Merged with City of Mbombela										
Ehlanzeni District	Yes	Yes	Yes	7	6	Yes	Yes	Yes	Yes	Yes	Not applicable
Total	5	5	5	27	23	5	4	5	5	2	

(Source: Section 46 reports from municipalities)

*Umjindi was merged with Mbombela to form City of Mbombela in 2016/17

GERT SIBANDE DISTRICT

Table 83: 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	4	1	Yes	Yes	Yes	Yes	Yes Level 3	None
Dipaleseng	Yes	Yes	Yes	3	3	Yes	Yes	Yes	Yes	No	PMS Framework to be reviewed to incorporate cascading of PMS to levels below S57 managers.
Govan Mbeki	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Task job evaluation not finalised
Lekwa	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	PMS Framework to be reviewed to incorporate cascading of PMS to levels below S57 managers. To have phased approach and LLF engagements prior to the roll-out of cascading PMS
Mkhondo	Yes	Yes	Yes	6	5	Yes	Yes	Yes	Yes	Yes Level 4 and 5	None
Msukaligwa	Yes	Yes	Yes	6	6	Yes	No	Yes	Yes	No	Engagement with LLF and Development of the Framework on going
Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	1	1	Yes	Yes	Yes	Yes	No	The Municipality is in the process of developing a PMS Policy
Gert Sibande District	Yes	Yes	Yes	4	3	Yes	Yes	Yes	Yes	Yes	None
Total	8	8	8	35	30	8	7	8	8	3	

(Source: Section 46 reports from municipalities)

NKANGALA

Table 84: 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
Emalahleni	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	No	None
Emakhazeni	INP	INP	INP	1	1	INP	INP	INP	Yes	INP	INP
Steve Tshwete	Yes	Yes	Yes	1	1	Yes	Yes	Yes	Yes	Yes	None
Victor Khanye	Yes	Yes	Yes	4	4	Yes	No	No	Yes	No	Insufficient internal capacity to review the PMS Framework as well as cascading to lower levels
Dr. JS Moroka	No	Yes	Yes	4	4	Yes	Yes	Yes	Yes	No	Yet to review policy and complete the Job Descriptions
Thembisile Hani	Yes	Yes	Yes	4	3	Yes	Yes	Yes	Yes	No	Job evaluation still in progress
Nkangala District	Yes	Yes	Yes	4	2	Yes	Yes	Yes	Yes	Yes, to level 10	None
Total	4	6	6	25	22	6	5	5	7	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 2015/16 financial year three more (3) municipalities, Steve Tshwete ,Gert Sibande and Nkangala District followed in cascading PMS to officials lower than section 54 and 56 managers. Bringing the total number to four (4), and in 2016/17 Mkhondo and Chief Albert Luthuli municipalities are cascading PMS to lower level than Section 56 Managers. Meaning the province have 7 municipalities cascading PMS

Challenges

- Shortage of staff in municipalities to implement PMS.
- Failure by other municipalities to review their PMS policies

Support interventions by National and Provincial government

- SALGA workshopped all Municipalities on the process of cascading PMS to lower levels
- SALGA supported on the issue of TASK job evaluation.

Recommendations

The following recommended are made to municipalities:

- Filling of all PMS vacant posts by municipalities
- Budget for PMS functions
- Finalisation of job evaluation

PART C

6. SUMMARY OF FINDINGS

6.1 KEY CHALLENGES AND RECOMMENDATIONS PER MUNICIPALITY

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

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 1:	Focal Area	District	Municipality	Challenges	Recommendations
Institutional Development and Transformation	Filling of S54 and S56 Managers	Gert Sibande Nkangala Ehlanzeni	All	Delays by municipalities in advertising and filling vacant posts	Prompt reminders to municipalities to fill vacant posts must be done on a continuous basis.
	PMS	Gert Sibande Nkangala Ehlanzeni	All	Cascading PMS to lower levels remains a challenge to most municipalities	Municipalities to cascade PMS to levels lower than section 56/54. SALGA and Cogta to continuously monitor the progress

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

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 2:	Focal Area	District	Municipality	Challenges	Recommendations
Service Delivery and Infrastructure Development	Access to water and Sanitation	Nkangala	CALM, Lekwa, Bushbuckridge, Nkomazi, Mbombela, Msukaligwa, Emalahleni and Thembisile Hani Local Municipality	Poor planning and budgeting for implementation of the infrastructure development	CoGTA will be supporting municipalities to tighten project management and contract administration.
				Plans that encompass the maintenance of the entire water distribution chain.	National government shall be lobbied to regulate price ceilings for service infrastructure contracts to avoid government abuse.
				O&M and operating capacity not sufficient especially for Thaba Chweu, Bushbuckridge, Nkomazi, Lekwa, Msukaligwa, Emalahleni, Emakhazeni Local Municipality	A provincial database for shoddy work and slow pace service providers be activated. Districts to audit & investigate functionality of all Reservoirs, WTWs, WWTWs, water leakages and pipe bursts
	Most municipalities have challenges relating to the overflowing WWTP's due to overloading such.	A total of 22 Waste Water Treatment plants are under refurbishment and upgrading. The Plants are in varying stages of progress where some would be attended to as multi-year projects.			
Electricity	Ehlanzeni Nkangala Gert Sibande	Thaba Chweu, Emalahleni, Emakhazeni, Chief Albert Luthuli, Govan Mbeki, Lekwa and Msukaligwa Local Municipality	Eskom debts	Revised repayments Agreements with Eskom have been signed. COGTA and PT are continuously monitoring the payment of Eskom debts.	
			High technical and none technical losses which had largely contributed on revenue collections losses	Revenue improvement and credit control plans have been developed	

Table 87: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 3:	Focal Area	District	Municipality	Challenges	Recommendations
Local Economic development	LED Forums	Gert Sibande	Msukaligwa Municipality	Non functionality of the LED forum	The municipality should resuscitate the forum and encourage all stakeholders public and private sector departments to play their respective roles in this regard.
	LED Budget	Gert Sibande	Dipaleseng, Lekwa Msukaligwa and Dr Pixley ka Isaka Seme Local Municipalities	Municipalities did not implement their LED strategies due to financial constraints	The municipalities must develop the investment attraction and retention strategy as per their strategic objectives.
	LED strategies	Gert Sibande	Dipaleseng, Lekwa Msukaligwa and Dr Pixley ka Isaka Seme Local Municipalities	Poor integration on LED projects implemented by public and private sector departments/institutions	The municipality should strengthen the engagements with the said departments/institutions and lobby for integration of projects and plans.

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 4: Municipal Financial Viability and Management	Revenue collection	Ehlanzeni Nkangala Gert Sibande	All	Poor revenue collection, Incorrect billing and Poor enforcement of credit control and debt collection policies	The Provincial Treasury through the Sasol project has developed the standardised operating processes for municipalities for SCM, revenue management, contract management, expenditure management and asset management.
	Municipal debtors	Ehlanzeni Nkangala Gert Sibande	All	Incorrect indigent registers, Incorrect data and inaccurate billing	PT to regularly support municipalities on the implementation of standard operating procedure for revenue management. Municipalities to be assisted on implementing cost reflective tariffs.

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

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 5: Good Governance and Public Participation	Public Participation	Ehlanzeni Gert Sibande	City of Mbombela and Govan Mbeki Local Municipality	Failure to convene meetings by Ward Councillors	COGTA to continuously conduct capacity building workshops to assist ward committees to review and implement ward operational plans.
				Non implementation of ward operational plans	COGTA to continuously hold session with ward committees that are dysfunctional to improve their functionality
				Poor working relationship between CDWs, Ward Committees and Councillors	Role clarification workshops convened between CDWs, Ward Councillors and Ward Committees to strengthen working relationships

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

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 6: Cross cutting Interventions	SPLUMA	Gert Sibande	Lekwa Local Municipality	Lack of budget to plan for the development of a SPLUMA compliant Land Use Scheme.	Budgeting by COGTA for SPLUMA support to municipalities e.g. Land Use Schemes.
	Disaster Management	Ehlanzeni Nkangala Gert Sibande	All	Inadequate staff, funding and old fire fighting equipment	Municipalities must budget for disaster management personnel and equipment of the centres
	IDP	Nkangala	All Municipalities	Most IDPs are not adequately funded due to budget deficits, low revenue base and dependence on grants;	Municipalities to prioritise and budget for the review of outdated and outstanding sector plans in their medium term expenditure framework;

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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