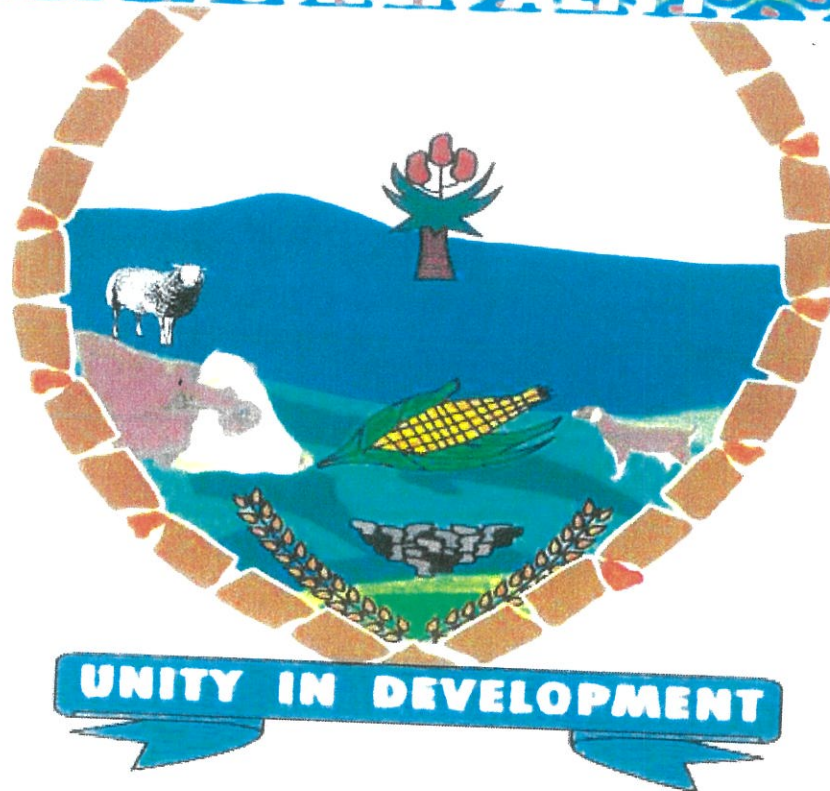


EMALAHLENI **MUNICIPALITY**



AUDITED ANNUAL REPORT **2019/ 2020 FINANCIAL YEAR**

Component A: Mayor's Foreword

1. Chapter 1– Mayor's Foreword and Executive Summary

On behalf of Emalahleni Local Council and officials, we hereby present this Annual Report for the financial year 2019/2020. This report outlines the performance on the targets that the municipality has set for the period of twelve months. The report provides Emalahleni stakeholders and communities an insight into the performance and achievements of the Municipality.

The mandate of Emalahleni Local Municipality is not unique to the broader mandate given to Local Government by the South African Constitution, 1996 (Act 108 of 1996) in terms of Local Government objectives as enshrined in Chapter 7 of the Act. The mandate of the Municipality is derived from public participation gatherings, Mayoral Outreach Programmes, Community Engagements last but not least, Integrated Development Plan and Budget Roadshows. The Municipality has cordial working relationships with sector departments and other key stakeholders, which strengthens good governance and accountability through IDP Representative Forum and Intergovernmental Relations Forum. Council has committed itself to achieve the following local government mandate in order to promote and improve the lives of communities of Emalahleni.

- Building an administration (municipality) that is efficient, effective and responsive;
- Strengthen accountability and promote clean municipal operations;
- Accelerating service delivery and supporting the needy;
- Promoting economic and social development;
- Nurturing partnerships, social cohesion and community development.


The above can only be achieved if all relevant stakeholders, i.e. the Councillors, the administration officials, the trade unions and the (Emalahleni) community at large work together, as a collective to not only talk about the shortcomings raised in the annual report, but find mechanisms to address them. Having said that, it is equally important to note that there are a few specific areas, which must receive particular attention going forward:

Improved mechanisms are in place to strengthen the accountability and discipline of officials in performing their daily operations. Accountability requires collective efforts in so far as cooperation and coordination are concerned among stakeholders.

Expedient, timing and excellence service delivery are the deeply entrenched in the internal systems of the municipality. The municipality has made tremendous strides in that, it has changed the negative and pessimistic attitude because of disclaimers of many years. For that achievement, gratitude goes to a collective leadership and committed management of Emalahleni.

The financial year under review the municipality has stood firm in abiding by its vision and mission to bring a better life for all. As it endeavoured in administration to address the needs of communities expressed in all public consultative engagements. The municipality has provided a beacon of hope to communities. To some communities, service delivery has never been received in the past and to others it is the continuation of a job well done by the previous administration to ensure a better life for all.

Service delivery and infrastructural development are the cornerstone of Emalahleni Local Municipality. The Draft Annual Report provides a framework of the work that has been completed in 2016/17 financial year with gaps and shortcomings identified. Council wishes to congratulate the Councillors who were elected on 3rd August 2016, as the municipality looks forward working together with the Executive Committee, Council and Management to continue with provision of services to all communities.


CLLR N. KONI
MAYOR

Component B: Executive Summary

2. Municipal Manager's Overview

The draft Annual Report for the 2019/2020 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act 2000 (Act 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act 2003 (Act 56 of 2003), as well as accompanying circulars, templates and guidelines. In particular, MFMA Circular Number 63, issued in September 2012, added guidance to the preparation of this draft annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor-General at the same time as the Annual Financial Statements in August each year.

This report records the performance and progress made by Emalahleni Local Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the year under review.

I wish to acknowledge the challenges, achievements and progress with highlights that Emalahleni Local Municipality has achieved in 2019/2020 financial year. I also appreciate the uncompromising support that we received from the political leadership, and above all support from my fellow colleagues and employees in general as an Accounting Officer. I am confident that the positive relationship that exists between administration and political leadership is going to be sustained.

The administrative and political interface creates cohesion with other strategic stakeholders for example trade unions. The municipality has adopted with its IDP a practical vision and mission statement that directly respond to matters of service delivery, local economic development, job creation, infrastructure development, electrification of villages and surrounding areas, water and sanitation. The vision, mission statement and core values guide the daily operations of the municipality.

The year under review had its fair share of successes and challenges from an administrative perspective. However, the Council has continued to strive towards the realisation of its vision to be "a responsive, people-centred and developmental municipality" which:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service the municipality;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho-Pele principles at the centre of service delivery

The municipality has continued to sustain a good relationship with other organs of state, especially the district municipality and the provincial administration under-which we fall. This augurs well as it works towards the provision of effective municipal services and the on-going institutional support.

Ward Committees have been the key tool in ensuring that public participation across the municipality is not just an ideal, but a reality.

While the formal sector is generally well serviced with regards to basic services, the municipality is making the necessary provision for more informal settlements to be adequately serviced. The rapid growth of urban centres is putting pressure on the municipality to increase its capacity in order to respond to the service calls timeously. Ageing and worn bulk infrastructure is putting pressure on the municipality's resources and ability to deliver an efficient and effective service.

The municipality has since the fifth local government elections held in 2016 adopted a credible integrated development plan coupled with an annual municipal cash-backed budget guided by medium term expenditure framework principles.

1.2 Municipal Functions, Population and Environmental Overview

Introduction to Background Data

1.2.1 Population

The population statistics used to compile the 2019/2020 annual report are based on the latest available data from Statistics South Africa as reflected in the 2019/2020 integrated development plan. Statistics SA, 2011 indicated that Emalahleni had the fourth largest population with a total of 119,460 (15% of the district population) in the Chris Hani district which extended over an area of approximately 3 840 square kilometres, including more than 200 rural villages and comprising seventeen (17) wards. In 2016, Statistics SA conducted a survey which revealed that Emalahleni population had increased to 122 700. This is an increase of 2.71% in the total population of the municipal area in a space of 5 years. The head office of the Emalahleni Local Municipality is situated in Lady Frere and has satellite offices in Dordrecht and Indwe. **Growth trend analysis shows that Emalahleni population had a marginal growth of between 2% to 5% over the last 5 years. The marginal growth could be attributed to a variety of factors such as death, poverty, HIV/AIDS and/or family planning.**

The following tables and graphs reflect the population of Emalahleni by various categories. The Black Africans and Black African females in particular are the largest group of the population at 51% (and 53% including all races) of the total population. The high representation of females in the population represents an opportunity for the municipality to develop and implement programs for women empowerment.

1.2.2 Age and Sex Distribution

Using the 2001 Census data, the population is estimated to be 121 822 people.

Population Details									
Population '000									
Age	2011			2012			2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	7 242	7 086	14 328	7 175	6 939	14 114	7 431	7 187	14 619
Age: 5 - 9	7 578	7 083	14 661	7 410	6 939	14 349	7 675	7 187	14 862
Age: 10 - 19	14 529	13 023	27 552	14 349	12 820	27 169	14 862	13 279	28 141
Age: 20 - 29	8 238	7 665	15 903	8 115	7 527	15 643	8 406	7 797	16 202
Age: 30 - 39	4 887	5 196	10 083	4 822	5 057	9 880	4 995	5 238	10 233
Age: 40 - 49	3 756	6 084	9 840	3 764	5 998	9 762	3 898	6 213	10 111
Age: 50 - 59	4 206	6 540	10 746	4 234	6 351	10 585	4 386	6 578	10 964
Age: 60 - 69	3 231	4 608	7 839	3 176	4 469	7 645	3 289	4 629	7 918
Age: 70+	2 955	5 559	8 514	2 940	5 528	8 468	3 046	5 726	8 771

Source: Statistics SA (2001 Census) with an average 3.58% growth rate per annum applied

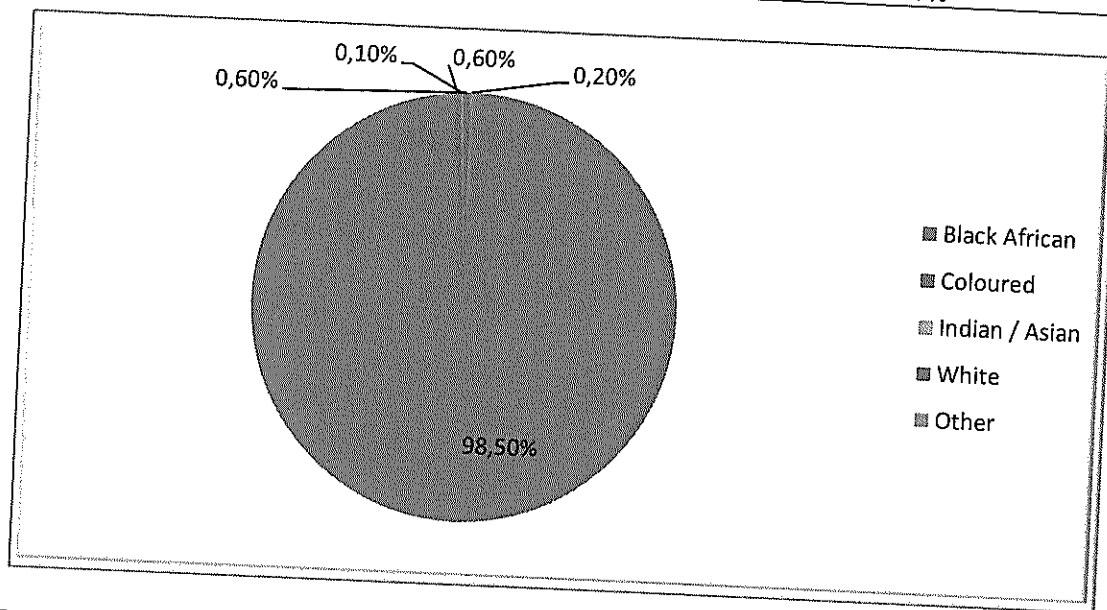
Using the 2011 Census data, the population in Emalahleni Local Municipality is estimated at 119 460 people, using the same growth rate.

Population Details									
Population '000									
Age	2011			2012			2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	6 792	6 569	13 361	7 035	6 804	13 840	7 287	7 048	14 335
Age: 5 - 9	7 014	6 569	13 583	7 266	6 804	14 070	7 526	7 048	14 574
Age: 10 - 19	13 583	12 136	25 720	14 070	12 571	26 641	14 574	13 021	27 595
Age: 20 - 29	7 682	7 126	14 808	7 958	7 381	15 339	8 243	7 645	15 888
Age: 30 - 39	4 565	4 788	9 353	4 729	4 959	9 688	4 898	5 137	10 035
Age: 40 - 49	3 563	5 678	9 241	3 691	5 882	9 572	3 823	6 092	9 915
Age: 50 - 59	4 008	6 012	10 021	4 152	6 228	10 380	4 301	6 451	10 751
Age: 60 - 69	3 006	4 231	7 237	3 114	4 383	7 496	3 225	4 539	7 765

Key Statistics	2001	2011
Electricity for lighting	45%	78,5%
Source: Statistics SA (2011 Census) with an average 3.58% growth rate per annum applied		

1.2.3 Population Groups

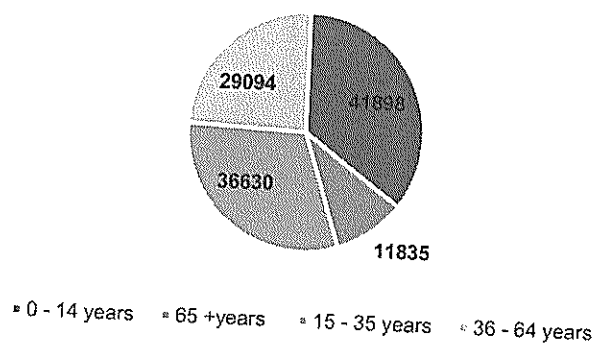
Group	Percentage
Black African	98.50%
Coloured	0.60%
Indian / Asian	0.10%
White	0.60%
Other	0.20%



1.2.4 Age and Gender Distribution

The graphs below reflect the 2016 Census statistics and provide an age-gender distribution analysis. This situation reflects the high levels of poverty and unemployment that are experienced throughout the municipal area with its concomitant effect on revenue generation and service delivery.

Emalahleni Population in Age Groups
Total Population – 119 457



Sources: Statistics SA, CS 2016

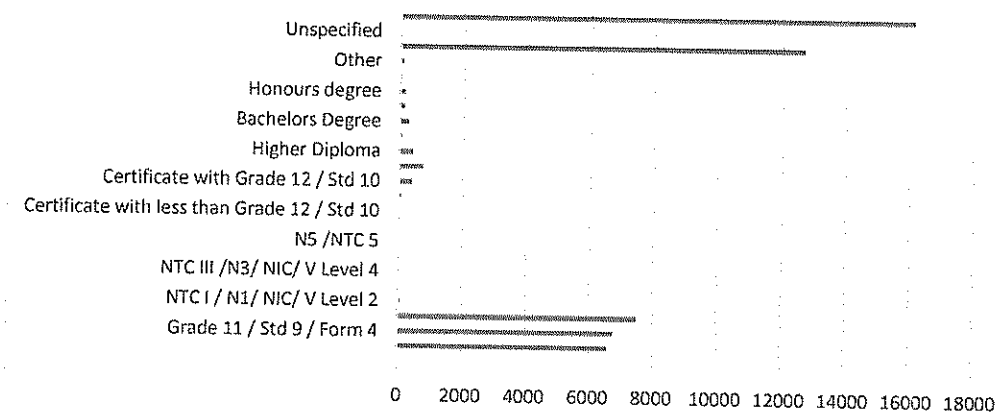
1.2.5 Education and Skills

The graph below shows a very steady improvement on pupils aged 20+ who have completed grade seven (7) (source SSA Census 2011).

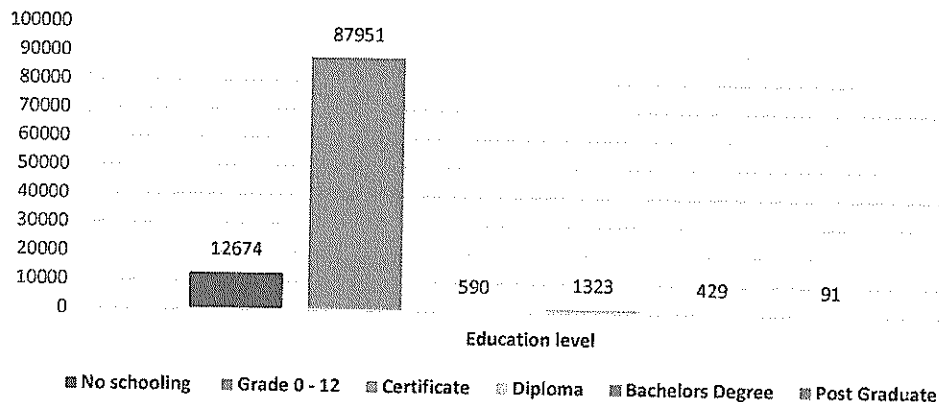
According to the Statistics South Africa 2011 report, about 2.7% of the entire population of Emalahleni Local Municipality has no schooling, 52.1% has some primary education. About 6.8% of ELM population has completed primary education. 30% of the population of ELM has some secondary schooling, whilst only 5.2% have completed their education schooling. Only 0.4% of the total population of ELM has higher education qualification.

As indicated on the graph below, the levels of educational attainment are very low. This situation presents a major challenge for future economic growth because essential skills for growing the economy are limited and will be further reduced by this situation in which half the population has no vocational schooling at all.

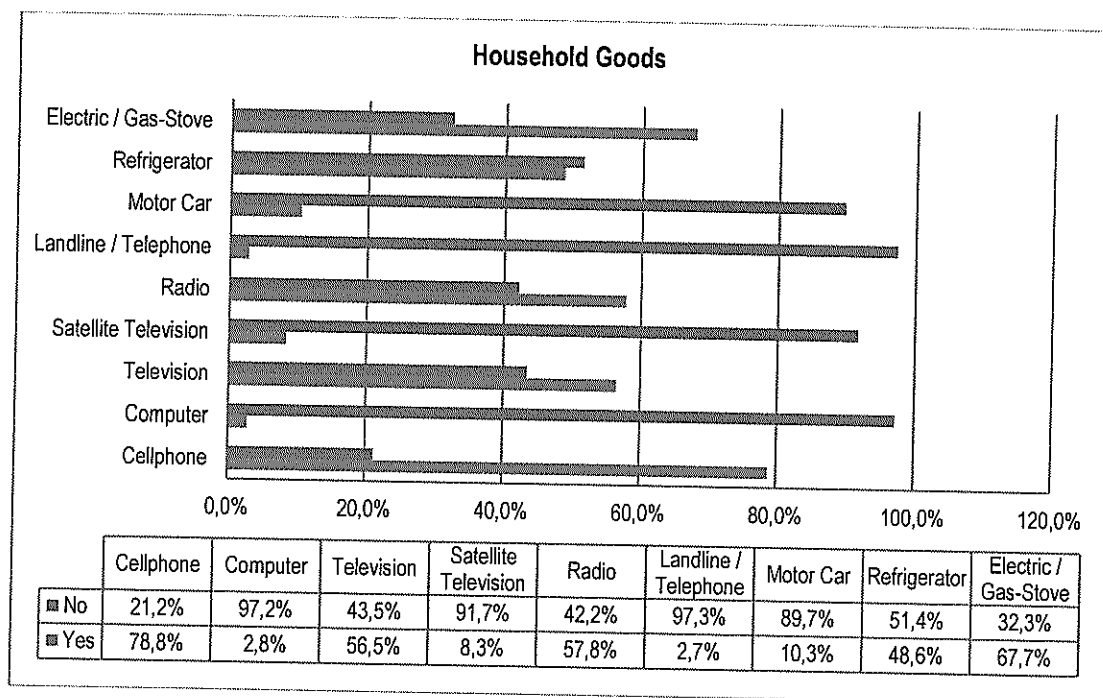
Highest Education Levels



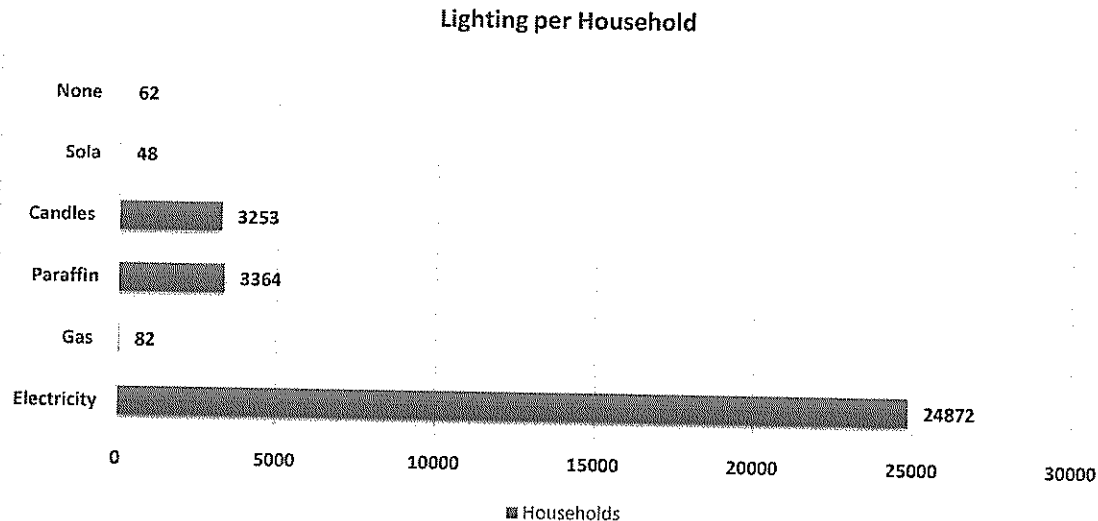
Education Levels



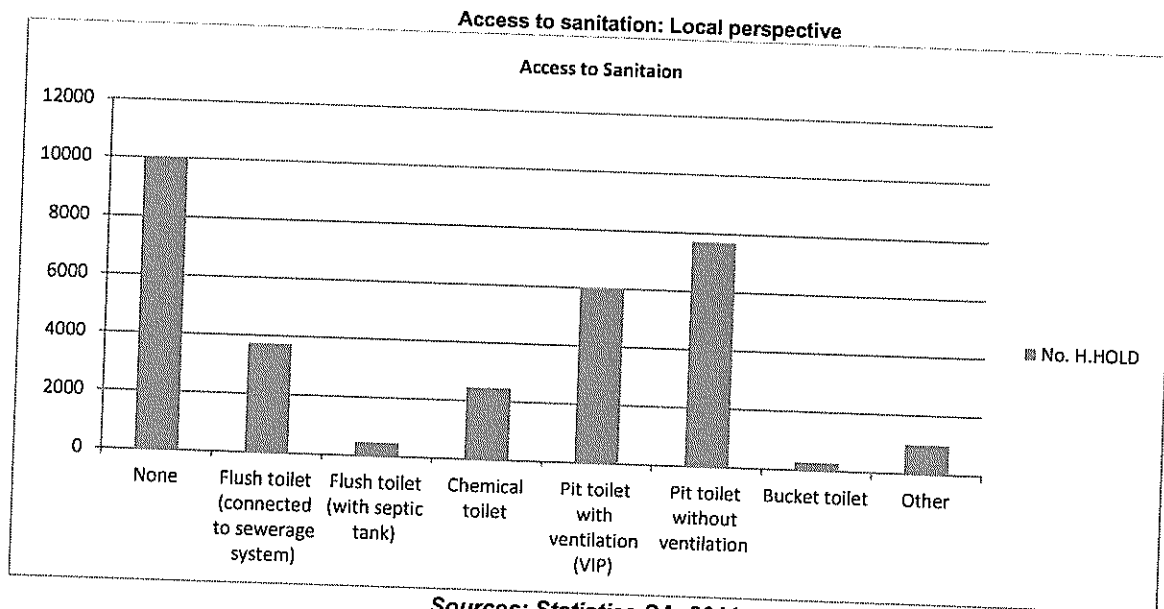
Source: Statistics SA 2011



**PERCENTAGE OF HOUSEHOLDS USING ELECTRICITY OF LIGHTING BY PROVINCE –
SA 2016 CVCOMMUNITY SURVEY**



- Electricity for lighting has increased in all provinces with 80.0% of households in South Africa using electricity for lighting.



Sources: Statistics SA, 2011

This graph presents a picture of Emalahleni local municipality in as far as it relates to the provision of sanitation (Flush or chemical toilets; Pit latrine; and Bucket latrine).

Refuse removal for Household					
	2008	2009	2010	2011	2018
Unspecified / other	52	49	47	1303	1303
Removed by local authority at least once a week	3 026	3 085	3 144	2637	7 999
Removed by local authority less often	217	211	206	165	165
Communal refuse dump	562	587	612	528	528
Own refuse dump	13 363	13 518	13 674	20165	20165
No rubbish disposal	-	-	-	6883	6883

1.2.7 Refuse Removal

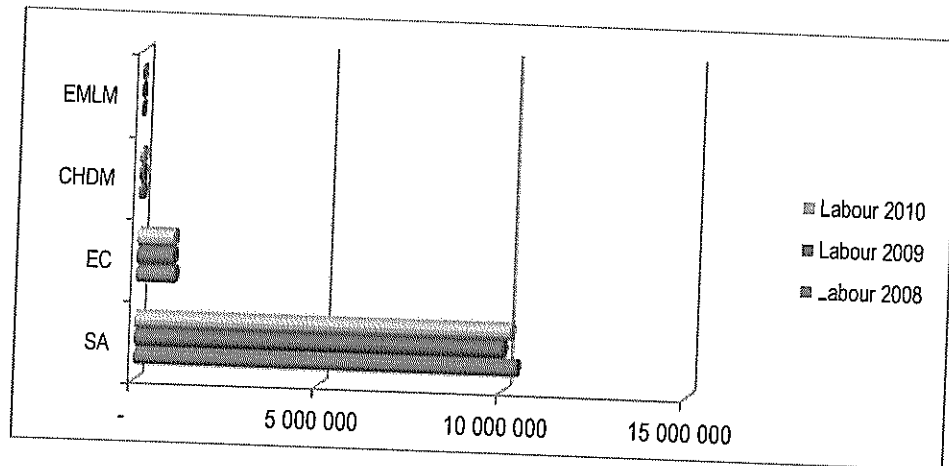
The data presented above was extracted from 2011 Stats SA Census report and the current strides in terms of service improvement relates reflects expansion of services to additional 1 131 households (KwaZakhele and Bhongolwethu Townships in Lady Frere)

1.2.8 Economy

46.3% of the 17 414 economically active (employed or unemployed but looking for work) people in the municipality are unemployed. The majority (55.3%) of economically active youth (aged 15 – 34 years) are unemployed.

1.2.9 Labour

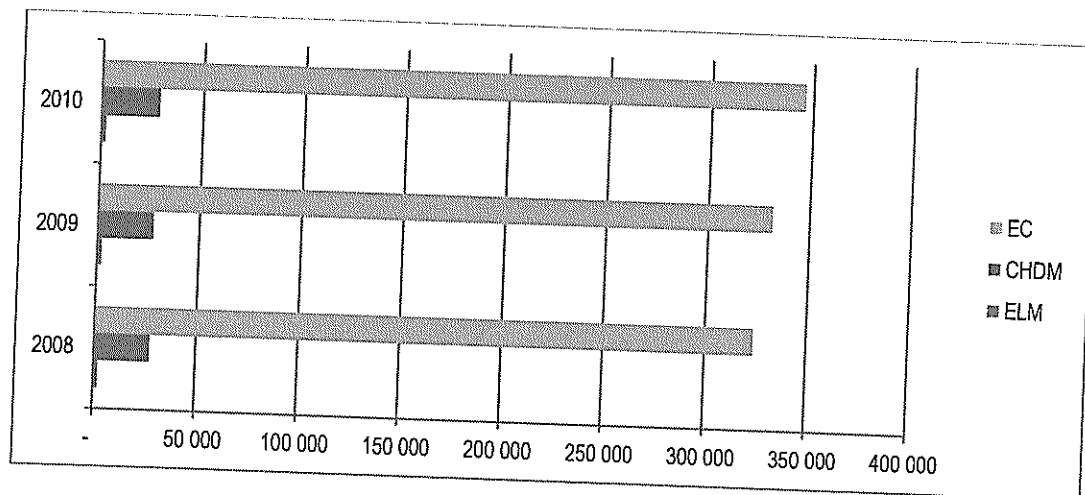
1.2.9.1 Formal Employment



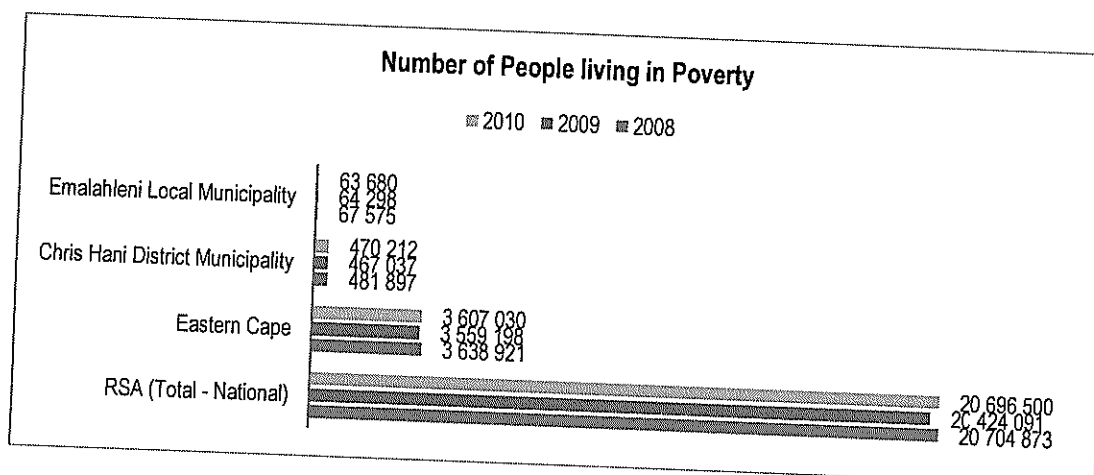
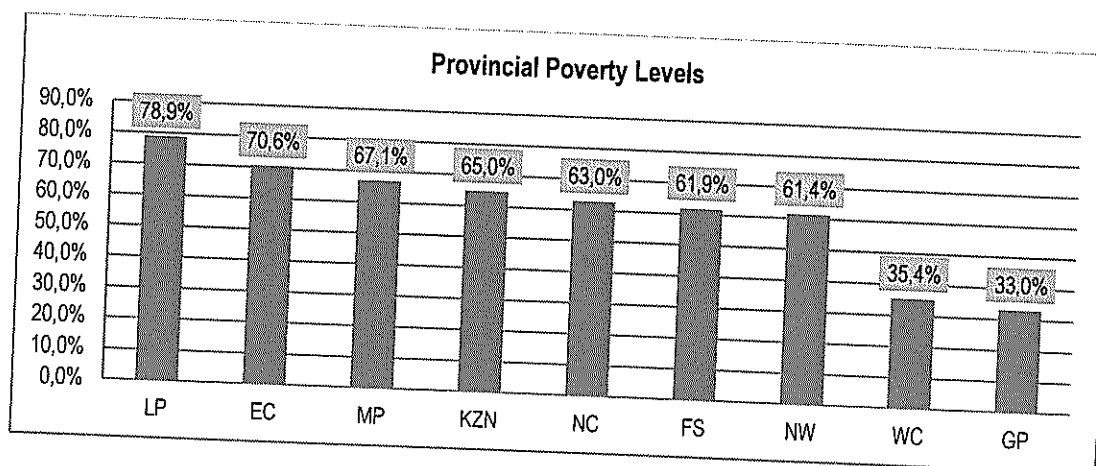
The number of people in formal employment for Chris Hani District Municipality is very low and this has been the case for the past three (3) years. This situation means that people are either dependent on informal sector; have their own businesses and or coops or unemployed at all and that will have a knock on effect on socio – economy of the area.

Bye-and-large, the GDP of Emalahleni has been anchored by the wholesale and retail sector which has contributed a higher percentage in terms of Real Money. The wholesale and retail sector has contributed about 80% to the Gross Domestic Product and has seen a steady growth for the past three financial years (2008, 2009 and 2010).

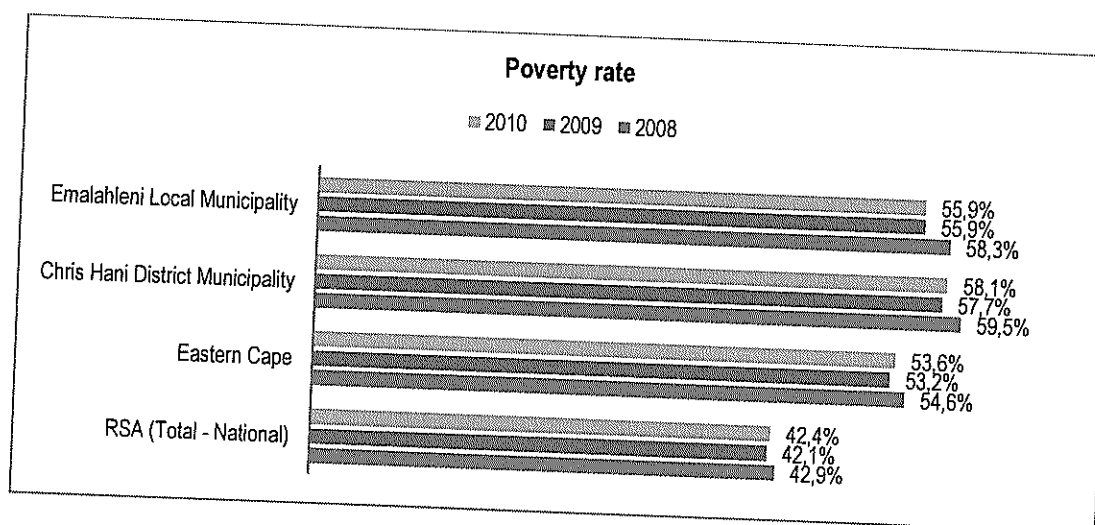
1.2.9.2 Informal Sector



In as far as it relates to the informal sector, Emalahleni is still making no progress for the past three years (2008 –2010).



Poverty rate (2008 – 2010)



Notes:

1. Unemployment, proportions of households with no income and illiterate people older than 14 years old - obtained from Census 2011, Community Survey 2007, and Census 2001.
2. Proportion of population in Low-skilled Employment and HIV/AIDS Prevalence - no data for it as yet.

A number of projects have been planned and conducted which include:

- Cluster 1 Water Back logs for Wards 7, 8, 10, 13 and 14 Cluster 2 Water Backlog

1.3.3 Sanitation

The municipality is appointed by Chris Hani District Municipality (WSA) as the Water Services Provider. This results in Emalahleni Local Municipality being required to serve as the sanitation service provider to the Emalahleni area. It is noted that Dordrecht, Lady Frere and Indwe are provided with a waterborne system of sanitation while VIP toilets and pit latrine systems are found in the villages.

General Comments and Challenges

As the standard and levels of sanitation are of concern, projects have been undertaken to resolve these challenges.

- Chris Hani District Municipality has funded a sanitation project in order to facilitate the upgrading of sanitation infrastructure and this is progressing well;
- The Cluster 4 sanitation project for wards 2, 3, 4, 5, 15 and 16, Vukani Guba and Percy Villages is at the tender stage. The Baseline Survey has been completed, the ground water protocol is in place and the tender for a consortium closed. Construction is now underway;
- The Cluster 3 sanitation program for Wards 7, 8, 9, 10, 11, 12 and 14 is similarly at the construction phase.
- Reporting on sanitation monitoring is occurring as required.

Overall, it is to be noted that the greatest challenges relate to infrastructure. Backlogs (while in existence) are being eradicated and the achievement of 54% of households being exposed to a basic level of sanitation has been met. While it is recognized that not all backlog data is accurate, 170 participants /auxiliary workers have been appointed to collect /record information on backlogs of households with access to basic levels of service (relating to all basic services water, sanitation, roads and electricity) the Technical Services Manager co - ordinate information relating to water, sanitation, roads and electricity in relation to this project

General Comments and Challenges

When determining the appropriate activities to be undertaken to improve the standards of sanitation provision and backlogs, consideration is required to be made of the ageing infrastructure, the financial limitations and the capacitation levels of staff.

In terms of the Mackay's Nek Sanitation project, progress has been well achieved during 2012/2013. The tender for Phase 2 has been awarded.

1.4 Financial Health Overview

Note: The Auditor General's Report for the current year is not yet available. This will influence an accurate assessment of the financial health of the organisation. Notwithstanding, a broad overview is provided.

- Emalahleni Municipality has received an unqualified audit report for the 2018/19 year;
- The municipality's liquidity ratio is considered to be relatively sound as the current ratio by far exceeds its short-term obligations;
- Assets and Liabilities are well managed;
- The municipality is acknowledged as paying its creditors within 30 days, as is stipulated by the MFMA;
- Employee costs have been underspent due to the vacant funded posts that have not yet been filled;
- Strict credit control measures have been executed (as per Credit Control Policy and By-Laws) in order to ensure that the challenge of high levels of outstanding debt is addressed.

Chapter	Required Content Material	Responsible Official	Due Date
	<ul style="list-style-type: none"> A statement on the previous financial year's audit opinion. A short statement on the current financial health of the municipality / entity based on new budget formats as required by Treasury Regulations No 31804. Information relating to the revenue trend by source including borrowings undertaken by the municipality. The internal management changes in relation to Section 56/57 managers. Risk assessment, including the development and implementation of measures to mitigate the top 5 risks. <p>3. Municipal Overview</p> <ul style="list-style-type: none"> This section provides an overview on how the municipality as separate legal entity function based on its relationship with other political structures, office bearers, administration and the community. Information on the demographics, economic growth, population, growth and development structure of the municipality should be reported including the outcomes both success and not so successful initiatives embarked upon. 	IDP and PMS Manager	
2	<p>1. Governance</p> <p>Information to be included in this chapter is divided into four sections:</p> <ul style="list-style-type: none"> Component A: Governance Structures <ul style="list-style-type: none"> Political Governance Structure Administrative Governance Structure Component B: Intergovernmental Relations <ul style="list-style-type: none"> Intergovernmental Relations\ Component C: Public Accountability and Participation <ul style="list-style-type: none"> Public Meetings IDP Participation and Alignment Component D: Corporate Governance <ul style="list-style-type: none"> Risk Management Anti-corruption and fraud Supply Chain Management By-laws Websites Public Satisfaction on Municipal Services All municipal oversight committees 	<p>IDP and PMS Manager</p> <p>Public Participation Practitioner</p> <p>Risk Management Practitioner</p> <p>SCM Manager</p> <p>Legal & Compliance</p> <p>ICT Manager</p> <p>Customer Care</p> <p>Senior Admin</p>	
3	<p>1. Service Delivery Performance</p> <p>Chapter 3 focuses on service delivery on a service-by-service basis. It considers</p> <ul style="list-style-type: none"> Municipal performance derived from IDP objectives, translated into the SDBIP and presents data on Community needs and resource deployment. Some indicators are offered for some services as a basic set of key comparative data to be amassed from all relevant municipalities and other services are left for municipalities to address entirely as they consider appropriate. The service delivery issues must be structured, captured and reflected under each priority as contained in the IDP to allow for easy comparisons on achievements against budget and SDBIP. 	<p>IDP and PMS Manager</p> <p>All Directors</p>	31 July 2020

[illegible]

Chapter	Required Content Material	Responsible Official	Due Date
	assist decision makers on the extent of indigent households and need for further support or policy changes.	Chief Financial Officer	30 th September 2020
	<ul style="list-style-type: none"> Appendix L: Conditional Grants Received: Excluding MIG This Appendix relates to all conditional grants received in the current year, excluding the Infrastructure Grants, indicating adjustments budget and the actual, showing percentage variances of the two and also indicating any major conditions applied by Donors on each grant, if applicable. 	Chief Financial Officer	30 th September 2020
	<ul style="list-style-type: none"> Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes: Including MIG Appendix M(i): Capital Expenditure – New Assets Programme This Appendix relates to all capital expenditure relating to the new asset programme, showing the actual of the prior year, the adjusted budget and actual expenditure in the current year. 	Infrastructure Development and Human Settlement Director	30 th September 2020
	<ul style="list-style-type: none"> Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme This Appendix relates to all capital expenditure relating to upgrade/renewal programme, showing the actual of the prior year, the adjusted budget and actual expenditure in the current year. 	Infrastructure Development and Human Settlement Director	30 th September 2020
	<ul style="list-style-type: none"> Appendix N: Capital Programme by Project current year This Appendix relates to all capital projects in the current financial year, indicating the adjusted budget, actual in the current year and the variance between the two. 	Infrastructure Development and Human Settlement Director	
	<ul style="list-style-type: none"> Appendix O: Capital Programme by project by Ward current year. This Appendix relates to all capital projects per ward in the current financial year, and indicates if work was completed or not. 	Infrastructure Development and Human Settlement Director	30 th September 2020
	<ul style="list-style-type: none"> Appendix P: Service Connection Backlogs at Schools and Clinics. This Appendix relates to all backlogs in schools and clinics, the name and location of the schools and clinics is required, this information is provided to assist the national and provincial departments improve planning, budgeting and implementation. 	Chief Financial Officer	30 th September 2020
	<ul style="list-style-type: none"> Appendix Q: Service Backlogs Experienced by the Community where another Sphere of 		

1.7.1 Comment on the Annual Report Process

During the 2012/2013 financial year, National Treasury issued MFMA Circular 63, without replacing Circular 11, which also regulates the content of the Annual Report and sets out a revised format. In addition, this circular prescribes new timeframes within which the Annual Reports shall be compiled and presented.

The timeframes have been adjusted to coincide with the submission of the Annual Financial Statements in August each year. This has required the IDP and PMS unit, which is responsible for the collation of the Annual Report, and the Budget and Treasury Office, responsible for the Annual Financial Statements, to work closely together.

The benefits of the revised timeframes will only be realized in the following financial year, as all relevant data is made available for planning processes. The intention is clearly that, this will make the IDP and Budgeting processes easier. With both the Annual Report and Annual Financial Statements available, at the start of the New Year, it becomes easier to align the budget, IDP and performance management targets. This is expected to have positive spin-offs as progress can be measured more effectively year on year.

The annual reporting process during the 2020/21 financial year, for the development of the 2019/2020 annual report was guided by Circular 104 of the MFMA which was extending timelines by a minimum of two months on compliance deadlines and the process was more aligned with the MFMA process as against Circular 63 that was published in 2012 that the municipality got accustomed to in previous financial year. The new process was presented to Council as required for noting

In spite of the challenges experienced during the compilation of this report, the municipality has succeeded in compiling an Annual Report which is expected to meet the requirements of the Auditor General. In subsequent years, the process should be smoother, given that the report structure will be familiar and that the timeframes will be easier to meet, given that there will be a full year between reports.

adopting an oversight report on the annual report as required in terms of section 121 of the Local Government: Municipal Finance management Act and Circular no 32 issued by the Minister of Finance.

2.1.2 Political Structure



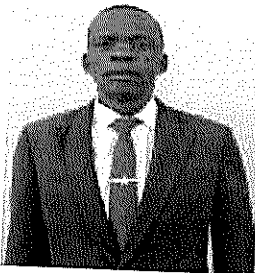
MAYOR

Chairperson: EXECUTIVE COMMITTEE

Cllr N. Koni

Presides at meetings of the executive committee

Performs duties, including any ceremonial functions and exercise the powers delegated to the Mayor by Municipal Council or the executive committee



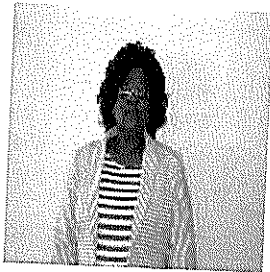
SPEAKER

Cllr DS Kalolo

Presides at the meeting of the Council

Ensures that the council meets at least quarterly

Must ensure that the council meetings are conducted in accordance with the rules and orders of the council



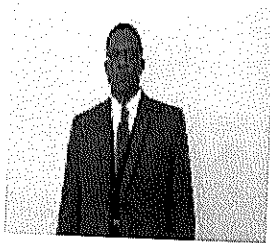
CHIEF WHIP

Cllr N Lali

Performs duties that are delegated to him by Council

Portfolio Head:

**INFRASTRUCTURE DEVELOPMENT AND HUMAN
SETTLEMENT STANDING COMMITTEE**



EXECUTIVE COMMITTEE

Portfolio Head: Cllr Liwani

COMMUNITY SERVICES STANDING COMMITTEE

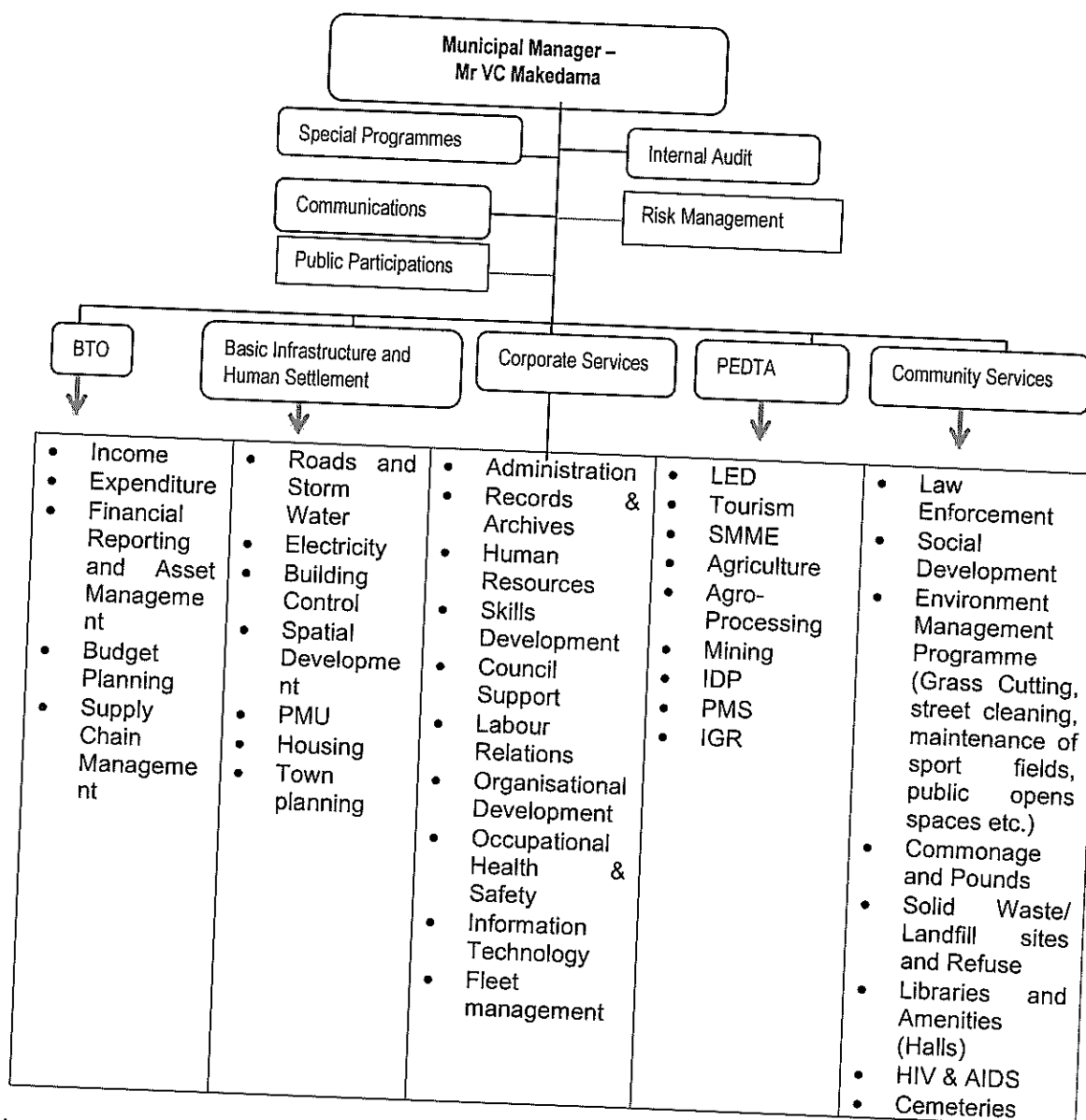


**ECONOMIC DEVELOPMENT, TOURISM AND AGRICULTURE
STANDING COMMITTEE**

Portfolio Head: Cllr N Mtyobile

Acting Accounting Officer	
Director: Economic Development, Tourism and Agriculture	Mr VC Makedama
Director Infrastructure Development and Human Settlement:	Mr N Mntuyedwa
Director: Community Services	Mr D Njilo
	Mrs N Nyezi

In the year under consideration, the organisational structure had also undergone a review and the following macro structure was adopted by Council for implementation in the 2018/19 financial year.



In addition to the above, the Municipality has a functional Internal Audit Unit, which conducts regular reviews of systems of control as well as compliance with legislated provisions and policies.

Unit Manager: Indwe
 Mr M. Nziweni
Manager: Community Services
 Mr Z Mzileni
Manager: Public Safety
 Mr O. Ndyumbu
Manager: Supply Chain Management
 Vacant
Manager: Income and Expenditure
 Mr A Zindlu
Manager: Financial Reporting and Asset Management
 Mr M Madikizela
Manager: Project Management Unit
 Ms Onke Ngacu
Manager: Electricity
 Mrs Y Casa-Maselana
Manager: Information and Communication Technology
 Mr P Matinisi
Manager: Local Economic Development
 Ms DL Mantyi
Manager: Human Resources
 Mrs M Swayena
Manager: Legal and Compliance
 Vacant

Component B: Inter-Governmental Relations

2.3 Inter-governmental Relations

2.3.1 Municipal Inter-Governmental Relations

The municipality has its own IGR structure which composes of the municipal representatives (Members of the Executive Committee of Council and Officials) as well as representatives from sector departments within the Emalahleni jurisdiction including those outside the jurisdiction.

The municipality has had 5 local IGR meetings (coordinated by the IDP and PMS Division in the Planning, Economic Development, Tourism and Agriculture Directorate) that were well attended by representatives of sector departments; to discuss issues of mutual interest on the side of the municipality and sector departments, development planning and performance management related issues. The division has as well received support from the IGR unit in the Provincial Department of Cooperative Governance and Traditional Affairs.

Key to the issues discussed in the last financial year were issues relating to the maintenance of access roads by the department of roads and public works; disaster housing, implementation of human settlement projects as well integration of issues raised in war rooms into the municipal systems.

2.3.2 Development Cooperation and International Relations

The role of local government in International Relations has moved significantly from the symbolism of the past to meaningful interaction of mutual benefit with far reaching implications for the image of South Africa and the development agenda at a local government level i.e. attainable economic benefits.

In this regard it has been determined that the growing demands and complexity of South African municipal service- delivery imperatives have impacted significantly on the range and depth of skills and competencies required from within the municipal economy, thereby necessitating serious consideration

- Twinning relations between Emalahleni Local Municipality and Dordrecht Municipality (Netherlands);
- Communications (Internal and external);

2.4.2.2 Focus Areas 2019/2020

- Improved Public Participation initiatives;
- Improving interaction with CDW's;
- Establishing functional war rooms
- Moral regeneration
- Contributing to Intergovernmental Relations;
- Improved Communication (Internally and externally);
- Facilitation and coordination of the IDP roadshows.

2.4.3 Performance Reporting and Challenges

2.4.3.1 Public Participation

Council is committed to the promotion of local democracy through the involvement of communities in its planning and decision-making processes. Consultative forums such as: the IDP Representatives Forum, Mayoral Imbizo's Lekgotlas', EXCO Outreaches, Ward Committee meetings, Traditional Leaders, CDW operations and the like were held and took place.

Communities were encouraged to take part in project implementation exercises via their locally based organizations, such as co-operatives, trusts, NGO's and Project Steering Committee meetings. Every effort was made to develop and improve relations with stakeholders and customers.

The Presidential Fraud Prevention Hotline was also used to ascertain customer feedback and meetings are regularly, in order to address issues raised. During the year under review, a number of effective public participation interventions were held. These include:

IDP Outreaches

As per the IDP/PMS and Budget Development Process Plan adopted by Council, IDP and Budget roadshows were held throughout the municipality and according to a scheduled program to solicit, consolidate and as well confirm ward priorities. Each ward was visited by a team comprising politicians and management and led by an executive committee member. Participation outreaches were held in 17 wards and at least three visits per ward.

2.4.3.2 Ward Committees

Ward Committees are an appropriate channel through which communities can lodge their complaints. In a broader sense a Ward Committee is a communication channel for the entire community residing in each ward.

In August 2016 as the new Council came into office, 17 Ward Committees were elected and the 170 elected members were suitably inducted and trained in order to ensure that they function effectively. Training efforts were held during the second quarter of the financial year and focused on the areas that will ensure that committees function appropriately. Monthly meetings occur as scheduled and Ward Committee quarterly meetings are held with all ward committee members, CDW's and Ward Councillors (coordinated by the Office of the Speaker).

Major Issues Dealt with by the Ward Committee System

The following key issues were addressed through the ward committee and public meetings:

2.4.3.3 Reports to Council

Below, are the strategic risks identified across the institution:

Priority Area	Risk No.	Risk Description	Risk Category	Root causes to the risk	Consequences of the risk	Impact	Current business processes / controls in place to manage identified risks	Risk owner
Spatial Development	1.4	Ineffective implementation of the spatial development framework (SDF)	Service delivery	1. Promulgation of the new legislation (SPLUMA) 2. Lack of knowledge of the town planning processes by communities. 3. Inappropriate use of land (encroachment of municipal owned land) 4. Insufficient Personnel. 1. Inadequate budgeting. 2. Delays with Supply Chain Management Processes. 3. Poor planning. 4. Lack of integration within business units in the municipality for implementation of projects.	Violation of the legislations (SPLUMA). Community unrest. Loss of revenue.	Serious	1. Approved SPLUMA BY-LAWS. 1. Approved SDF compliant 2. Awareness campaign conducted to the community. 3. Implementation of the SPLUMA act 3. Land use surveys. 3. Land audit report issued. 4. Only one Town Planner.	Director: IDHS
	1.5	Inability to implement projects adequately.	Service delivery		Poor service delivery Inaccurate/Inconsistent reporting Work overload / back log Fraud and corruption Wasteful and fruitless Expenditure.	Catastrophic	1. IDP and budget process and IDP and budget committee, DORA bill. 2. Procurement plan. 3. Adherence to DORA bill. 3. Procurement Plan.	Director: IDHS
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
SMME Support	2.1	Lack of capacity to sustainably run their business.	Service delivery	1. Lack of capacity by SMMEs to sustain their businesses. 2. Insufficient funding to support SMME development. 3. Lack of cooperation with government development agencies.	Negative economic growth. High rate of unemployment. High failure rate on emerging SMMEs.	Catastrophic	1. LED strategy. 1. SMME Support Plan (Facilitate procurement of production inputs, Trainings and advisory sessions). 1 & 3. Improved relations with DEDEAT and CHDM. 2. Budget allocated yearly for SMME. 3. One on One sessions held with Government agencies. 3. Attending IGR foras for development of SMMEs.	Director PEDTA
Mining	2.2	Illegal mining.	Service delivery	1. Bureaucracy in the application process of mining permits by Dept of Mineral Resources. 2. Unemployment. 3. Lack of Awareness.	Environmental degradation Fatalities. Health hazards. Negative economic growth	Catastrophic	1-3. LED strategy 1. SMME Support Plan (facilitate the acquisition of small scale mining permits). 2-3. Conducting awareness campaigns on self employment. 3. Engagements with Department of Mining and Mineral Resources and SEDA (Provision of mining permits and awareness workshops). 1-3 Database of small scale mining applicants in place.	Director PEDTA

Priority Area	Risk No.	Risk Description	Risk Category	Root causes to the risk	Consequences of the risk	Impact	Current business processes / controls in place to manage identified risks	Risk owner
Compliance Management	3.2	Non-Compliance with relevant legislation	Governance	1.No formal process to monitor compliance.	Adverse audit outcome. Fraud and Corruption Noncompliance to legislation Compromised service deliver	Catastrophic	1.MFMA compliance register 1. Risk Management Practitioner has been assigned the Compliance function. 1. SCM compliance verified on all tenders.	Municipal Manager.
Community Participation - To improve community participation in the affairs of the municipality.	3.3	Ineffective implementation of the Public Participation Strategy and Policy.	Service delivery	1. Budget constraints 2. Inadequate staffing 3. lack of support from internal Stakeholders. 4. Unorganised stakeholders at ward level.	Strikes. Instability Lack of service delivery.	Catastrophic	1.Increased budget allocation. 2. Source contract workers for specific programs. 2.Chris Hani provided interns. 2.Community Development workers in place. 2.Ward committees in place. 3.Awareness workshop conducted on the roles of all stakeholders with regards to public participation. 4. Woman, Youth and ward AIDS councils have been elected at ward level. 4. Develop terms of reference for the establishment of forums for interest groups at ward level. 4. Established remaining interest groups.	Municipal Manager.
Communication -To ensure fully functional systems of internal and external communication	3.4	Ineffective implementation of the Communication Strategy and Policy	Service delivery	1.Budget constraints 2. Inadequate staffing 3. Lack of understanding of the communication function by the internal stakeholders. 4.Lack of support from internal stakeholders.	Strikes. Instability Lack of service delivery. Negative impact on the image of the Municipality.	Catastrophic	1. Develop Communication Plan to influence resource allocation. 1 National Communication Policy. 2. Interns with two-year contract x2 3. No control in place 4. Lobby support from internal stakeholders.	Municipal Manager.
Customer Care-To Improve Customer Care Management	3.5	789+	Service delivery	1. lack of understanding of customer care by Internal stakeholders. 2. Inadequate electronic communication systems for Customer Care.	Customer dissatisfaction. Instability. Negative impact on service delivery.	Catastrophic	1. There is Customer Care Policy and Strategy in place. 2. Customer Complaints Register at all the municipal units and suggestion Boxes at all the municipal units. 3. Standard Operating Procedure for Customer Care services are in place. 4. Customer Complaints reporting system in place and reports that are updated regularly. 5. Customer care committee in place.	Municipal Manager.

Priority Area	Risk No.	Risk Description	Risk Category	Root causes to the risk	Consequences of the risk	Impact	Current business processes / controls in place to manage identified risks	Risk owner
Legal Compliance	4.3	Inadequate implementation of Institutional Litigation Strategy Inability to meet employment equity targets.	Litigation	1. Insufficient personnel 2. Budget constrains 3. Current laws firms in the panel are not within our geographical area.	Litigations towards the Municipality Loss of information	Catastrophic	1. Secondment of staff to the Unit. 2. Budget Provision has been allocated for the 2018/2019 financial year but not sufficient. 3. Panel of law firms with a contract of three years that deals with municipality litigations.	Director Corporate services.
Employment Equity	4.4		Human resources	1. Incorrect setting of the employment equity targets(non consideration of the area demographics).	Loss of revenue Finding from department of Labour Fines from Department of Labour. Employment equity plan not responsive to the demographic of Emalahleni LM.	Catastrophic	1. EE Targets specified in all Recruitment Advertisements. '1. Reviewed employment equity plan.	Director Corporate services.
Occupational Health and Safety- healthy and safe working environment for councillors and officials.	4.5	Inadequate implementation of OHS Strategy	Health & Safety	1. Budget Constraints 2. Slow implementation of OHS recommendations	Accidents and Incidents.	Catastrophic	1. Budget Provision has been allocated for the 2017/2018 financial year. '1. Medical examination to affected employees. 2. Reports tabled to the OHS Committee.	Director Corporate services.
Integrated Development Planning.	4.6	Non-compliance with IDP Budget Process Guidelines	Compliance \ Regulatory	1. Ineffective administration processes.	Non-credible Integrated Development Plan (IDP)	Catastrophic	1. IDP/Budget Process Plan. 2. IDP assessment (COGTA). 3. Implementation of MEC comments from IDP assessments.	Director PEDTA
ICT To provide an integrated ICT System that will ensure safety of information.	4.7	Lack of disaster recovery plan and site.	Information Technology	1. Budget constraints.	Loss of data.	Catastrophic	1. Currently utilizing Cebics as back up tool for work stations. 1. Cloud back up for the financial Management System.	Director Corporate services.

KPA 5: FINANCIAL VIABILITY AND MANAGEMENT

2.7 Anti-Corruption and Fraud

Anti-corruption and fraud strategies are in place and applied although it is recognized that controls need to be tightened as a matter of course. In an effort to manage risk and fraud prevention, strategies and implementation plans for risk have been developed. The municipal / presidential hotline is used to report fraudulent and irregular activities and issues that are raised are dealt with regularly and efficiently.

The strategy sets out an aggressive and firm attitude towards fraud and corruption; undertaking to aggressively seek it out, investigate allegations, prosecute offenders, and encourage staff to report any incidences. The document is worded in such a way as to achieve "buy-in". It seeks to create a level of fraud awareness among staff and encourage them to report suspected fraud in the workplace. It highlights that the primary means of detecting fraud is a sound system of internal control. Other measures include highlighting red flags, setting out details of fraud assessment: questioning, mandatory vacations, surprise audits, investigative techniques, training, etc.

It also sets out details of the "who, what, where, when, why and how" of responding to fraud or allegations of fraud. The plan defines "damage control" processes, sets the action plan in motion, and controls the investigation and recovery procedures. Implicit in this is the institution of disciplinary action when required and improved internal control procedures. It is the overall "game plan".

The Fraud Prevention Plan was rolled out in the 2016/2017. This will be followed up with Fraud Risk assessments in Directorates. This fraud susceptibility assessment is intended to highlight any "fraud friendliness" in the control environment. The work in this area is the subject of the implementation plan.

The Municipality has been reluctant to introduce the mechanism of operating a Fraud Hotline without the capacity to handle the investigations that would follow its introduction. Notwithstanding, tips and reports are followed up. Aligned therewith, the Municipality established an Audit Committee a number of years ago. The membership of the Committee is from outside the Municipality (i.e. no Councillors or officials form part of this Committee) and it is considered independent. This Committee reports directly to Council.

The Municipality has had to institute criminal matters in the Magistrate's Court from time to time. To this end close collaboration is maintained with the Office of the Public Prosecutor. No criminal action was instituted in the year under review. As a general principle, segregation of duties is of common application to reduce the likelihood of irregularities. This process is under constant review.

2.8 Supply Chain Management

The municipality reviewed its Supply Chain Management Policy during 2019/2020 financial year to be in line with applicable legislation. The system of Supply Chain Management Unit consists of the following sections:

- Demand Management
- Acquisitions Management
- Risk Management
- Logistics Management
- SCM Performance and monitoring

Supply Chain Management practices and policies are improving continuously and all aspects of the Supply Chain Management Framework are strictly applied. All required aspects of Demand and Acquisition Management are incorporated, a Supplier Database is maintained and utilized in conjunction with the Central Supplier Database (CSD). The Bid Committee System is in place and operate effectively. All three Supply Chain Management Committees (the BSC, BEC and BAC) were appointed, all with proper written and signed delegations. Training of the Supply Chain Staff and Bid Committees has been conducted to ensure effective implementation of supply chain processes.

2.10.1 Municipal Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipal's/ Entity's Website	Yes/No	Publishing Date
Current annual and adjustments budgets and all budgets-related documents	<input checked="" type="radio"/> Yes / No	
All budget-related policies	<input checked="" type="radio"/> Yes / No	
The previous annual report	<input checked="" type="radio"/> Yes / No	
The annual report (2017/2018) published/to be published	<input checked="" type="radio"/> Yes / No	
All current performance required in terms of section 57(1)(b) of the municipal systems act and resulting scorecards	<input checked="" type="radio"/> Yes / No	
All service delivery agreements	<input checked="" type="radio"/> Yes / No	
All long term borrowing contracts	<input checked="" type="radio"/> Yes / No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the year	<input checked="" type="radio"/> Yes / No	
Contracts agreed in 2017/2018 to which subsection (1) of section 33 apply, subject to subsection (3) of the section	<input checked="" type="radio"/> Yes / No	
Public-private partnership agreements referred to section 120	<input checked="" type="radio"/> Yes / No	
All quarterly reports tabled in council in terms of section 52(d) during Year	<input checked="" type="radio"/> Yes / No	

2.10.2 Comment on Municipal Website Content and Access

Uploading of information in the municipal website has relatively improved this last financial year, with the assistance of the web developer to host the website. There has been an improvement in the management of the website as there was a dedicated official dealing with the management of the website.

The website has been redesigned to be more user friendly and easily accessible.

2.11 Public Satisfaction on Municipal Services

This is in line with the requirement of Section 95 of the Municipal Systems Act, 2000 (Act 32 of 2000 as amended). The municipality has a responsibility to establish mechanisms to ensure that the users of services and ratepayers to give feedback to the municipality or other service provider regarding the quality of the services and the performance of the service provider.

For the year under review, mechanisms in the form of Project Steering Committees, Rate Payers Association meetings were established to ensure that the users of services and ratepayers have a platform to report on the quality of services provided to them.

The Municipality did not receive any allocation from The Department of Energy for 2017/2018 to 2019/2020 financial years. The plan has been submitted to Eskom and Department of Energy for support

3.2.4 Solid Waste Management

The Municipality developed the Integrated Waste Management Plan which was adopted by Council on the 27 October 2016 and endorsed by DEDEAT on the 16 June 2017 and was further endorsed by Department of Cooperative Governance and Traditional Affairs. IWMP Implementation Program seeking to outline the strategies, recommendations that is commensurate with available resources was developed and subsequently implemented. The Waste Management Unit is staffed with a Manager: Waste & Environmental Management, Superintendent: Waste & Environment, three supervisors, landfill site operators and street cleansing personnel. The Director Community Services has been formally designated as the Waste Management Officer in terms of section 10 of the Waste Act 59 of 2008.

Lack of funds for the implementation of the IWMP has necessitated the waste management section to continuously source funds and resources externally. The solid waste management unit is functioning effectively and aspiring to subscribe to the eight goals of the National Waste Management Strategy encompassing Waste Collection, Street Cleaning, transportation, disposal of solid waste management, landfill site management awareness raising, recycling, job recreation and support to SMME's.

3.3 Water Provision

Refer to Annual Report of the Chis Hani District Municipality

3.3 Sanitation

Refer to Annual Report of the Chis Hani District Municipality

INFRASTRUCTURE SERVICES REPAIRS AND MAINTENANCE

3.4 Electricity

3.4. Introduction to Electricity – Electricity and Energy Supply Sources

Eskom is responsible for providing electricity services in the Emalahleni jurisdictional areas especially to the business communities. The entire Lady Frere area is supplied by Eskom. In Dordrecht, the municipality supplies electricity to Dordrecht town, Tyoksville. Eskom distributes electricity to Sinako and Munnickville. In Indwe the municipality supplies electricity to Indwe town, Sonwabile township and Phumlani township. Eskom distributes to Mavuya, Mzamomhle and Manyano townships. The municipality's role is currently to facilitate the implementation and communicate with Eskom regarding areas of priority for connections while also assisting with household provision via brokerage for prepaid system.

Electricity service is currently provided to portions of 8 wards only. Eskom has planning in place to develop their network ultimately to all areas of Emalahleni. The following problems are constraining the development of the network:

- The high capital costs and operating costs and therefore affordability of connections to individual households and business premises. There are a large number of existing connections to dwellings which are not operating due to inability to pay monthly charges, or to top-up pre-paid meters.
- Theft of copper cables and vandalism of Eskom installations. Eskom has a public information programme in place to educate and thereby reduce / eliminate this practice.

Alignment of Eskom planning with Emalahleni Municipality for both the expansion and the positioning of new sy

However, anecdotal observations indicate that business connection backlogs are relatively low.

3.4.1 ELECTRICITY BACKLOGS - EMALAHLENI EXTENSION

Estimated Financial Year	Project name	Est. Total no. of Connections	Est. no. of connections in 2009/2010	Est. no. of connections in 2010/2011	Est. no. of connections in 2011/2012	Est. no. of connections in 2012/2013	Est. no. of connections in 2013/2014	Est. balance of connections in 2014/2015	Est. no. of connections in 2015/2016	Est. no. of connections in 2016/2017
2009/2010/2011/2012/2013	Lady Frere 8A-1	3,027	1,000	1,152	600	342	250	714	0	
2009/2010/2011/2012/2013	Lady Frere 8B-1	3,267	918	1,044	0	450	1,000	305	0	
2014/2015/2016	Emalahleni Extensions	1,337	0	0		0	200	1,137	622	
	Total backlog	8,344	1,918	4,114	600	792	1,450	2,156	622	

3.4.2 Electricity Services Delivery Strategy and Main Role-Players

Emalahleni Local Municipality is the main electricity provider within the Dordrecht and Indwe areas. This represents the licensed area where this municipality is required to provide an electricity service.

Success has been experienced in respect of the Turnkey Project which is currently 100% complete (relating to Electrification of Bhomeni and Jojweni). This specific project was undertaken in order to provide electricity and electrical services to the consumers within the Eskom area. Required funding for the creation of related infrastructure was made available from the Department of Energy and it was required that Eskom would connect the required electricity. In order to move towards project implementation, Emalahleni Local Municipality was required to appoint a suitable service provider and a contractor to complete this job.

3.4.3 Level and Standards in Electricity Services

While it is acknowledged that electrification in the urban areas meets required standards, this is not the case in the rural areas. In attempting to meet the required level and standards of Electricity Services an integrated approach is being utilized by both Eskom and internal projects with regard to the electrification of villages. The Turnkey Project continues to assist in ensuring that the Eskom delays are resolved timeously and that progress towards meeting annual objectives are met.

3.4.4 Annual Performance as per Key Performance Indicators in Electricity Services

The manner in which service delivery is provided within Emalahleni Municipality will be reflected in terms of the functions below:

(a) Electricity and Street Lighting

- Electricity provision within Emalahleni Municipality is required to be provided to the towns of Indwe and Dordrecht. Eskom supplies electricity to Lady Frere and the surrounding villages and in the

- Application of electricity distribution license
- Electricity losses are experienced at around 26%;
- Due to the extremely high operating and capital costs, the affordability of connections to individual households and businesses is severely compromised. Currently the inability of residents to pay for connections and electricity has resulted in many connections being "cut off" / or not operating (as with pre-paid meters) due to the inability to meet monthly payments/commitments;
- Copper cables continue to be stolen and Eskom installations are being vandalized. This has proven to be very tedious and expensive and clearly affects the electricity availability (uptime);
- A shortfall of funding has been experienced due to the reduction of the electrification budget by the Department of Minerals and Energy (DME). Emalahleni Local Municipality is working really hard to resolve this financial shortfall, which has ramifications for both operational and capital issues. Projects will be required to be re-worked in order to ensure that they are aligned to Eskom.
- Efforts to expand and to upgrade the mainline will require greater coordination between both parties to ensure that this is achieved successfully.
- Efforts to utilize alternative sources of energy are still underway. While solar systems have not yet gained popularity, paraffin is largely used by over 38% of households in both rural and urban areas.

Achievements in Electrical Services in 2017/2018 to 2019/20

- 22% reduction in electricity losses in the year under review
- Electrification of 363 households in Noluthando Village(114), Helushe village (176) and Sokolani village (73) –ward 05,06 and 13 respectively.
- Business Plan for alternative energy developed and submitted to Department of Energy in October 2017, ELM was not funded only 33 municipalities funded
- 27 Solar Street Light in Lady Frere and 27 Solar Street Lights in Dordrecht have been erected

3.5 Waste Management (this section to include: refuse collections, waste disposal, street cleaning and recycling)

3.5.1 Introduction to Waste Management Services

Waste Management is the collective processes and actions of dealing with different waste streams from production, collection, transportation up to the final stages which include recycling, reuse or landfilling. It has various wings that deal with education and awareness raising, job creation, law enforcement and environmental protection as set out in section 24 of the constitution.

Cleansing

The Municipality conducts street cleaning on a daily basis concentrating on the CBD and adjoining streets in all three towns. The main specific attention is given to street litter bins along the main street. Shift Hours have been agreed to with the Cleansing Teams in order to improve cleanliness in the area and maximise operations before the towns are crowded with Vehicles and People.

Dedicated teams have managed to eradicate more than 90 Illegal Dumping Sites and conducted clean ups in townships and the urban edges.

Refuse Collection

Refuse Collection is rendered to 7 992 Households once per week across the three towns including Main Town Houses and Townships. Approximately 100 % of the urban households receive refuse collection in Lady Frere, Dordrecht and Indwe. The service has also been extended to accommodate two townships of Lady Frere which were previously not serviced (Bhongolwethu and Zakhele

The Municipality is in possession of an Integrated Waste Management Plan (IWMP) that was adopted by Council in 2016 and endorsed by the MEC: DEDEAT in 2017. The IWMP outlines focal areas for short term and long-term objectives in order to improve the Waste Management Function and move towards compliance with Legislation. The key focus areas of IWMP include the following

- To improve the waste collection and disposal infrastructure of the municipality
- To improve the institutional arrangement and human resources for effective execution of the waste management service
- Ensure increase of revenue for waste management in order to sustain the function within the local municipality
- To effectively contain the illegal dumping of waste in various hotspots within the municipality
- To ensure improvement in information dissemination and disposal information for effective management of the waste function

The Municipality also has Waste Management By-Laws in place but has been lacking in enforcing the By-Laws.

The Legislation also requires us to Register and Report waste data (Volumes of waste going to landfill sites) on the SAWIC web portal. We are registered and have started with reporting. Challenges with Login in to the portal have made it difficult to be consistent on reporting.

Human Resources

The Waste Management Section has a Manager, Superintendent, 3 Supervisors, Drivers and General Workers. Position for Permanent Supervisors for Indwe and Dordrecht have been advertised and will be filled in the beginning of the next financial year.

Waste Management Fleet

The municipality is in possession of the following Fleet

REL Compactor Truck	x 1
LWB	x 1
LDV	x 2
Tractor and Trailers	x 5

Projects

DEDEAT Funded Waste Project –

The Municipality managed to source funding for Waste Management from the Provincial Department; DEDEAT. Total amount was R3 000 000.00 and the Project has the following objectives

- Job Creation - a total of 120 Jobs opportunities were created.
- SMME Support - 3 SMMEs were appointed to conduct refuse collection in Townships
- Separation at Source - a Pilot Study was conducted at Indwe with a sample of 100 households
- Construction of MRF - Designs have been finalised and Construction is set for 2019/2020

Project Hlasela

The Municipality also continued with its Project Hlasela which is aimed at Eradicating Illegal Dumping Sites and Cleansing of open spaces. The Project is in its 3rd year and 2019/2020 it has created 16 Job Opportunities across the three towns

Waste Management Challenges:

- Unavailability of fleet to ensure compliance of landfill sites
- Insufficient budget for rehabilitation of landfill sites

3.6.1 Building Control

This unit remains responsible for the development of the local built environment, through the following activities:

- Public education, promoting compliance with National Building Regulations and Agreement Certificates (Rural Areas), as well as effecting compliance with the Housing Consumer Protection Measures Act (All houses are built by NHBRC registered Contractors;
- Development of Appropriate Building Technology suitable for areas where the national Building Regulations are not applicable;

- Quality control of House construction in Housing Projects;
- Municipal assets maintenance including municipal buildings, dipping tanks, disaster houses etc.;
- Quality Control of all other private and public building developments;
- Manages demolishing and building permit system throughout Emalahleni **Local Municipality area**;
- Monitoring and encroachment control in the Emalahleni Local Municipality urban area;
- Monitoring and signage control on the Emalahleni Local Municipality urban area;

TOWNS	NUMBER OF BUILDING PLANS APPROVED	NUMBER OF SIGNAGES APPROVED
Lady Frere	13	1
Indwe	12	0
Dordrecht	5	0
Total	30	1

3.6.2 Housing and Town Planning Services Delivery Strategy and Main Role Players

This Housing Sector Plan has been reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation.

The methodology used to review the HSP consisted of the review of the current IDP, HSP, SDF and other relevant chapters of the IDP and sectoral plans. In addition to this, a desktop analysis was undertaken to better understand the demand for housing.

3.6.3 Housing

(1) Dordrecht Phase 1 and 2

Dordrecht phase 1 & 2 is made up of 2000 units. Phase 1 was completed in the year 2000 and phase 2 in 2002. On phase 1 we transferred 985 units and on phase 2 we transferred 886. The outstanding transfers are held up by land issues administration issues. Dordrecht phase 1 & 2 is under rectification. 550 units have been completed.

(2) Sinako Zwelethemba 289

A feasibility study was done. 269 beneficiary applications have been approved. Formalisation of a small section of the old Sinakho township, erf 879 completed and the project is under construction.

(3) Mavuya 462

- This project is under construction.
- 326 beneficiaries have been approved.
- This is an INSITU project.
- We are busy with the survey of individual plots to assess space.

(4) Lady Frere 700

The report is unclear on any linkage with the government's land reform programme. If the housing programme is to reach a large proportion of the population in the municipality, and probably those households with the lowest incomes, it is important that there is a specific rural analysis and rural housing strategy.

It is therefore suggested that a housing waiting list system (specifically targeted in rural areas) need to be set up whereby a database of potential beneficiaries and residents of informal settlements is established and kept up to date. These databases are important management tools for managing housing development and the eradication of backlogs. This necessitates an in-depth analysis of the exact housing demand in these areas.

The Emalahleni Municipality has not been granted developer status with respect to the delivery of housing in its area of jurisdiction. It relies on the Province to carry out a significant part of the responsibilities related to housing development. The Municipality does not have a Housing Department and The Directorate for Land and Housing is responsible for managing Housing within Emalahleni Municipality. It is important that there is clarity on the respective roles and responsibilities between the province and the municipality.

This will require a clear joint plan of action involving the local municipality, district municipality and province that is regulated through an MOU. To the extent that it is considered important for the municipality to play a role in parts of the housing process, it is critical that a plan is put in place to build the necessary capacity in the municipality and to enlist the assistance of the District Municipality to assist the Municipality effectively to undertake these responsibilities. Given the very limited capacity in the municipality for planning and implementing housing it is crucial that the municipality engages in partnerships with other relevant agents who can assist it in its planning and delivery.

Priority should focus on strengthening the relationship between the internal sections within the municipality and with the provincial DoHS, the regional Department of Rural development & Land Reform as well as agencies and NGOs working in the rural parts of the municipality. Another issue that hampers the development process is the current ownership pattern. At present, ownership of land in the urban areas and former RSA areas is held by freehold Title Deeds but in the rural areas the most common form of tenure is the communal land tenure system.

The Emalahleni municipality has no clear housing vision or set objectives with regards to housing delivery. In order to harness all stakeholders towards a common goal, it is imperative that the vision and objectives are clearly defined. Development strategies provide the most practical way of providing solutions to the identified problems. Such strategies are a link between problems and the desired housing development objectives. Housing development strategies are preceded by guiding principles enshrined in the housing policy and legislation. They are also preceded by a housing vision and objectives. It is therefore suggested that an action plan be drafted that clearly defines the vision and objectives of the municipalities.

The Municipality with the involvement of the province plans housing projects. All layouts are submitted to sector Departments for comment regarding the adequate provision for social, community and educational facilities. It has not been possible to determine how the Sector Departments integrate their plans with housing delivery. The issue of cross-sectoral alignment needs to be addressed. It is therefore critical that the sector departments and housing sector plans should be aligned with the IDP for the municipal area.

The present planning is badly inhibited by the lack of a properly developed and maintained database on the demand and the linkage to projects that are planned and or implemented to tackle this. Often the information is sparse, or it is held in different formats in different locations both within the municipality and outside of it. A more integrated system is required.

Arising from the above, a number of projects are proposed. These will be discussed in the subsequent section.

3.7.4.3 Review of Housing Vision

The overall vision of Emalahleni Municipality states as follows: "A municipality that delivers sustainable and affordable services towards socio-economic growth and development"

- (13) To develop the internal organisation to meet the municipal housing mandate and level 1 accreditation. The proposed structure has to include a housing manager to undertake strategic planning and performance management and a technical resource to ensure the projects are managed and administrative staff to undertake beneficiary administration.
- (14) Procurement of required office infrastructure and resources to fulfil housing mandate, this must include the installation and implementation of the project tracking tool.
- (15) To formalise the required institutional structures to support the Municipality in meeting its housing delivery targets
- (16) Strengthen internal and external partnerships required by the municipality to plan, facilitate, and where relevant implement, the necessary housing development to meet the demand in the area.

3.7.4.4 Integration

Cross-sector alignment issues

Very little cross sectoral integration within IDP and other sector plans. There is a need focus on integration in future review of all sector plan within the Municipality.

Housing planning and delivery risk management matters

RISK	RISK MITIGATION
Poor information and analysis on need and demand for proper planning	Undertake Housing Demand Survey / Housing Voice Ensure project pipeline is applied identify aspects of existing and planned projects that need to be covered
Poor capacity within the municipality	Ensure clear allocation of responsibilities Identify areas requiring capacity Identify strategic partners Review organogram and skills plan based on in-house responsibilities
Lack of properly structured co-operation between the municipality and the province	Submit formal requests for partnering / training / mentoring Establish SLA for on-going support
Difficulty of resolving the secure tenure issues in the communal areas.	Follow provisions of IPILRA Establish partnership between DRDLR
Lack of proper control and management of the 12 started projects	Obtain PRT information Integrate with Project Pipeline Ensure PRT/DHS officials communicate with LM

3.7.4.5 GAP ANALYSIS

GAPS REQUIRED FILLING

The following Table outlines the key gaps that require filling to substantially strengthen the possibility of an implementable strategy for this housing chapter

GAPS TO ADDRESS	MODE
Establishment of the real nature of need and demand including better analysis of the interaction and separation of tenure security, basic infrastructure and top structure.	Research on the baseline documents including Provincial MTEF, land reform stats and basic infrastructure information + discussion with municipalities on summarised information
Development of rural housing strategy that does not just use global guesstimates.	Using the information from above and then linking this to specific priority geographical areas that can have more inte

3.7.4.8 Land Requirements and Availability in Lady Frere

The Emalahleni SDF 2012-2017 that was reviewed in 2018 identifies approximately 152Ha of land to the south of the R396 to Queenstown to accommodate the extension to Cacadu Extension upgrading of existing informal settlement and future residential expansion as shown on Figure 10 below. The area has since been full with residential properties and is has been formalised through a township establishment exercise that was done and is in the process of being registered with the Deeds office in order to have erf numbers for all erven.

Land Requirements and Availability in Indwe

The Emalahleni SDF has identified approximately 58Hectares for possible future growth as an extension to Mzomomhle Township. The amount of land is limited by gradient and fact that part of the land falls away from the catchment area for the existing treatment works as shown on Figure below.

3.7.4.9 Land Requirements and Availability in Dordrecht

The SDF has identified approximately 45Ha of land required for housing development on both sides of the R56 with good visibility and access, close to the CBD and adjacent to the existing township of Munnikville as set out on Figure below

The following figure shows the land reform and settlement plan for the municipality

Land Reform and Settlement Plan

3.7.4.10 Land Ownership and Supply

(1) General

The Municipality is faced with a high demand for housing and the efforts of keeping up with the perpetual increase in demand are hampered by the challenge that the land identified for housing development does not have bulk infrastructure.

The Municipality on the other hand does not have the housing development status and it becomes a challenge to justify the establishment of a fully-fledged housing unit in order to ensure efficient housing delivery.

A land audit exercise was undertaken by the Municipality and it was clear that the majority of the Emalahleni area is under tribal authority when looking at a broader scale. In the urban centres most erven are privately owned.

(2) Spatial Proposals

The municipality has developed Local Spatial Development Frameworks for Dordrecht, Lady Frere which are still in draft form and Indwe done as part of the Master Plan for Indwe. The spatial proposals are proposed as per the urban edge of each development node. The proposals have various activities as per the needs of residents per town. The Spatial Proposals are as below:

NODE	NAME	ROLE	SPATIAL DEVELOPMENT PRIORITIES
------	------	------	--------------------------------

			<ul style="list-style-type: none"> • Appropriate land use management and Administration: Local land use schemes to be negotiated. • Environmental Management is critical • Community engagement: participatory planning and project programmes
Rural Settlements	ALL OTHER RURAL SETTLEMENT	Providing residents with necessary infrastructure and services	<ul style="list-style-type: none"> • Ensure proper access to higher order nodes to access higher order services and facilities • Ensure necessary basic services, infrastructure and social facilities. • Planned settlement edges for expansion • Environmental Management is critical

(3) Land Potential and Constraints

The major constraint is that the land suitable for housing development has no bulk infrastructure in place.

(4) Town Planning

The town planning section is functional, the office deals with development applications which are processed and approved either by Authorized Official or by the Chris Hani District Planning Tribunal of which the Emalahleni LM is part of. The tribunal and the Authorized Official are guided by the Spatial Planning and Land Use Management Act 16 of 2013, however, the two legislations still apply in the municipal area, the Township Ordinance 33 of 1934 in Lady Frere and the Land Use Planning Ordinance 15 of 1985 in Indwe and Dordrecht. Land uses are dominated by residential land uses of which some are informal.

The number of development applications received by the municipality is minimal. Subdivisions, Spatial Consent and Rezoning applications are dominating development applications in the municipality. The section is also trying to have a functional GIS system with the help from the Department of Local Government and Traditional Affairs. Forward Planning is being done successfully as the broad SDF has been currently reviewed and LSDFs in the three towns were done and the municipality has started planning for rural nodes and the rural nodes that were done were Xonxa which was funded by CHDM and Vaalbank, Machubeni and Ndonga, the only outstanding LSDF that has not been done yet is for the Cumakala area.

3.7.4.11 Major Challenges in Housing and Town Planning Services and Remedial Actions

The following challenges and opportunities present themselves:

- Most of the existing housing stock within the urban centres are now falling down due to the lack of maintenance;

subsidisation of full refuse charge and 50 kWh of electricity. Water and sanitation is provided by the District municipality.

The table below reflects the numbers of indigents subsidised for the 2015/16 and 2016/17 financial years

Service Type subsidised	2016/2017	2017/2018	Increase
Refuse collection	2 024	2 046	22
Electricity - Municipality	980	821	-159
Electricity - Eskom	2 928	2 961	33

The number of subsidised households decreased from the 2016/17 to the 2017/18 financial year for those households who receive electricity from the Municipality.

Major challenges still experienced in the implementation are:

- Delays in the signing of application forms by the Ward Councillors and CDW's in some wards.
- Delays in returning the signed forms to the FBS section for capturing on the financial system
These delays further delay the capturing of applications on the financial system for subsidisation and thus delays the benefitting or issuing of subsidy to the approved applicant.
- The number of applicants are still low in some wards when compared to the total outstanding debt. It appears as though some households are still not coming forward to do applications even after awareness campaigns are conducted.

Most customers of the municipality are unemployed and cannot afford to pay for services. Despite the latter, very few customers apply for indigent subsidy.

Component B: Road Transport

3.9 Roads

3.9.1 Introduction to Roads

In order to eliminate the road network backlog an amount of R6 billion is required for a period of three years in the capital budget.

During financial 2019/20 financial year, ELM continued to implement the Bridge and Pavement Management System which outline the Conditional Assessment of the ELM Road Network.

3.9.2 Roads and Storm-Water

The municipality is responsible for the construction, maintenance and upgrading of local access roads and storm-water infrastructure. Other roads are a responsibility of the District, Province, and National department of Transport and SANRAL. ELM has been identified for the assistance by the Municipal Integrated Support Agency to develop an extensive Master plan inclusive of the Roads master plan. Construction of ACCESS roads is done through the MIG Funding and roads maintenance is funded through own revenue.

The entire road network of mainly gravel roads is generally in poor conditions and need upgrading and maintenance. The municipality has established Transport and Roads forums. These forums meet on quarterly basis.

Projects of SANRAL Provincial significance in the Emalahleni area included inter alia:

s roads be combined and funded as one and that every effort be made to continue to source additional funding

Annual Performance as per Key Performance Indicators in Roads and Storm water Services for 2016/17 are reflected as follows:

Project	Status	Comment
3,5 km of roads constructed with paving (Indwe 1km, Lady Frere 1km and Dordrecht 1,5km)	Complete	Project completed as planned
15km of gravel road maintained at ward 11, 13, 14 and 15	Complete	Project completed as planned
Bogo to Marhwayibeni Access Road	Completed	7,5 km Bhoqo to Marhwayibeni access road completed. Project completed and practical certificate issued
Paving of Lady Frere, Indwe and Dordrecht internal roads through EPWP	Completed	750m of internal streets paved (350m in Lady Frere, 200m in Indwe and 200m in Dordrecht.

Annual Performance as per Key Performance Indicators in Roads and Storm water Services for 2017/18 are reflected as follows:

Project	Status	Comment
3,5 km of roads constructed with paving (Indwe 1km, Lady Frere 1km and Dordrecht 1,5km)	Complete	Project completed as planned
15km of gravel road maintained at ward 5, 6, 7, 8 and 9	Complete	Project completed as planned
Cacadu access road	Completed	6 km access road completed. Project completed and practical certificate issued
Paving of Lady Frere, Indwe and Dordrecht internal roads through EPWP	Completed	415m of internal streets paved (210m in Lady Frere, 205m in Indwe.

Annual Performance as per Key Performance Indicators in Roads and Storm water Services for 2018/19 are reflected as follows:

Project	Status	Comment
3,5 km of roads constructed with paving (Indwe 1km, Lady Frere 1km and Dordrecht 1,5km)	Complete	Project completed as planned
9km of gravel road maintained at ward 5, 1, 7 and 13. Box culvert construction in Ward 17	Not Completed	4km maintained in ward 5, 5km maintained in ward 1, construction of Box culvert not completed.
Cacadu access road	Completed	6 km access road completed. Project completed and practical certificate issued
Paving of Cacadu, Indwe and Dordrecht internal roads through EPWP	Completed	629m of internal streets paved (413m in Cacadu, 216m in Indwe.

Annual Performance as per Key Performance Indicators in Roads and Storm water Services for 2019/20 are reflected as follows:

Project	Status	Comment
roads constructed with paving (Indwe 1km, Lady Frere 1km and Dordrecht 1,5km)	Complete	2,556 km - Project completed as planned

- Bus operators are unhappy about what they see as extremely low subsidies and about the fact that they see themselves as being forced out by government.
- The general condition of buses and taxis is very poor and often not in roadworthy state.
- Commuters are generally unhappy with the services being provided by both taxis and buses.
- Rail services for commuters have been decreased over the years.
- There are taxi ranks in Lady Frere and Dordrecht. The taxi ranks in Lady Frere are being upgraded. The taxi ranks in Dordrecht are not being used at all.
- The role of Bakkies in rural areas is very significant and the approval and /or upgrading of these special category vehicles needs urgent attention. Appropriate road infrastructure and public transport facilities including taxi ranks and bus transport facilities are lacking.

(3) Development Corridors of Importance

Development Corridors are defined as roads of significance at Municipal or Local Level that:

- Facilitate movement of people and goods to and from an area
- Link places in the Municipal area to other places of significance (i.e. markets, places of work or social/economic opportunity)
- Create a focus for activity (e.g. Tourism)

The following Corridors are defined for Emalahleni: -

TYPE	AREA/DESCRIPTION LOCALITY	OF	FUNCTION
Mobility Routes	R393 (Queenstown –Lady Frere – Cala) R392 (Dordrecht – Queenstown) R56 (N6 – Dordrecht –Indwe –Elliot)		These routes carry passing traffic and provide access between local areas in Emalahleni and centres further a field. <i>Spatial Planning Priority is to manage settlement development along the Primary and Secondary Movement corridors to mitigate impacts of settlement on road</i>
Municipal Activity/ Corridor	Link Vaal Banks –Lady Frere Lady Frere –Xonxa –R61 Lady Frere – Machubeni –Indwe Lady Frere –Zingqolweni		Linking areas of development potential to Movement Corridors and Urban centres
Development Corridor	North -East Corridor		Corridor of district and municipal-level economic importance
Special Routes (Tourism)	Farm-stay Route (Queenstown – Dordrecht- Indwe – Lady Frere – Queenstown) Liberation Route (R393)		These routes are of importance at Local Municipal and District scale in respect of the need to formulate a product-unique marketing campaign to encourage local and foreign tourism in the area.

(4) Major Successes

The following are considered major successes for the municipality to ensure law and order in our towns:

- Upgrading of Lady Frere Sport field by 2016
- Development of four (4) community halls by 2015 to date
- Development of Municipal Council Chambers
- Establishment of the Registration and Licensing Authority for Cacadu

In line with the requirements of the Local Government: Municipal Systems Act, municipalities are required to develop a strategic plan to be implemented over a period of five years, in line with each term of Council. That strategic plan is referred to as the integrated development plan.

As per the requirement mentioned above; in 2016, the municipality developed and approved an IDP for the 2017 – 2022 which is in line with the current term of Council. The plan gets to be reviewed on an annual basis so as to ensure that the plan remains relevant to the needs of the municipal community. This was the second review of the 2017 / 2022 strategic plan. Legislatively, the development and implementation of the IDP is assigned to the Mayor and ultimately the Accounting Officer. Operationally, according to the institutional arrangements, the municipality established a unit in the Planning, Economic Development, Tourism and Agriculture directorate to coordinate the development and review of the municipality's IDP, manage and monitor its implementation, as well as reporting.

The municipality developed a framework, containing information and guidance on the how the processes of the IDP reviews would be conducted, identification of stakeholders and their role in the review process.

During the second review of the IDP, a series of meetings were held, in the form of representative forums and roadshows to review and confirm community needs. Sector departments were also awarded an opportunity to present programmes and projects to be implemented in the municipal area. Participation of Sector Departments in the form of representation in IDP meetings and platforms has remarkable improved. This was done to ensure community involvement in the municipal affairs, even more so in the development planning area.

3.13 Local Economic Development

3.13.1 Introduction to Local Economic Development

The focus of the Department has been to support and promote entrepreneurship, facilitate trade and attract investment and market Emalahleni Local Municipality as a tourism destination. In delivering this mandate of Local Economic Development, ELM has partnered with institutions involved economic development e.g. Chris Hani District Municipality, ELM farming community, SMME's operating in ELM, Eastern Cape Development Corporation, Eastern Cape Rural Development Agency, Chris Hani Development Agency, Department of Economic Development and Environmental Affairs and Tourism, Chris Hani Cooperative Development Centre, Department of Rural Development and Agrarian Reform, Department of Social Development, Small Enterprise Development Agency, Department of Sports Recreation Arts and Culture, National Department of Tourism, Department of Small Business Development and Rhodes University (GEF5 Sustainable Land Management Project).

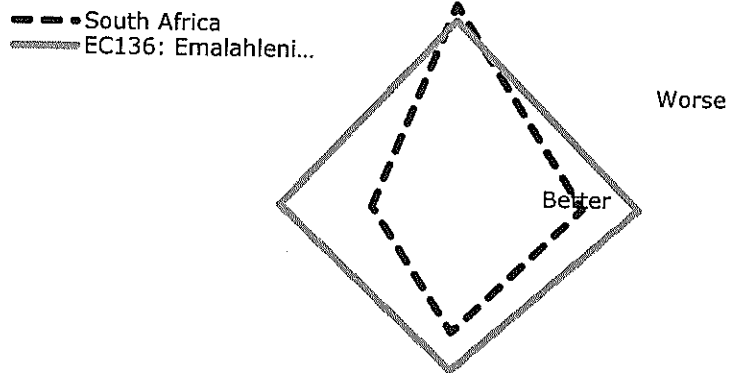
The Department has placed increased emphasis on the following programmatic activities: Agriculture and Rural Development; Tourism Development and Promotion; SMME Development; and Trade and Investment.

The department has reviewed and implemented various sector plans to inform its strategic planning process. The plans are to ensure that the municipality' approach to key sectors is strategic, with clear, well defined interventions.

In terms of both medium- and long-term planning, the municipality is implementing the LED Strategy. This process will assist the municipality with its long-term planning and visioning. Industry stakeholders remain an integral part of driving economic development, thus the municipality has implemented various programmes in partnership with industry. In the year under review various forums have been established and are functioning i.e. Business Forum, Local Tourism Organization, Wool Growers Forum, Agricultural Stakeholders Forum and Rural Agro-Finance Industry. These forums meet from time to time to discuss and input in Council initiatives and they are a strong linkage between the municipality and industry.

The Planning and Economic Development Director is coordinating a high level engagement between SMME's and established business and the municipality. These forums are an Economic Advisory Forum and made up of

Total Development Diamond EC136: Emalahleni Local Municipality, 2008



Source: IHS Global Insight Regional eXplorer version 459

Increase employment and stimulate economic growth through the Economic Development & Empowerment Strategies by:

- Promotion and development of Small, Medium and Micro Enterprises. (SMME's) with focus on PDI's. ELM targets to ensure up-skilling and training of 50% of all SMMEs (in its database) by 2019
- Regulations, by-laws and Council policies should promote and encourage business investment and local labour incentives
- Promote and stimulate the opportunities for Public \ Private Partnerships (PPP's) for infrastructure and service delivery.
- Stimulate economic growth and business development through incentives for business retention, expansion and attraction
- Encourage human resource development through existing and future projects and community organisations
- Promote and market the local area through tourism organisations, customer services and establishment of on-going linkages with other regional economic development)
- Promote local business support and spending
- Promote beneficiation of local products and raw materials
- Allocate responsibility to various role players within Council
- Investigate and identify all relevant role-players to add value, assistance and funding
- Participate in national programmes – ensure that the community is exposed to all initiatives and encourage them to participate. Assist communities with access to programmes and funds
- Co-ordinate employment initiatives through Expanded Public Works Programme and Supply chain processes
- Strive to access all forms of funding and support
- Facilitating and encouraging the registration of informal businesses to formal SMMEs
- Maintain and provide tourism facilities and support
- Engage in active marketing on a local and regional level in tourism
- Facilitate formalization of Tourism structures (Local Tourism Organisations)
- Encourage capacity building, development and training of LTOs
- Conducting of heritage awareness, event and support heritage programme with DSRAC
- Funding of wool production infrastructure
- Facilitate funding for large livestock marketing infrastructure

- Irrigation potential of a further 5500 hectares at the Xonxa and Guba Farm

(2) Mining

The Municipality has over the past decade been investigating ways and means to extract the benefit and maximum value from the coal resources found within its jurisdiction. Coal mining has largely been an untapped resource with the potential to contribute to the economic growth and job creation within the area, if developed. The Municipality together with the Provincial Department of Economic Affairs and the National Department of Minerals and Energy have set in motion a process to develop this resource which is finally yielding results.

Elitheni Coal Mining Company from Port Elizabeth has been granted mining rights to mine coal in the area for a period of more than thirty years. Already some results have been the development of road construction in the area to be mined and the development and construction of infrastructure required for the mining development. In order for the mine to operate at bigger scale 13 kilometres of roads from Indwe town to the mining area and 14 kilometres from mining area to Mhlanga siding needs to be surfaced with tar. The railway line between Indwe and Molteno town needs to be rehabilitated.

The roads that are connecting Indwe via Machubeni, the road between Indwe Port and Indwe via Cegceyana need to be surfaced with tar for the purpose transport mobility that will result increase of economic activities. The road between Lady Frere and Dordrecht via Qoqodala, Vaalbank and Bankies needs maximum attention in terms of maintenance in order to accommodate the anticipated traffic volume that will increase due to mining existence. Elitheni Coal Mine is on temporary closure due in fighting between the directors of the Mining Company. The Municipality is engaging the Premier's Office for intervention in the Mine.

A Master Plan has been developed by the Municipality to cover the integration of the development and linking the mine development to the entire economic growth of this area. The LED strategy provides guidance on how to address and develop this sector.

Small-scale excavation mining is occurring near local rivers with ad hoc mining of sand for building and brick making purposes by individuals and/or operators without permit. The lack of regulation of this activity poses an environmental threat. There is a great need for the Municipality, with the assistance of DEAT and DME, to develop a functional by-law to regulate and manage this activity to protect the environment from damage.

(3) Tourism

The scope for the development of the Local tourism sector within the Municipal area is vast. The areas that have been identified with potential for tourism development include but are not limited to:

- Aqua sport linked to existing Dams (Xonxa & Lubisi)
- Cultural tourism linked to the Liberation and Heritage Route
- Craft produce
- Rock art promotion and beneficiation
- Museum – Dordrecht
- Accommodation and fast food outlets
- Waterfalls in Bhozwana
- Mountains
- Resorts and Cultural Villages

Currently there are a limited number of existing tourist attractions within the area such as the Indwe Resort with accommodation facilities and the Kloof (A viewing point) in Dordrecht which was extensively damaged and destroyed by the dam wall collapsing.

There are areas where Bushmen paintings exist which have the potential to be developed into tourist attractions. Trout fishing trails and mountain bike races have also become recent tourist attractions. The Dordrecht Festival

potential and convert it into economic benefits a dedicated investment framework must be developed to deal with issues of skills development, attraction of investments, concessions and partnership development.

The Municipality can initially, in close collaboration with partners such as ECDC, IDT and Trade and Industry department, identify and target small scale manufacturing initiatives such as recycling, brick making, wool processing and fruit juice production to develop this sector in the area. The upliftment and improvement of this sector would ensure a positive impact in terms of its contribution to the GDP and employment. The impact on the economy would be marked with the resultant benefit impacting on and accruing to large numbers of families. The Municipality has initiated the first steps to develop this area by identifying Ibuyambo Sorghum Cooperative as a partner.

An application for funding from Thina Sinakho was submitted and R3 4 000 000.00 was approved to develop and establish a Grain Mill that will be a mechanism to develop grain production in the form of sorghum. Emalahleni Local Municipality, Chris Hani District Municipality and Department of Agriculture currently known as Department of Rural Development and Agrarian Reform and Department of Economic Development and Environmental Affairs and Tourism also funded Ibuyambo. The funding from all these stakeholders has been exhausted. In 2014 Eastern Cape Rural Development Agency presented a funding of R 46 million for 3 years (70%, 20% and 10% in the last quarter) for Emalahleni RED Hub Project which is a pilot initiative in the Emalahleni Area with the intentions of mobilizing the Emalahleni communities in linking primary agricultural production to agro-processing.

3.13.6 HUMAN DEVELOPMENT INDEX (HDI)

The Human development index is a useful indicator of the levels of development, vulnerability to poverty and lifestyles in an economy. It provides a composite assessment of development factors such as levels of literacy combined with incomes and poverty. It is often measured as a number ranging between 0 and 1 with 1 representing a high level of development with people enjoying good education, better health and lifestyles choices.

Emalahleni has an HDI of 0.39 which is lower than that of the district which is at 0.44. The local populace does not enjoy high lifestyles and lag behind in terms of levels of literacy. It is estimated that a mere 43% of our population is functionally literate (i.e. Age 20+ who have attained a grade 7 education or higher). Poverty is widespread, especially in the rural areas with an estimated 1939 (Global Insight) people living below the threshold of 1\$ per day. In order to avert this situation, the partnerships for poverty alleviation with other government agencies like Social Development, SASSA and the District Municipality must be developed and strengthened to address this aspect and ensure the upliftment of the populace.

3.13.7 ACHIEVEMENTS OF 2019/2020

Key achievements during the 2019/20 financial year include the following:

In the year under review Emalahleni Local Municipality has implemented the following programmes:

Tourism Development and Heritage Management

(1) Tourism

The Tourism Development and Heritage Management unit conducted four (4) Tourism roadshows in all three towns of Emalahleni, 2 in Cacadu (Lady frere), 1 Dordrecht and 1 Indwe. Four (4) tourism establishment grading sessions were facilitated in 2Cacadu,1 Dordrecht and 1Indwe. 1 heritage event conducted at AbaThembu Calabash, this was done with Department of Sport Recreation Arts and Culture. Marketing of Emalahleni was conducted by DSRAC by assisted Tsembeyi Cultural group and Emalahleni Arts & Craft Centre to Grahamstown festival by transporting and accommodating them. Facilitated funding for Emalahleni Arts & Craft Centre from Eastern Cape Parks & Tourism, also facilitated funding from Chris Hani District Municipality. Facilitated formalization of Local Tourism Organisation.

8.1 Comment on Skills Development and Related Expenditure and on the Financial Competency Regulations

The HRD strategy was developed and approved for implementation in December 2015. The following projects are in the strategy and are implemented:

1. Workplace Skills Plan (WSP) training programmes
2. In-service Training
3. Learnerships
4. Internal Bursaries

MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS

SIX MONTHLY IMPLEMENTATION REPORT: SCHEDULE

Every municipality must submit this schedule to National Treasury disclosing for the 6 months ending 31 December and 30 June 2020:

1. the total number of financial and supply chain management officials employed by the municipality and each of its municipal entities, and of those officials;
2. how many have undertaken a competency assessment, and
3. how many have complying performance agreements, including the attainment of competencies as a performance target.
4. Should you wish to provide additional information please include comments in the box below or forward a separate letter to the

National Treasury MFMA Implementation Unit, Private Bag X115, Pretoria, 0001.

The schedule must be submitted no later than one month after the 6 month period end (i.e.30 January and 30 July). No extension of time will be given. This information must also be reflected in the municipality's Annual Report as at the end of the financial year to which the report relates. A municipal entity must submit its information to the parent municipality no later than 20 January and 20 July and also reflect this in its own Annual Report.

To save the file press the following keys at the same time with Caps Lock off: Ctrl-Shift-S. Save file as: Muncode_COM_ccyy_Sn.xls (e.g. GT411_COM_2008_S1.xls)

The electronic return must be emailed to lgdatabase@treasury.gov.za.

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.

Municipal Manager/ CFO name:	Mr. X Sikobi	Email:	sikobix@emalahleni.m.gov.za								
Telephone:	047 878 2000	Date (ccyy/mm/dd):	2020/06/30								
Mun Code:	EC136	Municipality Name:	Emalahleni (Ec)								
Financial Year:	2019/2020	Six Month Period:	S2 Jan - June								
Description	<table border="1"> <tr> <td>A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))</td> <td>B. Total number of officials employed by municipal entities</td> <td>Consolidated: Total of A and B</td> <td>Consolidated: Competency assessments completed for A and B (Regulation)</td> <td>Consolidated: Total number of officials whose performance agreement s comply</td> <td>Consolidated: Total number of officials that meet prescribed competency levels</td> </tr> </table>	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation)	Consolidated: Total number of officials whose performance agreement s comply	Consolidated: Total number of officials that meet prescribed competency levels				
A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation)	Consolidated: Total number of officials whose performance agreement s comply	Consolidated: Total number of officials that meet prescribed competency levels						

Other two programmes could not be implemented due to COVID-19 Lockdown regulations that prohibits huge gatherings in one venue.

4.8 Skills Development and Training

Tractor-FTS-128-EC	Community Services	Good condition	8	
Tractor-CKM-266-EC	Community Services	Last used in July 2018. Have major problems.	52	
Grader-DFG-421-EC	IDHS	Have not been in use since November 2017. There is a problem with an engine. Delay is due to financial constraints.	15	Its has reached its life span therefore it is recommended that it should be auctioned
TLB-loader-DDX-995-EC	IDHS	Good Condition	15	
Wc-truck-DFD-935 -EC	IDHS	Need batteries	16	It still in good condition
T/truck-DFD-932-EC	IDHS	Not in good condition and it is consuming a lot of money for repairs.	15	Recommended for auction
Roller	IDHS	Has not been used since June 2018. Has a problem preventing its movement. It need a lot of money to be fixed and there is no budget	4	
Roller Bomag	IDHS	Has not been used since June 2017. Has a problem with vibrator. It has not been prioritised due to the fact that another alternative of roller was used	4	When fixed it should be placed to one of the Satellite Offices.
Excavator	IDHS	Good working condition	4	
Pad foot roller	IDHS	Good working condition	4	
T/truck -HFT-991-EC	IDHS	Need batteries	6	
w/c truck-HGB-926-EC	IDHS	Need electricity repairs	6	
TLB HVK 291EC	IDHS	Has not been used since June 2018, was burn during protests. Insurance has made pay out amounting to R590 000.00	4	
TLB HVK 292 EC	IDHS	Has not been in use since February 2019. Has a problem with the engine.	4	
T/truck-HFT-986-EC	IDHS	Good Condition	5	
Grader HVK 293	IDHS	Has not been used May 2019, Have electrical faults and it could not	4	

Development and Human Settlement of which one was repossessed, One (1) was written off and 1 for Planning Economic Development, Tourism and Agriculture.

There are sixteen (16) Plant Machinery and one was burnt during community protests nine (9) Trailers.

There are seven (5) accidents and 2 incidents of tyre theft reported for 2019/2020 financial year.

Middle Management Level (Finance Posts)	17		
Highly Skilled Supervisors (excluding Finance Posts)	3	0	0%
Highly Skilled Supervisors (Finance Posts)	44	21	50%
	10	0	0%
Total	123	53	

Component B: Managing the Municipal Workforce

1.2 Introduction to Municipal Workforce

Workforce management is a core function of each line manager in municipality. In order to ensure reasonable standardisation and consistency in the handling of the workforce, disciplinary procedures and conditions of service are developed at a central level by the National and Provincial divisions of the South African Local Government Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU and are then implemented by line management. Conditions of service of senior managers are based up on the regulations promulgated by the Minister of Cooperative Governance and approved by Council.

In addition to the above, a wide range of policies, procedures and directives are approved by relevant approval authorities after due consultation with stakeholders such as Council, the Municipal Manager and Senior Management. Such policies, procedures and directives are then circulated to all staff for implementation and compliance.

The Human Resources Plan and the Organisational Structure (2017-2022) were developed and approved during 2017/2018 financial year and will be reviewed when need arise until 30 June 2022.

1.3 Occupational Health and Safety (OHS)

During 2019/20 financial year six projects from OHS Strategy were implemented. The following are the projects.

- Implementation of the Occupational Health and Safety Policy
- Coordinating Payment to Workmen's Compensation (compliance with workmen's compensation commissioner and a letter of good standing)
- Operational controls and procedures
- Contractors controls
- Medical Checks
- Personal Protective Equipment (Clothing)

It should be noted that the municipality purchased the Personal Protective Equipment/Clothing during 2019-2020 financial year.



EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
		Develop Investment registers that balances to the general ledger and bank statements	Investment registers that balances to the general ledger and bank statements developed and maintained	2018/19 Investment register	Improved internal controls	R 0	Opex	5_60_60.2_P124	investment register that balances to general ledger and bank statement developed and maintained by 30 June 2019	Achieved. The investment register was maintained monthly throughout the year by reconciling it to General Ledger and bank statements and was submitted quarterly.	Investment registers that balances to general ledger and bank statement developed and maintained by 30 June 2020	Achieved. Investment registers that balances to general ledger and bank statement developed and maintained			Investment Register	Budget and Treasury

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
													revenue management efforts within the municipality.	explicit purpose of eliminating billing errors that contribute towards the increase in the outstanding debt. 2. Organize customer outreach program to establish a root cause analysis for the non-payment of municipal property rates and service charges. 3. Conduct monthly revenue enhancement meetings with all directorate		

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
		Payroll	Payroll performed.	12 (2018/19)					balanced to the general ledger by 30 June 2019	(Salary control reconciliations) were prepared and balanced monthly to the General ledger and submitted quarterly for the 2018/19 financial year.	and balanced to the general ledger by 30 June 2020	ns prepared and balanced to the general ledger				
		Pay creditors within 30 days	100% payment of creditors within 30 days	12 Creditors Age Analysis and Unpaid creditors reports for 2018/2019	Improved Compliance with MFMA Legislation and Expenditure	R 0	Opex	5_58_58.2_P119	100% payment of creditors within 30 days as per legislated framework by 30 June 2019	Achieved. The municipality has paid all creditors within the 30 days legislated time frames. The creditor's age analysis could not be submitted in time during the first quarter due to delays in month closures due to mSCOA implementation challenges. Creditors age analysis was submitted in the second, third and	100% payment of creditors within 30 days as per legislated framework by 30 June 2020	Achieved. 100% payment of creditors within 30 days as per legislated framework			12 Creditors ageing and (Unpaid creditors reports for 2019/2020	Budget and Treasury

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020																
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
		Implement the budget and reporting regulation	adjustment budget for the 2019/20 financial year compiled and submitted to Council for approval	2018/19 Adjusted Budget	Improved compliance with the MFMA and Budget and reporting regulations	R 0	Opex	5_57_57.4_P115	Approved 2018/19 budget implemented. Adjustment Budget for the 2018/19 financial year compiled and submitted to Council for approval by 31 May 2019	Achieved. The approved 2018/19 budget was implemented in the first and second quarter. The budget consumption reports were not accurate for the first and second quarter for Directorates to track their expenditure due to system functionality challenges. The adjustment budget was submitted and approved by Council on 28 February 2019 during the third quarter. The adjustment budget was implemented in the fourth quarter.	Approved 2019/20 budget implemented. Adjustment Budget for the 2019/20 financial year compiled and submitted to Council for approval by 28 February 2020	Achieved. Approved 2019/20 budget implemented. Adjustment Budget for the 2019/20 financial year compiled and submitted to Council for approval by 28 February 2020			Council resolution approving the Adjustment Budget for 2019/20	Budget and Treasury

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
		Implement SCM Policy	Percentage of procurement awarded to suppliers within the province	30% of procurement awarded to suppliers within the province	Compliance and alignment with government policy	R 0	Opex	5_56_56.1_P125	30% of procurement awarded to suppliers within the province by 30 June 2019	Achieved. The quarterly reports that reflected the percentage of procurement awarded to suppliers in province was prepared and submitted to council for noting.	30% of procurement awarded to suppliers within the province by 30 June 2020	Achieved. 30% of procurement awarded to suppliers within the province			Quarterly report on the spending to suppliers	Budget and Treasury
Budget and Reporting	To improve compliance and adherence to legislation by June 2020	Develop a comprehensive audit file to support GRAP Compliant Annual Financial Statements	2018/2019 GRAP Compliant Annual Financial Statements developed and submitted to AG by 31 st August 2019	2017/18 Annual Financial Statements	Improved compliance with MFMA legislation	R 0	Opex	5_57_57.1_P112	2017/2018 GRAP compliant Annual Financial Statements developed and submitted to AG by 31 August 2018	Achieved. The 2017/18 GRAP compliant Annual financial statements was prepared and submitted to the Auditor General on 31 August 2018 during the first quarter. Proof of submission filed.	2018/2019 GRAP compliant Annual Financial Statements developed and submitted to AG by 31 August 2019	Achieved. 2018/2019 GRAP compliant Annual Financial Statements developed and submitted to AG by 31 August 2019			Annual Financial Statements 2018/2019 Council Resolution noting readiness of submission, acknowledgement of receipt of AFS by AG	Budget and Treasury
		Respond to all request for information by	Percentage of submission of information requested	2017/2018 RFI Register	Clean Administration	R 0	Opex	5_57_57.2_P113	100% submission of information requested by AG for 2017/2018	Achieved. All information requested by AG in the first, second and third quarter.	100% submission of information requested by AG for	Achieved. 100% submission of information requested			2018/19 and 2019/2020 RFI register	Budget and Treasury

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Municipal Performance Management	To ensure a developmentally oriented planning institution in line with requirements of local government laws and regulations by June 2020	Implement and review the Performance Management Framework, policies and procedures	Number of Annual reports developed, approved by Council and published	Annual Report 2017/2018 developed and approved	Improved service Delivery	R 0	Opex	4_55_55.1_P107	1 Annual Report for 2017/2018 developed, submitted to Council for approval and published by 30 June 2019	Achieved. Draft Annual Report developed and adopted by Council in August 2018, submitted to AG as legislatively required, publicized and adopted by Council with the oversight report in December 2018. Process plan on the development of the 2018/2019 and presented to the PAC in May 2019	1 Annual Report for 2018/2019 developed, submitted to Council for approval and published by 30 June 2020	Achieved. Draft Annual Report was prepared, presented to Council and submitted to AG for compliance on the first quarter (31st Aug 19); final draft annual report was presented to Council for approval in the 2nd quarter as per AAR process plan			Annual Report, Council Resolution on approved annual report	PEDTA
									Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2019	Achieved. Reviewed Performance Management Framework, Policy and Procedure Manual implemented	Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2020	Achieved. Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2020				
			Implementation of Performance Management Framework, Policy and Procedure Manual	Reviewed Performance Management Framework, Policy and Procedure Manual	Improved service Delivery	R 0	Opex	4_55_55.2_P108	Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2019	Achieved. Reviewed Performance Management Framework, Policy and Procedure Manual implemented	Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2020	Achieved. Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2020			Quarterly Reports	PEDTA

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020																
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Integrated Development Planning	To ensure a developmentally oriented planning institution in line with requirements of local government laws and regulations by June 2020	Compliance with the legislated IDP processes and procedures	IDP/PMS and Budget process plan reviewed and implemented	IDP/PMS and Budget Process Plan 2019/2020 developed and approved	Credible IDP	R 0	Opex	4_54_54.1_P105	IDP/PMS & Budget Process Plan 2019/2020 reviewed and implemented by 30 June 2019	Achieved. IDP/PMS & Budget Process Plan 2019/2020 reviewed and implemented	IDP/PMS & Budget Process Plan 2020/2021 reviewed and implemented by 30 June 2020	Achieved. The process plan was adopted by Council in line with the legislative requirements in August 2019. Planned activities, except for public consultations that were scheduled to take place in April were all implemented as per the schedule. Ward meetings were converted to live broadcasts held at the community radio stations			Approved Process Plan, Council Resolution	PEDTA
			updated and maintained.		Labour Relations				maintained by 30 June 2019	maintained by 30 June 2019	by 30 June 2020	and maintained				

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020																
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Special Programmes	To streamline special programmes by ensuring functionality of all special programme's structures by June 2020	Implement the approved Special Programmes Strategy	Number of SPU strategy programs implemented	Approved SPU Strategy	Social Cohesion	R925 999 (R25 000 Children Support Programme, R50 000 Disability Project, R590 000 Field band, R250 000 Mayoral Cup, R0 Nelson Mandela Day, R10 999 Woman's Forum, R0 Youth Council, R0 Youth Development)	Opex	4_52_52.1_P100	8 SPU strategy programs Implemented (Field band Support, Mayor's Cup, Golden Games, Nelson Mandela Day, Women's Golf Day, Day, Disability Day, Youth Day) by 30 June 2019	Not Achieved. Q1 the Nelson Mandela Day and Women's Day was Conducted, Q2 Golf Day Conducted, Q3 Mayoral Cup Tournament and Field Band Carnival could not be supported, and Q4 Golden Games and Mayoral Cup Awards could not be conducted	3 SPU strategy programs Implemented (Golden Games, Nelson Mandela Day and Woman's Day) by 30 June 2020	Achieved. 3 SPU strategy programs Implemented (Golden Games, Nelson Mandela Day and Woman's Day)			Quarterly Reports	MM's Office
	To streamline programmes for the South African National Strategic Plan on	Implement the South African National Strategic Plan on	Number of LAC Meetings conducted	4 LAC Meetings conducted	Reduction in New HIV/AIDS Infections	R 20 000	Opex	4_51_51.2_P138	4 LAC Meetings conducted by 30 June 2019	Achieved. 4 LAC Meetings conducted	4 LAC Meetings conducted by 30 June 2020	Achieved. 4 LAC Meetings conducted by 30 June 2020			Quarterly Reports	Community Services

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020																
Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Legal Services	To ensure an effective system of municipal governance in line with applicable legislation by June 2020	Prepare and submit quarterly reports on implementation of Council Resolutions	Number of quarterly reports on implementation of Council Resolutions prepared and submitted to Council for noting	4 Quarterly Reports submitted	Improved Institutional Performance				4 Quarterly Reports on implementation of Council Resolutions prepared and submitted to Council for noting by 30 June 2019	Achieved. 4 quarterly reports on implementation of Council Resolutions were prepared and submitted to Council for noting.	4 Quarterly Reports on implementation of Council Resolutions prepared and submitted to Council for noting by 30 June 2020	Not Achieved. 3 Quarterly Reports on implementation of Council Resolutions prepared and submitted to Council for noting	the register could not be submitted	Council resolution register to be submitted to Council on the next Council meeting in 2020/21 financial year		
		Monitor municipal litigation	Number of quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting	4 quarterly reports on legal claims or contingency register submitted	Improved municipal legal services	R 350 000	Opex	4_47_47.1_P094	4 quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting by 30 June 2019	Achieved. 4 quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting	4 quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting by 30 June 2020	Achieved. 4 quarterly reports on legal claims or contingency register updates submitted to Council Structures for noting			Quarterly Reports	Corporate Services
		Monitor municipal compliance with applicable legislation	Number of quarterly reports on municipal compliance with legislation submitted to Council Structures for noting	4 Quarterly reports on municipal compliance	Improved legislative compliance	R0	Opex	4_49_49.1_P096	4 Quarterly reports on municipal compliance with legislation submitted to Council Structures for noting by 30 June 2019	Achieved. 4 quarterly reports on municipal compliance with Legislation submitted to Council Structures for noting.	4 Quarterly reports on municipal compliance with legislation submitted to Council Structures for noting by 30 June 2020	Achieved. 4 Quarterly reports on municipal compliance with legislation submitted to Council Structures for noting			Quarterly Reports	MM's Office

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Strategic Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Information and Communication Technology	To provide an integrated ICT System that will ensure safety of information by June 2020	Implement ICT projects	Number of ICT Projects Implemented	3 ICT Projects Implemented	Improved Network Connectivity	R 0	Opex	4_45_45.1_P089	2 ICT Projects implemented by 30 June 2019	Not Achieved. 1 ICT Project implemented (Access to unauthorised websites completely prohibited)	2 ICT Projects implemented (Renaming of Work Stations, Identification and disposal of obsolete IT Equipment) by 30 June 2020	Achieved. 2 ICT Projects implemented			Quarterly Reports	Corporate Services
		Implement ICT Governance Framework	Number of quarterly reports on implementation of the ICT Governance Framework submitted to Council Structures for noting	Approved ICT Governance Framework	Improved ICT Governance	R 0	Opex	4_45_45.2_P090	4 quarterly reports on the implementation of the ICT Governance Framework submitted to Council Structures for noting by 30 June 2019	Not Achieved. 3 quarterly reports on the implementation of the ICT Governance Framework submitted to the Council Structures	4 quarterly reports on the implementation of the ICT Governance Framework submitted to Council Structures for noting by 30 June 2020	Not Achieved. 3 quarterly reports on the implementation of the ICT Governance Framework submitted to Council Structures for noting	The ICT Steering Committee could not convene due to the Chairperson being unavailable	To convene and submit the report to the meeting in the 1st quarter of the new financial year.	Quarterly Reports	Corporate Services
Customer Support	To ensure an effective system of municipal	Convene Statutory Meetings in line with the approved	Number of Statutory Meetings convened in line with the approved	12 Statutory Meetings convened	Well-Coordinated Institutional Programmes	R 0		4_46_46.1_P091	12 Statutory Meetings (4 Council Meetings, 4 Standing Committees and 4 Section	Achieved. The following meetings were held during 2018/2019 financial year in line with the	12 Statutory Meetings (4 Council Meetings, 4 Standing Committees and 4 Section	Achieved. 12 Statutory Meetings (4 Council Meetings, 4 Standing Committees			Quarterly Reports	Corporate Services

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020																
Strategic Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Corporate Services
System	To develop the skills of the workforce by June 2020	Implement PMS Framework Policy and Procedure Manual	Number of Performance and Accountability Agreements signed and implemented	Accountability Agreements for Managers and Practitioners	Improved Culture of Performance	R0	Opex	4_41_41.1_P085	100% Performance and Accountability Agreements signed and implemented by 30 June 2019	Not Achieved. 80% of Performance and Accountability Agreements were signed.	Performance and 12 Accountability Agreements signed and implemented by 30 June 2020	Not Achieved. 6 Performance and 0 Accountability Agreements signed and implemented	Accountability Agreements could not be signed as there were issues raised by the LLF that resulted in the process being stagnant	The LLF has since been consulted and issues resolved. The implementation will be restarted in the 2020/2021 FY starting in July 2020	Quarterly Reports	PEDTA
									4 Quarterly Reports on implementation of 2018/2019 Employment Equity Plan submitted to Council	Not Achieved. 3 quarterly reports on the implementation of the EE plan that have been submitted to	4 Quarterly Reports on implementation of 2019/2020 Employment Equity Plan submitted to Council	Achieved. 4 Quarterly Reports on implementation of 2019/2020 Employment Equity Plan	Quarterly Reports	Corporate Services		
System	To redress the imbalances of the past in the workplace by June	Implement Employment Equity Plan	Number of quarterly reports on the implementation of the Employment Equity Plan submitted to	Approved Employment Equity Plan for 2018/2019	Organizational transformation	R0	Opex	4_42_42.1_P086	4 Quarterly Reports on implementation of 2018/2019 Employment Equity Plan submitted to Council	Not Achieved. 3 quarterly reports on the implementation of the EE plan that have been submitted to	4 Quarterly Reports on implementation of 2019/2020 Employment Equity Plan submitted to Council	Achieved. 4 Quarterly Reports on implementation of 2019/2020 Employment Equity Plan	Quarterly Reports	Corporate Services	Quarterly Reports	

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Fraud Management	To ensure that the municipality operates free of anticipated risk of maladministration, fraud and corruption	Implement Fraud and Anti-Corruption prevention plan	Fraud and Anti-Corruption Prevention Plans Implemented	Fraud Prevention Plan		R 0	Opex	3_37_37.1_P081	2 Fraud and Anti-Corruption Prevention Sessions Conducted by 30 June 2019	Achieved. 2 Fraud and Anti-Corruption prevention awareness sessions conducted.	Fraud and Anti-Corruption Prevention Plan implemented by 30 June 2020	Achieved. Fraud and Anti-Corruption Prevention Plan implemented			the municipality	MM's Office
		Implement IGR strategy	Number of IGR Meetings convened	IGR terms of reference	Coordinated IGR	R 0	Opex	3_38_38.1_P082	3 IGR Meetings convened by 30 June 2019	Achieved. 3 IGR Meetings convened	2 IGR Meetings convened by 30 June 2020	Achieved. 2 IGR Meetings convened			Quarterly Reports	PEDTA
and	To achieve clear	Develop a comprehensive Audit	2018/2019 Audit Action Plan developed	2017/2018 Audit Action Plan	Clean Administration	R 0	Opex	3_39_39.1_P083	2017/2018 Audit Action Plan developed	Achieved. The Audit Action plan was populated	2018/2019 Audit Action Plan developed	Achieved. 2018/2019 Audit Action Plan			Council Resolution approved	BTO

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Quarterly Report	MM's Rep	MM's
To ensure that the administration by June 2020	Implement Risk Management Strategy	Monitor the implementation of the audit outcome improvement plan	reports on its activities submitted to Council for noting	to council in 2019	Committee				submitted to council for noting by 30 June 2019	reports submitted to Council for noting	submitted to council for noting by 30 June 2020	reports submitted to council for noting by 30 June 2020					
			Number of AOIP follow up reports submitted to the AC.	3 AOIP Follow up reports submitted to AC	Improved Audit Outcomes			1_35_35.4_P137	4 follow up reports on the implementation of the AOIP submitted to AC for noting by 30 June 2019	Achieved. 4 follow up reports on the implementation of the AOIP submitted to Audit Committee for noting	3 follow up reports on the implementation of the AOIP by 30 June 2020	Achieved. 3 follow up reports on the implementation of the AOIP by 30 June 2020			Quarterly Reports		
			Number of municipal public accounts committee meeting convened	4 MPAC Meetings convened	Clean administration	R 0	Opex	3_35_35.3_P077	4 Municipal public accounts committee meetings convened by 30 June 2019	Achieved. 4 Municipal public accounts committee meetings convened by 30 June 2019	4 Municipal public accounts committee meetings convened by 30 June 2020	Achieved. 4 Municipal public accounts committee meetings convened			Quarterly Reports		
To achieve clean administration by June 2020	Implement Risk Management Strategy	Number of quarterly municipal public accounts committee reports submitted to Council for noting	Number of quarterly municipal public accounts committee reports submitted to Council for noting	4 municipal public accounts committee reports submitted		R 0	Opex	3_35_35.4_P078	4 Quarterly Municipal Public Accounts Committee Reports submitted to Council for noting by 30 June 2019	Not Achieved. Three (3) Quarterly Reports on the functionality of MPAC were submitted to Council	4 Quarterly Municipal Public Accounts Committee Reports submitted to Council for noting by 30 June 2020	Not Achieved. The third quarter report could not be presented to Council	The third quarter report could not be presented to Council as the report was late for submission for Council Agenda	The report will be presented to Council in the first quarter of 2020/21 financial year.	Quarterly Reports		
					Acceptable risk levels	R 0	Opex	3_35_35.2_P079	1 Risk Management Strategy and	Achieved. 4 reports on the implementation	Risk Management Strategy and	Achieved. Risk Management			Quarterly Reports		

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Strategic Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Legal Compliance	To ensure an effective municipal governance in line with applicable legislation by June 2020	Develop and review by-laws, policies, procedures and strategies developed across all municipal functions based on directorate submissions.	Number of by-laws, policies, strategies, and procedures developed based on Directorate submissions	5 Policies developed, 5 policies reviewed, and 5 by-laws reviewed based on Directorate submission		R 0	Opex	3_34_34.1_P074	5 By-Laws, 5 Policies, 5 Strategies developed, 5 policies reviewed based on Directorate submissions by 30 June 2019	Achieved. The following policies were reviewed in the 2018/19 Financial year: Leave Management Policy, Supply Chain management, Performance Management Framework, Recruitment and Selection, Fleet Management, Policy, Public Participation. Newly Developed Petitions Policy, Institutional Service Standards, Disaster Recovery Policy	5 By-Laws, 5 Policies, 5 Strategies developed, 5 policies reviewed based on Directorate submissions by 30 June 2020	Achieved. 5 By-Laws, 5 Policies, 5 Strategies developed, 5 policies reviewed based on Directorate submissions		regulations that burn gatherings	Approved Policies, Council Resolution	Corporate Services
		Conduct Roadshows on HR Policies	Number of Roadshows on HR Policies conducted	Not Applicable	Labour Stability	R0	Opex				2 Roadshows on HR Policies conducted by 30 June 2020	Not Achieved. 1 Roadshow on HR Policies conducted	the roadshows could not be conducted due to the national lockdown.	A new schedule has been developed and the roadshows will be conducted		

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Customer Care	To Improve Customer Care Management by June 2020	Implement Customer Care Strategy programmes	Number of Customer Care Strategy programmes Implemented	Approved Customer Care Strategy	Improved Customer Service	R 5 000	Opex	3_32_32.1_P070	3 Customer Care Strategy Programmes Implemented (Resolution of complaints, 4 Customer Care Committee Meetings facilitated, Development and Implementation of Customer Service Standards) by 30 June 2019	Achieved. 3 Customer Care Strategy Programmes Implemented (Resolution of complaints, 4 Customer Care Committee Meetings facilitated, Development and Implementation of Customer Service Standards)	3 Customer Care Strategy Programmes Implemented (Resolution of complaints, 4 Customer Care Committee Meetings facilitated, Development and Implementation of Customer Service Standards) by 30 June 2020	Achieved. 3 Customer Care Strategy Programmes Implemented (Resolution of complaints, 4 Customer Care Committee Meetings facilitated, Development and Implementation of Customer Service Standards)			Quarterly Reports	MM's Office
		Implement Petitions Management Policy	Number of Petitions Management Meetings convened	Approved Petitions Management Policy	Improved Customer Satisfaction		Opex				4 Petitions Management Meetings convened by 30 June 2020	Achieved. 4 Petitions Management Meetings convened			Quarterly Reports	MM's Office
Community	To Improve	Implement public	Number of Public	Approved Public	Improved	R10 000 – Mayoral	Opex	3_32_32.1_P070.1	5 Public Participation	Not Achieved. It is	7 Public Participation	Achieved. 7 Public			Quarterly Reports	MM's Office

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
To streamline mining activities for acceleration of socio-		Conduct Tourism and heritage awareness programs	Number of Heritage events and awareness programmes conducted	Tourism and Heritage Awareness conducted	Improved Tourism and Heritage participation	R 0	Opex	2_27_27.4_P063	1 heritage event and 3 heritage awareness programs conducted in Cacadu, Dordrecht and Indwe by 30 June 2019	Achieved. 1 heritage event and 3 heritage awareness programs conducted in Cacadu, Dordrecht and Indwe by 30 June 2019	1 heritage event and 3 heritage awareness programs conducted in Cacadu, Dordrecht and Indwe by 30 June 2020	Achieved. 1 heritage event and 3 heritage awareness programs conducted in Cacadu, Dordrecht and Indwe.		like Art Centre	Quarterly Reports	PEDTA
		Facilitate capacity building sessions for Tourism Establishments	Number of capacity building sessions facilitated for Tourism Establishments	4 Tourism capacity building sessions for Tourism Establishments facilitated in Cacadu, Dordrecht	Functional LTO's	R 0	Opex	2_27_27.6_P064	4 Tourism capacity building sessions for Tourism Establishments facilitated in Cacadu (2), Dordrecht (1) and Indwe (1) by 30 June 2019	Achieved. 4 Tourism capacity building sessions for Tourism Establishments facilitated in Cacadu (2), Dordrecht (1) and Indwe (1) by 30 June 2019	4 Tourism capacity building sessions for Tourism Establishments facilitated in Cacadu (2), Dordrecht (1) and Indwe (1) by 30 June 2020	Achieved. 4 Tourism capacity building sessions for Tourism Establishments facilitated in Cacadu (2), Dordrecht (1), Indwe (1).			Quarterly Reports	PEDTA
		To provide administrative support	Number of small-scale mining cooperatives provided with administrative support	SMME Support Plan	Improved livelihood	R 30 000	Opex	2_29_29.1_P066	5 small scale mining Cooperatives provided with administrative support in Indwe (Ward 15) by 30 June 2019	Achieved. 5 small scale mining Cooperatives provided with administrative support in Indwe (Ward 15)	5 small scale mining Cooperatives provided with administrative support in Indwe (Ward 15) by 30 June 2020	Achieved. 5 small scale mining Cooperatives provided with administrative support			Support Plan	PEDTA

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
			Sessions facilitated	Sessions facilitated					Indwe (1), Dordrecht (1) and Cacadu (2) by 30 June 2019	facilitated in Indwe (1), Dordrecht (1) and Cacadu (2) by 30 June 2019	Indwe (1), Dordrecht (1) and Cacadu (2) by 30 June 2020	facilitated in Indwe (1), Dordrecht (1) and Cacadu (2) by 30 June 2020				
		Develop funding proposal for operations of Xonxa and Tshatshu Irrigation Schemes	Number of funding proposals developed for operations of Xonxa and Tshatshu Irrigation Schemes	2 production assembly structures registered as co-ops	Improved livelihood	R 0	Opex	2_24_24.1_P056	2 production assembly structures formalised (registered as co-ops) in Tshatshu and Xonxa by 30 June 2019	Achieved. 2 Production Assembly structures formalised in Tshatshu and Xonxa	1 funding proposal developed for operations of Xonxa and Tshatshu Irrigation Schemes by 30 June 2020	Achieved. 1 funding proposal developed for operations of Xonxa and Tshatshu Irrigation Schemes by 30 June 2020			Funding Proposal	PEDTA
	To promote sustainable use of Forest Plantation by June 2020	Develop and submit Forestry Management Funding Proposal	Number of Forestry Management Funding Proposals developed and submitted to relevant stakeholders	3 Forestry management committee establishments in Ward 4, 12 and 2	Improved community involvement	R 0	Opex	2_25_25.1_P057	3 Forestry Management Capacity Building Sessions facilitated and Forestry Committees established in Ward 4, 12 and 2 by 30 June 2019	Achieved. 3 Forestry Management Capacity Building Sessions facilitated and Forestry Committees established in Ward 4, 12 and 2	Forestry Management Funding Proposal developed and submitted to relevant stakeholders by 30 June 2020	Achieved. Forestry Management Funding Proposal developed and submitted to relevant stakeholders by 30 June 2020			Funding Proposal	PEDTA
	To promote economic	Monitor implementation of	Monitor implementation of the	RED Hub Facility	Improved	R 0	Opex	2_26_26.2_P059	Development and submission of	Achieved. Development and	Monitor implementation of the	Achieved. Monitor implementation of the			Signe d MOU, Quant	PEDTA A

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Indigent Support	To ensure provision of free basic services to indigent communities by June 2020	Review and update of the Indigent Register	Number of households receiving free basic service	3900 households receiving free basic service (Electricity)	Improved Service Delivery	R2 900 000	Opex	1_21_21.1_P048	3900 households receiving free basic service (Electricity) by 30 June 2019	Achieved. 3 971 households receiving free basic service (Electricity) by 30 June 2019	3900 households receiving free basic service (Electricity) by 30 June 2020	Achieved. 4 138 households have been registered to receive free basic services (electricity)			Reviewed Indigent Register, Quarterly Reports on free basic service	Budget and Treasury

KPA 2: LOCAL ECONOMIC DEVELOPMENT

Small Medium and Micro Enterprise Development	To facilitate formalization and support development of SMMEs within ELM by June 2020	Facilitate SMMEs formalization and advisory information services	Number of information dissemination and advisory sessions conducted	4 SMME information dissemination and advisory sessions facilitated	Sustainable SMME's	R 20 000	Opex	2_22_22.1_P049	4 SMME information dissemination and advisory sessions facilitated by 30 June 2019	Achieved. 5 SMME Information Dissemination and advisory sessions were facilitated	4 SMME information dissemination and advisory sessions facilitated by 30 June 2020	Achieved. 4 SMME information dissemination and advisory sessions facilitated by 30 June 2020	This target has not been achieved due to unavailability of budget	This target will be budgeted for and implemented on 2020/2021 financial year	Quarterly Reports	PEDTA
		Support emergent businesses to build more economic capacity	Number of SMME's supported	1 SMME supported (Mphothulo Youth Project)	Sustainable SMME	R 30 000	Opex	2_22_22.2_P050	1 SMME supported (Mphothulo Youth Project) at (Ward 1) by 30 June 2019	Achieved. 1 SMME (Mphothulo Youth Project) has been successfully supported	1 SMME supported (Mphothulo Youth Project) in Ward 1 by 30 June 2020	Not Achieved. This target has not been achieved due to unavailability of budget		Quarterly Report	PEDTA	
		Issue licenses of businesses and hawkers	Number of Business and Hawker licenses issued	20 Businesses and Hawkers licensed (6 Indwe, 8	Revenue generation and sustainable	R 0	Opex	2_22_22.3_P051	20 Businesses and Hawker licenses issued (6 Indwe, 8 Lady	Achieved. 36 Business Licenses have been issued	20 Business licenses issued (6 Indwe, 8Cacadu and 6 Dordrecht)	Achieved. 20 Business licenses issued (6 Indwe, 8Cacadu		20 Business Licences Issued	PEDTA	

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Continuous Development	To ensure provision of Child Care facilities for Emalahleni Communities by June 2020	Convene early childhood development forum meetings	Number of Early Childhood Development Forum meetings convened	3 Early Childhood Development Forum meetings convened	healthy and safe environment for children	R30 000 – Creche / Child Care	Opex	1_14_14.1_P038	3 Early Childhood Development Forum meetings convened by 30 June 2019	Achieved. 3 Early Childhood Development Forum meetings by 30 June 2019	3 Early Childhood Development Forum meetings convened by 30 June 2020	Achieved. 3 Early Childhood Development Forum meetings convened by 30 June 2020 (27 September 2019, 17 June 2020 and 24 June 2020)			Quarterly reports	Community Services
Libraries	To ensure provision of	Promote education and awareness	Number of new library users	200 new library users registered	Increased number of users	R 0	Opex	1_15_15.2_P040	200 New Library Users registered as members	Not Achieved. 196 New Library Users	200 New Library Users registered as	Not Achieved. 124 New Library	closure of Libraries due to lockdown	Library Target to be fused to indicate	Registrars Register	Community
			Number of feedlots constructed	Approved Feedlot Designs		R 300 000	CHDM		1 Feedlot Constructed in Ward 15 by 30 June 2019	Not Achieved. None was constructed	1 Feedlot in Indwe (ward 15) constructed by 30 June 2020	Achieved. 1 Feedlot in Indwe (ward 15) constructed by 30 June 2020			Quarterly reports on the construction of the dipping tank: Completion certificate	PEDTA
												which is now anticipated to be completed within the next 6 months				

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
	To ensure the availability of well-maintained and repaired buildings, amenities and recreational facilities to which the public has full access by June 2020	Maintain existing municipal facilities (cemetery, halls, municipal buildings)	Number of municipal facilities maintained	4 municipal facilities maintained	well maintained municipal facilities	R300 000 – Existing Municipal Offices	Opex	1_12_12.1_P035	6 municipal facilities maintained (New Community, Bengu, Zwagaartwater, Mtsheko Community Hall, Investment Property ERF 377 and Indwe Municipal Offices by 30 June 2019)	Achieved. 9 municipal facilities were maintained by 30 June 2019 (ERF 377 Indwe, Communications Office at Cacadu, Indwe Municipal Offices, Dordrecht Library, Cacadu Emergency Assembly Point, Cacadu Traffic Station, Bengu Community hall, Indwe New Community hall and Mike Huna Community Hall)	2 municipal facilities maintained (Existing Municipal Offices, WMTsotsi Library) Ward 4 by 30 June 2020	Achieved. 5 municipal facilities maintained (WMTsotsi Library, Boomplaas Community Hall, DDX Municipal Offices, Mtsheko Community Hall, VTS Building) Ward 4 by 30 June 2020			Quarterly Report	Community Services
		Manage existing municipal facilities	Number of municipal facilities managed	Utilization register	well managed public amenities	R0	Opex		32 Municipal facilities managed by 30 June 2019	Achieved. 32 Municipal facilities managed by 30 June 2019	32 Municipal facilities managed by 30 June 2020	Achieved. 32 Municipal facilities managed by 30 June 2020				

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Evidence Portfolio of	Custodian
		Construct a Sportsfield	Phase 3 of Cacadu Sportsfield constructed	Cacadu Sportsfield	Upgraded Sportsfield	R 532 731	MIG	1_12_12.5_P130	Fencing and Irrigation System installed in Cacadu Sportsfield by 30 June 2019	Achieved. Fencing and Irrigation System installed in Cacadu Sportsfield by 30 June 2019	Phase 3 of Cacadu Sportsfield constructed (Ward 4) by 30 June 2020	Not Achieved. 98% completed, final inspection to be done mid July 2020	An initial contractor could not complete the project in the 2018/19 financial order. Variation order to complete the task were issued and some delays were experienced due to	snag list has been developed and finishes will be completed in quarter of the 2020/2021 FY	Completion Certificate	IDHS
									approval by 30 June 2019	approved in August 2019		access road construction	contractor has not erected fencing as required which holds back the rest of the other activities as per the plan. There are as well cash flow problems that were identified	performance. Project rolled over to 2020/2021 FY		

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Development	To ensure the provision of a comprehensive	Implement, monitor and report on the approved Roads	Number of meters of roads paved			R 6 708 851	MIG	1_10_10.2_P030	400m of roads constructed (Paving) in Dordrecht by 30 June 2019	Achieved. 1.2km of roads constructed (Paving) in Dordrecht by 30 June 2019 (An additional	400m of roads (Street 1) paved in Sinako Location (Dordrecht Start :	Not Achieved. 400m of roads (Street 2) paved in Sinako	Manholes were blocked and there no jetting machines available to	the manholes were not part of the initial scope of the	Progress Reports with photos	IDHS
									developed by 30 June 2020				unable to submit the documentation	downtime from the national lockdown is covered, the project has since been advertised as a turnkey project so as to procure services of a consultant and contractor at the same time. Target is scheduled to be achieved in Quarter 1 of 2020/2021 FY		

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Evidence	Custodian
Infrastructure Development	To ensure the provision of a comprehensive roads' infrastructure network by June 2020	Implement, monitor and report on the approved Roads Infrastructure Plan	Number of meters of streets paved	200m of Cacadu internal streets in ward 4 paved	Improve d roads infrastru cture	R 1 100 000,00	EPWP	1_10_10.2_P032	200m paved in Cacadu by 30 June 2019	Achieved. 413m paved in Cacadu by 30 June 2019 (There was an additional paving material taken from EPWP paving meant from Dordrecht after civil protests. Target was erroneously not revised at SDBIP)	200m paved in Cacadu (Ward 4) by 30 June 2020	Achieved. 200m paved in Cacadu (Ward 4) by 30 June 2020			Progress Reports with photos	IDHS
									200 meters paved in Indwe by 30 June 2019	Achieved. 216 meters paved in Indwe by 30 June 2019	200 meters paved in (Indwe) Ward 16 by 30 June 2020	Achieved. 200 meters paved in (Indwe) Ward 16 by 30 June 2020				IDHS
									400m of roads constructed (Paving) in Dordrecht by 30 June 2019	Achieved. 1.2km of roads constructed (Paving) in Dordrecht by 30 June 2019 (An additional budget was allocated to the project, but the target was not revised)	1,6km of roads paved in (Dordrecht) Ward 11(800m) & 14 (800m) by 30 June 2020	Achieved. 1.956km (1956m) paved in Dordrecht				IDHS

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Evidence Portfolio of	Custodian
Roads and Stormwater	To ensure the provision of a comprehensive roads' infrastructure network by June 2020	Implement, monitor and report on the approved Roads Infrastructure Plan	Number of km of Access Road Gravelled	2km of Access Road Gravelled in Ward 15 (Emaqwat hini to Thembelihle)	Improved access roads	R 1 542 953	MIG	1_10_10.4_P127	2km of Access Road Gravelled in Ward 15 (Emaqwat hini to Thembelihle) by 30 June 2019	Achieved. 6.6km of Access Road Gravelled in Ward 15 (Emaqwat hini to Thembelihle) by 30 June 2019. (An additional budget was allocated to the project but the target was not revised during SDBIP adjustment)	5km of Access Road Gravelled in Ward 15 (Emaqwat hini to Thembelihle) by 30 June 2020	Achieved. Target was over achieved 7km access road gravelled			Progress Reports with photos	IDHS
																IDHS
																IDHS
			Road Designs developed and submitted for approval		Improved access roads	R 1 000 000	MIG				Road Designs for 7km Access Road in Jinginja (Ward 17) developed and submitted for approval by 30 June 2020	Achieved. Final roads design were approved and the construction commenced			Approved Road Design Reports	IDHS
					Improved access roads	R 1 000 000,00	MIG				Road Designs for 6.7km Tsolokazi Access Road (Ward 01)	Achieved. Final roads design was approved and the			Approved Road Design Reports	IDHS

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Building Control	To facilitate provision of human settlements by relevant sector departments in compliance with standards of building controls of ELM by June	Expedite the approval of compliant building plans submitted to the municipality.	Percentage of compliant building plans submitted, processed, and approved	100% Complaint building plans received, processed, and approved in 2018/2019 FY	Compliance with National Building Regulations and Standards Act	R0	Opex	18_8.1_P025	100% Compliant building plans received, processed, and approved by 30 June 2019	Achieved. 100% Compliant building plans received, processed, and approved (which equates to 30 building) by 30 June 2019	100% Complaint building plans received, processed, and approved by 30 June 2020	Achieved. 100% Complaint building plans (which equates to seven) were received, processed, and approved by 30 June 2020			Quarterly Report on received, processed and approved building plans	IDHS
		electricity losses		workers appointed, Stakeholder Engagement (Nersa and Eskom), Disconnection of illegal connections at Sinako, Electricity Master Plan developed					Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance			Portfolio of Evidence	Custodian
											per Transformer Zone, Routine Line Inspection on Medium and Low Voltage, Protection Enhancement at Indwe and Dordrecht) by 30 June 2020	Balancing per Transformer Zone, Routine Line Inspection on Medium and Low Voltage, Protection Enhancement at Indwe and Dordrecht) by 30 June 2020				

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
Management: People of Emalahleni	To create a safe and clean environment for all people of Emalahleni	Manage and maintain drop-off centers	Number of drop off centers managed and maintained	25 drop-offs centres managed and maintained	Well managed and maintained drop-off centers	R 0	Opex	1_2_2.6_P011	25 drop off centres managed and maintained by 30 June 2019	Achieved. 26 drop off centres were managed and maintained (1New Drop off Centre was constructed at Indwe) by 30 June 2019	25 drop off centres managed and maintained by 30 June 2020	Achieved. 25 drop off centres managed and maintained by 30 June 2020			Quarterly Reports	Community Services
		Clear illegal dumping sites	Number of illegal dumping sites cleared	84 illegal dumping sites cleared	Reduced and controlled illegal dumping	R 0	Opex	1_2_2.7_P012	84 illegal dumping sites cleared by 30 June 2019	Achieved. 99 illegal Dumping Sites were cleared by 30 June 2019	144 illegal dumping sites cleared by 30 June 2020	Achieved. 243 illegal dumping sites cleared by 30 June 2020			Quarterly report	Community Services
		Promote awareness on the impact of poor waste management by communities	Number of waste awareness programmes conducted	8 waste awareness campaigns conducted	Improved, safe and healthy environment	R 0	Opex	1_2_2.8_P013	8 Waste awareness campaigns conducted by 30 June 2019	Achieved. 8 Waste awareness campaigns were conducted by 30 June 2019	12 Waste awareness campaigns conducted by 30 June 2020	Achieved. 12 Waste awareness campaigns conducted by 30 June 2020			Quarterly report	Community Services
		Implement Environmental Management Framework (EMF)	Number of Environmental Management Frameworks implemented	3 Environmental Management Programmes implemented in 1 Lady	Improved, safe and healthy environment	R70,000	Opex	1_2_2.11_P016	3 Environmental Management Framework Programmes implemented by 30 June 2019	Achieved. 8 Environmental Management Framework Programmes implemented by 30 June 2019	3 Environmental Management Frameworks implemented by 30 June 2020	Achieved. 4 Environmental Management Frameworks implemented			Quarterly reports	Community Services

EMALAHLENI LOCAL MUNICIPALITY

AUDITED ANNUAL PERFORMANCE REPORT BASED ON CONSOLIDATED REVIEWED INSTITUTIONAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - 2019/2020

Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator 2018/2019	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2018/2019	Actual Performance	Annual Target 2019/2020	Actual Performance	Reasons for Non-Achievement	Remedial Action	Portfolio of Evidence	Custodian
		Process Learners and Driver's License Applications received	Number of Driving License Testing Centre functional	12 Driving License Testing Centre Reports	Functional Licensing Authorities	R 0	Opex	1_1_1_4_P004	12 Driving License Testing Centre Reports submitted to Council Structures for noting by 30 June 2019	Achieved. 12 Driving License Testing Centre Reports were submitted to Council Structures for noting by 30 June 2019. A Total of 1739 Learners License, 2594 driving license applications and 203 PRDP applications were received and processed. Total fees collected was R 1 827 867.00	1 Driving License Testing Centre functional in Cacadu (Ward 4) by 30 June 2020	Not Achieved. 1 Driving License Testing Centre functional in Cacadu (Ward 4) by 30 June 2020	DLTC was not functional during the lockdown in 4th quarter	Outstanding tests were reallocated and new dates in the new financial year	Quarterly Report	Community Services
		Implement Pound Management Operations	Number of Animal Pounds functional	12- reports on pound management operations	Reduction of stray animals	R 0	Opex	1_1_1_5_P005	12- reports on pound management operations submitted to Council	Achieved. 12- reports on pound management operations submitted to Council	1 Animal Pound functional in Dordrecht at Ward 11 by 30 June 2020	Achieved. 1 Animal Pound functional in Dordrecht at Ward 11 by 30 June 2020			Quarterly Report	Community Services

This process is intended to allow the municipality to monitor, evaluate and review its performance based on the National and its own IDP key performance areas. The following is derived from both the legislative framework for performance management and PMS framework, summarizes for ease of reference and understanding the various performance deadlines as it applies to the Municipality:

Table 1: PMS Reporting requirements

REPORT	FREQUENCY	SUBMITTED FOR CONSIDERATION AND OR OVERVIEW TO	REMARKS
1. SDBIPs	Quarterly	Executive Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with EXCO)	See Sections 71 and 54 of the MFMA
3. Organisational Score card	Quarterly	Executive Committee	As per PMS framework
4. SDBIP mid-year budget performance and assessment	Annually during January of each year	Mayor (in consultation with EXCO)	See Sections 72 and 54 of the MFMA
5. Performance Report	Annually	Council	See Section 46 of the Municipal Systems Act as amended. The report should form part of the Annual Report
6. Annual report	Annually	Council	See Chapter 12 of the MFMA

(4) Conclusion

The Municipality has made strides to cascade performance to levels below Section 56 and 57 Managers; very minimal response was received. The process will be engaged on once again in the 2020/21 financial year

(5) Organisational Performance Scorecard

The municipality has established 6 directorates in its organizational structure, namely, Office of the Municipal Manager, Corporate Services, Infrastructure Development and Human Settlement, Budget and Treasury Office, Planning Economic Development, Tourism and Agriculture and Community Services. The report on the performance of the municipality has therefore been structured to reflect the performance of each directorate.

Below is the Annual Performance Report of the municipality as per the requirement of Section 46 of the Municipal Systems Act, Performance of Service Providers is detailed in Appendix I of this report. The municipality's performance has been audited by both the Internal Audit unit as well as the Auditor General with resulted to some adjustments based on the findings being effected.

Component J: Organisational Performance Scorecard

3.33 Annual Performance Report – Institutional

3.33.1 Introduction and Overview

In terms of Section 46 of the Municipal Systems Act (as amended), municipalities are required to prepare an Annual Performance Report that is to form part of the Annual Report to be prepared in terms of the Municipal Finance Management Act.

Attached herewith is the detailed Annual Performance Assessment for the organization for the 2019/2020 financial year. Performance Management System was introduced in 2017/2018 financial year and the Municipality complied with the Legislative Framework in the finalisation of the Performance Management System (PMS).

3.33.2 Purpose of a Performance Management System

The adopted Performance Management System Framework of the municipality defines Performance Management System as "a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organisation (municipality) in terms of indicators and targets for efficiency, effectiveness and impact."

A PMS is also intended to assist the Council to improve service delivery by channelling its resources to meet performance targets and in doing so, ensure that the municipality achieves its strategic objectives as contained in its IDP.

A PMS should fulfil the following objectives:

- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signs
- decision making

3.33.3 Background to Performance Management

The legislative requirement for the development of PMS includes:

- Constitution, 1996
- Municipal Systems Act 2000 as amended
- Municipal Finance Management Act 2003
- Municipal Planning and Performance Management Regulations 2006
- White Paper on Local Government 1993
- White Paper on Transformation of the Public Service 1997

However, the main regulatory mechanism for Performance Management System is Chapter 6 of the Municipal Systems Act, (Act 32 of 2000) and the related Municipal Performance Management Regulations and Municipal Finance Management Act.

The MSA requires that all Municipalities:

- Develop a Performance Management System
- Set target and monitor and review performance based on indicators linked to their IDP
- Prepare an annual Performance Report on the performance of a municipality forming part of its Annual Report as required in terms of the MFMA

3.31.4 ICT Projects

The following ICT projects were undertaken during the period under review:

- **ICT Infrastructure Network** – This included the addition of (3) three additional sites to the institution's ICT network with their own separate data-lines.
USSASA together with MTN set out a broadband project that was set to improve network connectivity within Emalahleni and it was carried out and completed. There is an ongoing monitoring of the broadband project to-date.
- **ICT Backup System** - Onsite Data storage for business continuity and ensuring secured ELM data. ICT Backup System increases reliance on ELM electronic data and minimising the risks of failures in data loss.
- **Enterprise Resource Planning** - The Financial System was enhanced with centralised data. The system enables the Municipality to function promptly, which will improve the service delivery to the ratepayers. The municipality is able to focus on new business opportunities. This will also assist in improving access to information.
- **Electronic Document Management System** - This is a software for organising, centralising and storing different kinds of documents. EDMS refers more specifically to a software system that handles digital documents rather than paper documents.
- **Performance Management System** - This is pro-active system that manages employee performance levels.
- **Telephone Management System** – this system records all calls made by the individuals within the institution. The budget control facility was introduced and set to an approved limit to minimize institutional costs and better manage the usage of calls across the municipality.
- **Audio Visual** – as the new building was completed which is the Council Chamber, an audio system had to be put in place within the Auditorium for better communication and projector was installed to allow for ease of presentation and visual for all. There is an ongoing maintenance to ensure a fully functional audio system as some microphones had to be repaired.

3.31.5 Comment on the Performance of ICT Service Overall:

The following ICT projects were undertaken:

- **ICT network infrastructure improvement** – This project was aimed at improving network connectivity within the institution. Figures (3.31.5 a) and (3.31.5 b) below display how the connectivity status was before and after the project was conducted.
- **ICT Systems Improvement** – This project is aimed at improving systems within the organisation.
- **ICT Backup System** - This project, aimed at Onsite Data storage for ELM for business continuity and ensuring secured ELM data.
- **Computer Equipment for ELM** - Replaced and /or upgraded ELM user computers. Additional budget was required as the users' computers are old and cannot keep up with evolving technology.
- **Telephone Management Systems** – this project was aimed at minimizing costs and better communication.
- **Audio Visual** – this project was aimed at better communication and presentation within the building.

- Recruitment and selection of staff
- Payroll and benefits administration
- Organisational development
- Leave management

HUMAN RESOURCES DEVELOPMENT

- Talent management
- Staff and Councillor development

OCCUPATIONAL HEALTH AND SAFETY

- Occupational health and safety of employees
- Administrative assistance in terms of OHS compliance by contractors appointed by the municipality.
- Employee wellness and Employee Assistance Programme

LABOUR RELATIONS

Advising line management with disciplinary issues

Co-ordinating the maintenance of labour stability and good employer-employee relationship

Labour Relations Unit has encountered challenges in the following areas:

Disciplinary management is a challenge in that hearings are not being finalised timeously as per the Disciplinary Code. This is caused by the fact that the municipality does not have capacity to preside over cases it depends on services requested from other municipalities through the office of SALGA EC.

3.30.2 Service Statistics for Human Resources

The Human Resources Department provides human resources support services to Council and all line departments in ELM. HR thus services thirty-four (34) Councillors and two hundred and thirty-three (233) permanent staff members.

3.31 Information and Communication Technology (ICT) Services

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

3.31.1 Introduction to Geographic Information Systems (GIS) Services

Geographical Information Systems (GIS) is interdependent on adequate hardware and networks provided by the ICT department. As the GIS system is accessible to the municipality users, uptime is critical in the provision of real-time, accurate, spatially related data. Currently the GIS system operates on a SQL server (2008) platform using ESRI ArcGIS for desktop, web applications, extensions and database management.

GIS is fully functional by the challenge is that it is not manned by the ICT Division but the IDHS Directorate. Plans are in place to be moved and managed by the ICT division.

3.31.2 Information and Communication Technology

- Indwe Police Station

Awareness campaigns on Crime Prevention have been implemented with the assistance of Department of Safety and Liaison in collaboration with the Department of Social Development and SAPS

3.26 FIRE

Emalahleni Local Municipality renders fire services through the support of Chris Hani District Municipality. Efforts are underway to lobby for funding to develop a fire station, Aerocon has been appointed at risk to achieve this. The municipality has no dedicated personnel to run this service except for existence of on call Volunteers which were trained by CHDM. The following table provides statistical report on the status of the service. The Municipality enjoyed a donation of a Skid Unit from the Gwede Mantashe Foundation

Total Fires Attended	Total Accidents Attended to	Average Turnout Time	Total Appliances	Total Fire Fighters
			2 Skid Units	6 on call Fire Fighter Volunteers

3.27 Disaster Management, Animal Licencing and Control, Control of Public Nuisances and Other

The municipality is currently implementing Disaster Management Plan which has since been adopted by Council. Included in the plan is a business plan for the development of the Disaster Management Centre. In this regard services of Chris Hani District Municipality are utilised as the custodian of the service and also having a fully operational centre. The municipality possesses a Disaster Management Risk Assessment Plan that has been well consulted and workshopped at all level including the Council and Disaster Management Advisory Forum members. The plan has been constituted with the objective to promote an integrated and coordinated system of disaster management, with special emphasis on prevention and motivation by provincial organs of state, statutory functionaries, other role players and communities and neighbouring municipalities.

Disaster Management Advisory Forums were coordinated to give advice and make recommendations on disaster related issues and disaster risk management. The forum also ensures that the joint standard practises are developed.

Two Disaster Management Fieldworkers have been appointed and Chris Hani District Municipality has second additional staff to compliment the service. The CHDM has given the municipality the response vehicle.

- 38 Awareness Campaigns on Disaster Management and Fire Fighting conducted in all wards (schools)
- 1 International day for disaster reduction
- 1 Disaster Management Workshop conducted for all councillors and relevant stakeholders in Mtsheko community hall
- 6 Disaster Advisory Forum meetings and 3 one on one meetings with critical stakeholders (SANRAL, Department of Roads and Public Works together with the Department Human Settlement)

Component H: Corporate Policy Offices and Other Services

3.28 Executive and Council

3.29 Financial Services

3.29.1 Introduction to financial services

- **Orphans and Vulnerable Children** was supported through supply of shoes to 300 school children from a total of 35 schools
Local AIDS Council that seats on a quarterly basis is making sure that OVCs are cared and protected. No. of OVCs on child protection intervention is 615; number of OVCs on clinical nutritional support is 1242; number of OVCs on HIV Counselling and testing is 51; on access to ART is 66; on HIV related Palliative Care is 186; on psycho-social support is 2219; on sexual reproductive health services is 471; on educational support is 1864 and on household economic strengthening is 563.
- **Care and Support Programs** were implemented through the support groups and the support to Home and Community Based Care organisation. Lobbying for funding for support groups was facilitated. Through the support of the District Municipality, the HIV and AIDS Strategy was developed.
- War-Rooms structures have been established in all Ward in Emalahleni Local Municipality and ward 4, 5, 6, 7, 8, 9, 10, 13, 14, 11, 15 and 16 received training focusing on the eight pillars of War Room and Data collection tools for households. The Anti-Poverty War Room has been launched in Ward 15 (Indwe unit) on the 26th April 2016 and all wards were part of the launch.

The Department of Health within the Municipal area has a total number of twenty-five (25) clinics, 1 out of these is a Health Care Centre (Ngonyama) at ward 8 and its run 24 hours with a doctor allocated. There are two mobile clinics focusing on wards with no clinics. Challenges experience relates to access roads especially the Machubeni route and Rhodana which directly affects the mobile and ambulance services. Almost all the clinics currently utilises water preservation methods which poses a challenge with the scarcity of rainfall. Access to water is still a challenge. Only two utilises communal taps (Rwantsana and Lanti clinics). These mostly use pit toilets. Staff shortages remain a challenge in all these

The Department of Health has outsourced the collection and disposal of medical waste

3.23 Health Inspection; Food and Abattoir Licensing and Inspection

The Municipal Health Services within Emalahleni Local Municipality is performed by Chris Hani District Municipality which has placed a total of three (3) Environmental Health Practitioners, one (1) Senior Environmental Health Practitioner and one (1) Environmental Health Assistant. Functions performed include:

- Food safety
- Water Quality Monitoring
- Safe disposal of the dead
- Waste Management Compliance
- Monitoring of Communicable Diseases
- Air Pollution Control
- Surveillances of premises
- Awareness on Environmental Health matters

Challenges experienced whilst rendering the services related to

- Unlicensed businesses in all three towns of Emalahleni
- Lack of awareness in Lady Frere on exhumation procedures
- Stray animals
- Availability and non-enforcement of Municipal and District By-Laws

pavements. Two parks in Dordrecht and Indwe are developed and functional but Lady Frere is on developmental stage.

Notwithstanding, a schedule and programme for maintenance has been well achieved and reporting on progress and expenditure has occurred in a manner required. Grass cutting does occur monthly. Both parks are well fenced and are maintained.

Three sporting facilities exist which provide a service for 102 000 users. There is one sporting facility that had been constructed in Lady Frere that accommodates all sporting codes and is designed with indoor sporting area.

- 1 Park constructed in Lady Frere focusing on following deliverables: Gabions and clear-view fencing, children 's play area, Park furniture, Greening and Land scape (hard and soft). 21 EPWP jobs created.
- 1 Park in Dordrecht completed and Completion Certificate issued.
- 1 Park in Indwe completed (ablution facilities , children's play area, hard and green landscaping and fencing

3.18.3 Introduction to Environmental Protection

National Environmental Management Act No. 107 of 1998 (NEMA), stipulates a number of key environmental management principles (Chapter 1) which apply to those activities of organ of state that may significantly affect the environment including the local government. These principles extend not only to NEMA itself but also to the interpretation, administration and implementation of the Act and concerned with protection or management of environment. It also stipulates on the principles that the person or company who pollutes the environment must pay to clean it up.

- 1 Environmental Management Frame work developed
- 8 Environmental Management Programs implemented
- Commemoration of Environmental Day observed

3.18.4 Achievements in Waste Management for 2019/2020

Integrated Waste Management Plan developed, approved by the council and endorsed by DEDEAT awaiting further endorsement by COGTA –EC IWMP implemented through the following focus areas:

- Institutional capacity and human resources (Designated Waste Management Officer, 34 temporary employees appointed for fixed term contract of 12 months).
- Solid waste removal services provided to 7992 households (Inclusive of Cacadu, Indwe and Dordrecht)
- 8 recycling initiatives supported (Fudo Lufakade, Lady Frere & Pest Control, Gcinizulu, Iminathi)
- 25 drop-off centres managed and 318 illegal dumping sites cleared.
- Hlasela waste management project implemented
- Environmental Protection Infrastructure Program funding solicited

16 educational awareness campaigns in schools and the broader community including clean-up campaigns. ELM won 1st place of greenest Municipality Competition in CHDM and third place in the Eastern Cape Province

Component F: Health

3.19 Clinics

The Department of Health within the Municipal area has a total number of twenty-five (25) clinics, 1 out of these is a Health Care Centre (Ngonyama) at ward 8 and its run 24 hours with a doctor allocated.

There are two taxi ranks in Lady Frere, at least 1 is functional with the other not yet functional. Indwe has a non-functional taxi rank.

3.15 Cemeteries and Crematoria

Emalahleni Local Municipality has three cemeteries, one in each town. Each cemetery has a manual cemetery register. Dordrecht currently offers sale of site and grave digging services. Indwe and Lady Frere are offering sale of sites only.

3.15.1 Lady Frere

Cemetery layout has been developed and approved in accordance with the SPLUMA and the parameter Fencing of the site has been done and not finalised yet. Challenges exist in relation to the non-completion of the boundary wall.

3.15.2 Indwe

The development of Indwe Cemetery has commenced and the following studies have been finalised with positive results. Geotechnical and Geohydrological Study

The Town Planning report has been developed and submitted to the municipality. It was also advertised for comments on the 25 May 2018. The report entailed the following information as required in terms of the Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA):

Subdivision and rezoning of the proposed new cemetery. Statutory applications in terms of SPLUMA for approval by the Emalahleni Municipality. Cemetery layout plan, including dimensions and typical grave spacing for adults and children, as well as numbering of new graves. This process concludes the approval of the subdivision and rezoning of the subject cemetery site. Environmental Impact Assessment : This process has already been initiated and is unfolding in terms of the requirements stipulated in the relevant environmental regulations.

The land survey process will proceed once the town planning and environmental authorisations are in place. The survey process entails the framing of a sub-divisional diagram, placing of pegs and lodgement of all records and diagrams to the surveyor General for approval. Landscaping plan will be prepared and will inform the actual physical features that defines the cemetery. This include suggested plants and hard landscaping, including paths, benches, ablution facilities, garden of remembrance, signage and interpretative indicators.

3.15.3 Dordrecht

Cemetery layout plan developed for Dordrecht Cemetery and was adopted by Council. The municipality does not have an integrated Cemetery Management Plan, processes to improve internal controls have been initiated. There is dedicated personnel is assigned to manage the function.

3.16 Child Care; Aged Care; Social Programmes

Emalahleni Local Municipality has a responsibility to support Early Childhood Development Centres. It established 3 ECDC forum which are functional.

10 Early childhood Development Forum Meeting convened, A total number of 115 ECDC assessed, 78 ECDC are funded by the Department of Social Development and 37 ECDC are unfunded, Emalahleni Municipality has constructed 10 ECDC, 64 ECDC constructed by community members, 38 is renting or operating at community members households and 3 ECDC are longer operating. Indwe unit has a total

entered into a service level agreement with the Department of Sports, Recreation, Arts and Culture to accelerate transformation and enhance library services. This has improved coordination and collaboration between the two spheres. Through this arrangement library infrastructure was maintained and staff capacity improved including the culture of reading. Library material including periodicals and books were supplied. The municipality has established three (3) Library Forums and Six (6) Library Committees and are fully functional.

Library Awareness Campaigns were rolled out efficiently. All this contributed in realising the objectives of Outcome 12, that of having an efficient, effective and development oriented service and empowered, fair and inclusive citizenship. The municipality received an allocation of **R803 000** to render the service on agency basis. In response to this the Department of Sports, Arts and Culture appointed professional staff and second them to the various libraries, provided ICT infrastructure and equipment, capacity building programs, renovated some libraries. Supervision and administration services remained the responsibility of the municipality.

Huge improvement has been enjoyed by the municipality in that membership and book circulation has increased therefore positively contributing in improving the literacy rate.

- 16 Library utilization campaigns conducted in the year under review.
- 387 additional users registered
- 12 Library Committee convened

(2) MUSEUMS & GALLARIES

Museum services are currently implemented by the Department of Sports, Recreation, Arts and Culture. There are two museums located in Dordrecht and Indwe which are privately owned. Awareness creation of museum services to school children have been conducted

(3) COMMUNITY HALLS AND RECREATIONAL FACILITIES

Emalahleni Local Municipality has a total of seventeen (17) Community Halls

Name of Hall	Ward	Status
Ngqanda	12	In good condition
Qoqodala Community Hall	07	Renovated in 2015 /2016
Vaalbank Community Hall	08	In good condition
Zwartwater Community Hall	09	Renovations Done in 2017
Matyantya Community Hall	06	Minor renovations done in 2015 / 2016
Boomplas	13	Renovations done utilising local labour
Bengu Community Hall	02	Ablution facilities blown away by wind and renovations are underway.
Rwantsana Community Hall	01	Require minor renovations
Dordrecht Community Hall	14	Require minor renovations
Munnisville Community Hall	11	Require minor renovations
Mike Huna Hall	11	Minor renovations completed
Youth Centre Indoor Sports Facility	14	Minor renovations required
Dora Vosloo Community Hall	15	Minor renovations
Indwe New Community Hall	16	In good condition
Mavuya Hall	15	Currently not functioning
Lady Frere Town Hall	04	Minor renovations completed in 2015 / 2016
Greyspan		Renovated
Harry Gwala		Renovated
Zulu Square		Renovated

Crop Production

For 2018/19 financial year

Facilitated the registration of two (2) production assemblies as Co-operatives in Xonxa and Tshatshu.
3 Forestry Management Capacity Building Sessions facilitated and Forestry Committees established in Ward 4, 12 and 2.

Development and submission of Funding Proposal on the implementation of Rural Enterprise Development Hub (as per the signed MOU with Ibuyambo Mill). An amount of R630 000 was received from Chris Hani District Municipality.

1 Alien-Invasive Plant Eradication Plan developed and approved, it is for the prevention of livestock poisoning by alien invasive plants

Partnership between Emalahleni and Chris Hani Co-operative Development Centre was formed for the Rural Agro Industries and Finance Initiatives programme for the introduction of affordable technique for massive quality crop production

Municipality has bilateral relations with Rhodes University on the land care programme which intends to Rehabilitation of arable and grazing land

Mining- Small Scale

Under Small Scale Mining, five (5) clay brick making from Indwe were provided administrative support by the municipality through the support plan that was developed. Various activities as detailed in the support plan for the cooperatives were implemented and these include technical training to clay brick making cooperatives, cooperative governance and business management training. With the assistance of Chris Hani Cooperative Development Centre (CDC) compliance audit assessment was conducted to clay brick making cooperatives whereby status of registration of cooperatives as required in terms CIPC and SARS was audited, and cooperatives were informed what they needed to fix or emend in their compliance documents.

Wool Production

Emalahleni Local Municipality is also doing well in wool production. The Eqaqeni Shearing Shed at Ward 17 was budgeted for and constructed by Emalahleni Local Municipality. The wool production is supported by on-going exchange of Merino ram-type of sheep by Department of Rural Development and Agrarian Reform.

3.13.8 KEY CHALLENGES OF THE DEPARTMENT

- At a national level the economy is still facing downward swing
- Lack of financial muscle for Economic infrastructure
- Lack of clear provincial approach on Rural Development other than Agriculture.
- Limited budget to fund economic development initiatives for both capital and operating budget.
- Red Tape and cumbersome municipal processes (compliance related issues).

3.13.9 COMMENT ON LOCAL JOB OPPORTUNITIES

The unemployment rate in the Eastern Cape increased from 28.8% in third quarter 2012 to 29.8% in the fourth quarter 2012, 1.0 percentage point higher than that of the previous quarter. In fourth quarter, unemployment rate decreases in six of the nine provinces. 69 000 jobs were lost in the Eastern Cape (highest in the country). Half of these jobs were lost in the informal sector.

ELM/3/8/2018Q	Supply and Delivery of Stationery	Expose Building Construction	1	R125 866.12	Mthatha
ELM/9/8/2018Q	Appointment of an a Service Provider to Train three Officials on Municipal Financial Programme	Fort Hare Solutions	0	R195 360.00	Bisho
ELM/2/8/2018Q	Appointment of an Accredited Service Provider to Train Ward Committees on Advocacy and Lobbying of Community Issues	Qabuka-Vuka Development Consultants	1	R99 000.00	East London
ELM1/9/2018Q	Supply and Delivery of Kitchen Consumables for a Period of 8 Months	Sinabalo General Trading	1	R69 547.20	Indwe
ELM2/9/2018Q	Supply and Delivery of Protective Clothing	Sinabalo General Trading	1	R95 205.00	Indwe
ELM3/9/2018Q	Supply and Delivery of Cleaning Material	Lax Civil and General	1	R96 420.00	Indwe
ELM/1/10/2018Q	Supply and Delivery of Cisco Routers	Cobalt Communications	1	R97 460.76	Port Elizabeth (Eastern Cape)
ELM/4/10/2018Q	Appointment of a Service Provider to Service and Repair All Municipal Air Conditioners for a Period of Seven Months	Boss Robes	0	Rates only contract	Queenstown (Eastern Cape)
ELM/5/10/2018Q	Supply and Delivery of Promotional Material For Golf Day	Amandulo Trading	0	R158 125.00	East London (Eastern Cape)
ELM/1/11/2018Q	Supply and Delivery of Newsletter	Gem Print	1	R43 585.00	East London(Eastern Cape)
ELM/2/11/2018Q	Supply and Delivery of Welded on Steel Palisade and Gate at Indwe Offices	NSQ Investments	1	R62 615.00	Emalahleni Local Municipality (Eastern Cape)
ELM/4/11/2018Q	Supply and Delivery of 100 Litres Diesel Bowser	Sinabalo General Trading	1	R57 100.45	Emalahleni Local Municipality (Eastern Cape)
ELM/5/11/2018Q	Supply and Delivery of Stationery	Set Up Technologies	0	R58 528.36	Queenstown (Eastern Cape)
ELM/2/12/2018Q	Appointment of an Accredited Service Provider to Train 34 Councillors on Conflict Management	Dream Finders	0	R108 299.96	Johannesburg (Gauteng)
ELM/3/12/2018Q	Broadcasting of Emalahleni Municipality Adverts/News for a Period of 6 Months	Vukani Community Radio	1	Rates only contract	Cala (Eastern cape)
ELM4/12/2018Q	Medical Examinations for Emalahleni Employees	Mink- Line Consulting	0	R99 491.90	East London (Eastern Cape)
ELM5/12/2018Q	Supply and Delivery of Tools and Material	TM Construction Sanitation	1	R88 870.30	Indwe (Eastern Cape)

INTRODUCTION

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

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

The Annual Financial Statements reflect the continued progress being made by the Municipality to ensure a financially viable institution, which can withstand a certain degree of financial volatility and continue to operate for the benefit of its inhabitants. It further provides a reflection of the financial state of affairs focusing on the fair presentation of financial position, financial performance and cash flows at each reporting date.

Government grants and subsidies have also contributed to the significant increase in revenue, resulting from improved capital spend occurring within the Municipality. This is particularly important as it has a direct impact on the lives ELM's constituent community.

ELM is exposed to continued inflationary pressures and continues to attempt to manage these pressures through cost containment initiatives. These on-going initiatives attempt to alleviate any undue pressure being placed on the community through excessive general expenditure.

An area of particular concern is the need to increase spending on the maintenance of ageing infrastructure and other assets so as to enable them to achieve their full estimated useful lives. The Municipality has recognised that it is imperative for additional funding to be provided within the repairs and maintenance budget to address this need.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003). The principle accounting policies adopted in the preparation of the annual financial statements are set out in the annual financial statements contained in this document. The financial statements have been prepared based on the accounting policies that the municipality deems to be appropriate for the activities of the municipality and have been applied consistently in all respects from the previous financial years.

5.1 STATEMENT OF FINANCIAL PERFORMANCE

EMALAHLENI MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 R	2019 R
REVENUE			
Revenue from Non-exchange Transactions		176,889,718	175,304,617
Taxation Revenue		7,769,936	4,762,368
Property Rates	19	7,769,936	4,762,368
Transfer Revenue		164,607,384	168,109,940
Government Grants and Subsidies - Operating	20	131,303,943	123,284,528
Government Grants and Subsidies - Capital	20	33,303,441	44,825,412
Other Revenue		4,512,398	2,432,309
Actuarial Gains	13	2,324,633	853,763
Fines, Penalties and Forfeits		154,603	8,612
Interest Earned - Receivables from Non-exchange Transactions	27	2,033,161	1,569,934
Revenue from Exchange Transactions		33,520,771	34,354,840
Licences and Permits	21	1,744,161	1,744,786
Service Charges	22	23,431,259	24,379,435
Sales of Goods and Rendering of Services	23	112,715	304,059
Rental from Fixed Assets	24	554,548	549,674
Interest Earned - External Investments	25	1,384,885	870,360
Interest Earned - Receivables from Exchange Transactions	26	4,364,114	3,457,107
Agency Services		536,945	800,266
Operational Revenue	28	1,392,143	2,249,153
Total Revenue		210,410,489	209,659,457
EXPENDITURE			
Employee related cost	29	(85,936,199)	(81,095,625)
Remuneration of Councillors	30	(13,486,389)	(13,002,783)
Bad Debts Written Off		(1,849,678)	(1,509,338)
Contracted Services	31	(20,748,081)	(20,507,472)
Depreciation and Amortisation	32	(20,940,276)	(24,223,300)
Actuarial Losses	13	-	(90,050)
Finance Costs	33	(2,136,254)	(1,585,888)
Bulk Purchases	34	(12,868,035)	(10,555,078)
Inventory Consumed	35	(2,212,970)	(2,096,530)
Operating Leases		(41,995)	(168,944)
Transfers and Subsidies	36	(222,266)	(10,945,603)
Operational Costs	37	(22,279,893)	(27,679,523)
Total Expenditure		(182,722,036)	(193,460,134)
Operating Surplus/(Deficit) for the Year		27,688,453	16,199,323
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(15,460,513)	(9,639,188)
Unauthorised Debit orders	39	(700,000)	-
Impairment loss on Fixed Assets		(7,983,041)	-
Gains/(Loss) on Sale of Fixed Assets	2.11	20,137	(521,245)
Derecognition of fixed assets	2.12	(1,486,693)	(9,549,698)
NET SURPLUS/(DEFICIT) FOR THE YEAR		2,078,344	(3,510,806)

Grant Performance						
R' 000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustmen ts Budget (%)
Operating Transfers and Grants						
National Government:	120,475,640.51	127,085,760.50	127,681,760.50	127,237,715.80	0%	0%
Equitable share	115,774,000.00	123,739,000.00	123,739,000.00	123,739,000.00	0%	0%
Municipal Systems Improvement	-	-	-	-	#DIV/0!	#DIV/0!
Disaster relief grant	-	-	596,000.00	494,527.80	#DIV/0!	17%
Department of Water Affairs	2,286,640.51	466,760.50	466,760.50	124,188.00	73%	73%
Levy replacement	-	-	-	-		
Other transfers/grants [FMG]	2,415,000.00	2,880,000.00	2,880,000.00	2,880,000.00	0%	0%
Provincial Government:	900,000.00	950,000.00	950,000.00	950,000.00	0%	0%
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation	900,000.00	950,000.00	950,000.00	950,000.00	0%	0%
					#DIV/0!	#DIV/0!
					0	0%
Other transfers/grants [FMG]	-		-	-		
District Municipality:	563,700.50	1,066,299.50	1,066,299.50	124,426.76		
CHDM Support Programs	563,700.50	1,066,299.50	1,066,299.50	124,426.76	88%	88%
Other grant providers:	-	1,241,150.00	1,241,150.00	1,241,150.00		
[EPWP]	-	1,241,150.00	1,241,150.00	1,241,150.00	0%	0%
Local government grant						
Total Operating Transfers and Grants	121,939,341.01	130,343,210.00	130,939,210.00	129,553,292.56	1%	1%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure usually relating to new works and renewal projects and to relating to the new works and renewal programmes, relating to the full programme of full capital projects, and relating to the alignment of projects to wards.

COMPONENT C: OTHER FINANCIAL MATTERS

5.1 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council.

Section 117 of the MFMA states that: "No councilor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer." The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of:

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: "The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management." The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management and Supply Chain Management Practitioners.

Supply Chain Management is centralized and situated in the Budget and Treasury Department with 5 permanent staff members, 1 of them has completed the minimum competency requirements, whilst 4 are in the final stages of meeting these competencies

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Auditor-General Report on Financial Performance: 2019/2020	
Audit Report Status*:	Unqualified Audit Opinion
Non-Compliance Issues	Remedial Action Taken
	As per audit action plan

6.1.1 Audit Report

Report of the auditor-general to Eastern Cape Provincial Legislature and the Council on the Emalahleni Local Municipality

Report on the audit of the financial statements

OPINION

1. I have audited the financial statements of the Emalahleni Local Municipality set out on pages ... to ... , which comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Emalahleni Local Municipality as at 30 June 2020 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (DoRA).

BASIS FOR THE OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the Municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my

appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Achievement of planned targets

20. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness of the reported performance information in paragraph 25 of this report.

Adjustment of material misstatements

21. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Basic service delivery and infrastructure. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislations are as follows:

STRATEGIC AND PERFORMANCE MANAGEMENT

24. The performance management system and related controls were inadequate as it did not describe how the performance measurement processes should be as required by municipal planning and performance management reg 7(1).

Annual financial statements, annual performance report and annual report

25. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

REVENUE MANAGEMENT

26. An effective system of internal control for debtors and revenue was not in place, as required by section (64(2)(f) / 97(e)1 of the MFMA.

35. Bid documentation for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
36. Commodities designated for local content and production, were procured from suppliers whodid not submit a declaration on local production and content as required by the 2017 preferential procurement regulation 8(5).
37. Commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required bythe 2017 preferential procurement regulation 8(5).
38. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of MFMA 1120) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation38(1).
39. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of theMunicipal Systems Act.

OTHER INFORMATION

40. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance reportthat have been specifically reported in this auditor's report.
41. My opinion on the financial statements and findings on the reported performance informationand compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
42. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. I did not receive other information prior to the date of this auditor's report. When I do receiveand read this information and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. I may have to retract this auditor's report and reissue and amended report as appropriate. However, if it is corrected this will not be necessary.

East London

31 March 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Emalahleni Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Emalahleni Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Emalahleni Local Municipality as at 30 June 2019 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no.1 of 2018) (Dora).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. draw attention to the matters below. My opinion is not modified in respect of these matters.

15. In preparing the financial statements, the accounting officer is responsible for assessing the Emalahleni Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the municipality for the year ended 30 June 2019:

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual report

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

29. Reasonable steps were not taken to prevent unauthorised expenditure of R26,8 million, as disclosed in note 44.1 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by unplanned derecognition of a landfill site and an unfavourable court case.

Procurement and contract management

30. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) regulation 17(a) and 17(c).
31. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Other information

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

Investigation. The matters relate to alleged supply chain management irregularities and fraudulent transactions.

41. The investigation was concluded at the date of signing this report.

Auditor-General

East London

30 November 2019



AU DITOR-GENE AL
SOUTH AFRICA

Auditing to build public confidence

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

1.4	Non-submission of information - Expenditure	The non-submission of information was due to the slow response of management to the request for information letter.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will implement a file plan for all payment vouchers which will include utilising the electronic document management system to preserve documents for audit purposes.	
2.1	SCM CAATS - Suppliers not declaring interest	Management not properly educating suppliers about the declaration process and it is importance.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will invite suppliers to a workshop to educate them on Municipal Bidding Documents and the importance of the declarations.	
2.2	Local content regulation not considered	SCM office not properly trained on Local Content Regulations	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will review all new procurements against the irregular expenditure checklist to ensure full compliance with SCM regulations.	
2.4	Tender not advertised on the Municipal Website	SCM unit did not ensure the advert appears on the Municipal website.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will review all new procurements against the irregular expenditure checklist to ensure full compliance with SCM regulations.	
2.7	Non-disclosure of transaction with state employee	Management did not comply with Municipal Supply Management	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will source the services of verification agencies to test the suppliers listed in the municipal accredited database to ensure accurate disclosure in the AFS.	

3.2	Unauthorised debit orders – Non-compliance	Review of cash and bank is not done timeously by management to ensure that unauthorised transactions by appropriate municipal official are identified and responded to timeously by management.	No	30-Jun-21	60%	Chief Financial Officer	Budget and Treasury Office	Bank reconciliations are being prepared on a month basis with the submission of the monthly C Schedule by the 10th working day of the month.	
4	Remuneration of councillors presentation and disclosure	Management did not perform adequate review of annual financial statements to ensure that remuneration of councillors note 30 is complete.	No	30-Jun-21	20%	Chief Financial Officer	Budget and Treasury Office	Management will develop half-yearly AFS prior to year end to submit to assurance providers (Internal Audit, Audit Committee, etc) to eliminate material errors in the AFS by providing Pre-Audit Readiness.	
5	Revenue schedules	This is due to management not adequately perform and ensure that reconciliation of revenue	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will develop half-yearly AFS prior to year end to submit to assurance providers (Internal Audit, Audit Committee, etc) to eliminate material errors in the AFS by providing Pre-Audit Readiness.	

6.5	Difference between note of leave accrual and Employee related note	municipality on behalf of qualifying employees is accurate. This is due to inadequate review of financial statements and relevant notes to financial statements.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will develop half-yearly AFS prior to year end to submit to assurance providers (Internal Audit, Audit Committee, etc) to eliminate material errors in the AFS by providing Pre-Audit Readiness.	
7.2	Retentions Differences-Accuracy	Inadequate reviews of retentions register.	Yes	30-Jun-21	0%	Director: Infrastructure and Human Settlements	IDHS	Perform monthly updates of retention register	
7.4	VAT reconciliations not prepared timeously	VAT reconciliations are not prepared, only journals transferring VAT from the input and output VAT accounts to the VAT control account are prepared.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Perform monthly Vat Reconciliation as per Treasury MFMA submission calendar	
7.5	Non-compliance: VAT returns not filed timeously	Lack of management supervision.	Yes	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Perform monthly Vat Reconciliation as per SARS timeable	

[illegible]

[illegible]

1.5	Understatement of capital commitments	The cause is due to lack of oversight by management	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Maintain a credible commitment register on a monthly basis	
1.6	Completeness of Irregular Expenditure	Lack of proper record keeping to identify and track all irregular expenditure.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Maintain a monthly checklist of the irregular expenditure register	
12.1	Rental Debtors - non submission of lease agreements	The cause of the above is due to a lack of controls over the maintenance of financial information	No	30-Jun-21	0%	Director: Corporate Services	Corporate Services	Management should ensure that the filing system is updated to allow for easy access to information. Information should be filed by category and should be sequentially numbered. A database should be maintained to track and locate documentation. All information requested by the Auditor General South Africa should be submitted within the agreed upon timeframes.	
12.2	Rental debtors - Existence	This is due to inadequate review by management relating to debtors book to ensure that all debtors on the book exists	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management should ensure that there are valid leases in place for all rental revenue billed by the municipality.	
13.1	Fruitless and Wasteful Expenditure	Lack of oversight by management	No	30-Jun-21	20%	Chief Financial Officer	Budget and Treasury Office	Maintain a monthly register of Fruitless & Wasteful Expenditure.	

17.8	Employee costs - Appointment list not complete	Improper review of information supporting the annual financial statements.	No	30-Jun-21				0%	Director: Corporate Services	Corporate Services	Maintain a register of list of appointments and update it monthly.	monthly payroll reconciliations.	
17.9	Employee cost - Remuneration for director not completely disclosed	The amount was left out in preparation of annual financial statements	No	30-Jun-21				20%	Chief Financial Officer	Budget and Treasury Office	Management will develop half-yearly AFS prior to year end to submit to assurance providers (Internal Audit, Audit Committee, etc) to eliminate material errors in the AFS by providing Pre-Audit Readiness.		
7.10	Employee costs - Accuracy and cut-off-overtime	Management did not suitably apply the accrual basis of accounting in dealing with cut-off for overtime worked.	No	30-Jun-21				0%	Chief Financial Officer	Budget and Treasury Office	Prepare a schedule of year end procedures and develop a SoP to ensure accurate reporting.		
18.2	Revenue: Metered electricity - Cut-Off	Lack of adequate review by management over billing and revenue recognition	No	30-Jun-21				0%	Chief Financial Officer	Budget and Treasury Office	Revenue disclosure should be based consistent with the Accounting Policy Note, which should enhance the fair presentation of the AFS.		

21.2	Overstatement of Staff bonus accrued	Inadequate review of staff bonus schedule.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Management will develop half-yearly AFS prior to year end to submit to assurance providers (Internal Audit, Audit Committee, etc) to eliminate material errors in the AFS by providing Pre-Audit Readiness.	
22	Bulk Purchases-Cut-off	Management did not suitably apply the accrual basis of accounting in dealing with cut-off for bulk purchases.	No	30-Jun-21	0%	Chief Financial Officer	Budget and Treasury Office	Prepare a schedule of year end procedures and develop a SoP to ensure accurate reporting.	
23	Consequence Management: Consequence management issues not timely investigated and finalized.	Management not taking effective steps to timeously follow up on investigations and closing them.	No	30-Jun-21	0%	Municipal Manager	Municipal Manager	Develop an MPAC Process Plan to deal with the pending investigations on UIFW expenditure prior to year end.	
					0%				

223%

4%

OTAL PROGRESS

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

The municipality has no entity

APPENDIX E – WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr. T Mrwebi	Yes	12	12	4
	Zukiswa Gatyeni				
	Xola Patrick Mhi				
	Zandiswa Laho				
	Nomzamo Makeke				
	Thembelani Sabongo				
	Siyabulela Mgca				
	Andiswa Mtwla				
	Nonzaliseko V Dweni				
	Mpumelelo Mafilika				
	Bukiwe Mgwebi				
2	Cllr. N Kama	Yes	12	12	4
	Nosandla Ngxakatha				
	Pumeza Ndika				
	Nobonanye Mnxulwa				
	Kanafana Mbuzeli				
	Reli Tezapi				
	Nokubonga M. Songo				
	Bavile Fanavele				
	Nomutile Ngesi				
	Ntombintle Matheza				
	Ntombesihlanu Skoti				
3	Cllr. X Njadu	Yes	12	12	4
	Mluleki Ndindwa				
	Bongani Khohli				
	Singatwa Malotana				
	Nokubonga Nkwetshna				
	Nosicelo Dyasi				
	Nombalela Roji Zanga				
	Ellias Roro				
	Morris Ndibi				
	Nicholas Gwebecimele				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Ncebakazi Ngashe				
	Phumeza Bheki				
	Nobomi Nakho				
	Nokwakha Bota				
	Mvuzo Ngemntu				
	Noluntu Soko				
8	Cllr N Nqono	Yes	12	12	4
	Ntobeko Siko				
	Nkosinathi Guda				
	Gloria Magwebu				
	Zibele Buti				
	Nokubonga Koti				
	Fundiswa Menye				
	Noyedwa Jaxa				
	Nomakhaya Xaluva				
	Mthethunzima Mlonyeni				
	Nonasile Mpandle				
9	Cllr L Fatyela	Yes	12	12	4
	Nokubonga Qampi				
	Mankayi Nontembiso				
	Nozuko Hondwana				
	Thanduxolo Ngesi				
	Vuyokazi Matholengwe				
	Nonkululo Mdivas				
	Phathiswa Ngxazisa				
	Nolulamile Davani				
	Nomthunzi Kibido				
	Nomawethu Ntsomi				
10	Cllr Z Moshani	Yes	12	12	4
	Mandlakapheli Kuku				
	Thembisile Gcuze				
	Nosango E. Mayika				
	Nolisten Pistoli				
	Ntombekhaya Sijaji				
	Thamsanqa Qwanya				
	Nosango Sijaji				
	Thandi Mathamba				
	Nobathembu Nqumashe				
	Thobeka Qoko				
11	Cllr T Mondile	Yes	12	12	4

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Lemakatso Siyoko				
	L.P Buyeye				
15	Cllr L Paul	Yes	12	12	4
	Albertina Kalimashe				
	Allen S. Duda				
	Ndumiso Bengo				
	Nomvume Memani				
	Bukiswa Beyonce Joko				
	Phuthumile Sam				
	Rabecca Sondara				
	Chasiwe Makeleni				
	Phumeza Mtyhobile				
	Vulindlela Mbili				
16	Cllr M Makatesi	Yes	12	12	4
	Sibongiseni Alakhe Rilityane				
	Thumeka Yoyo				
	Nolizwi Bathembu				
	Nompelo Duda				
	Malibongwe Gura				
	Nomvuko Ntantiso				
	Zibonisile Maxaku				
	Zoliswa Khuselo				
	Mhlangabezi Mangqamba				
	N Peter				
17	Cllr C Bobotyana	Yes	12	12	4
	Nobayeke Sulo				
	Zolisani Tshona				
	Maqhuma Ntamnani				
	Nokwanda Menziwa				
	Mandithini Mhlambiso				
	Nokuzola Litye				
	Khangela Mtonono				
	Nokhwezi Galatya				
	Nosasindile Hemene				
	Potyololo Matiwane				
				Refer to Speakers office	

WARD	ISSUES RAISED
	5. Request for DDX Police to also help Ward 10 as they are struggling to get to Dubeni Clinic
11	<ol style="list-style-type: none"> 1. High level of violence and under-age drinking 2. Bad roads in the location 3. Overcrowded health services 4. Shortage of Doctors in Dordrecht hospital 5. Chris Hani Primary School Delay
12	<ol style="list-style-type: none"> 1. Fencing of the grazing at Mkhaphusi village 2. All School Governing Bodies were elected 3. Projects initiated by Social Development but not supported by the Municipality 4. Request for information with regards to construction of the tar road to Machubeni via Ward 12 5. Shortage of medicine at Ngqanda Clinic
13	<ol style="list-style-type: none"> 1. Water & Free Basic Electricity 2. Foot bridges & Access Roads Renovation 3. Fencing of crop fields 4. Hawker stalls & Business Management Training 5. Luxeni Dipping tank to get Electricity in both sharing sheds, add toilet and drinking water
14	<ol style="list-style-type: none"> 1. Rate payers say Electricity is not free and water costs are expensive 2. Unfinished Toilets and Water Extensions 3. Non-Acceptance of Demarcation by community members 4. Shortage of nurses in Mhlanga clinic 5. Lack of jobs
15	<ol style="list-style-type: none"> 1. High level of youth unemployment 2. Bad roads 3. No netball fields 4. Child and Elderly person rape problem 5. Request for Old age home
16	<ol style="list-style-type: none"> 1. Bad roads from town to all villages of the ward 2. Request for a dipping tank 3. Storm water drainage for the whole ward 4. Fencing at Vukani 5. Upgrading of Sport field and improvement of Mayors Cup organizing team
17	<ol style="list-style-type: none"> 1. Digging of a Dump site at Maqhashu Village 2. Support of SMME at Ward 17 and monitoring of the projects 3. Shortage of Math's teachers for Grade 12's at Mhlontlo Senior Secondary 4. Access road at Trust Village 5. Upgrading of Sports field at Ward 17

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19

Management has updated progress on the implementation of Audit Committee resolution and level of implementation as follows:

Detail summary of resolutions and progress to date:

a) Detail summary of resolutions that were implemented and not implemented:

DATE OF MEETING	RESOLUTION No.	RESOLUTION	ACTION REQUIRED	RESPONSIBLE DIRECTOR	PROGRESS	DUE DATE	STATUS
25/04/2018	6.4	6.1 Progress report on Adopted AG Action Plan 2016/17	<p>(a) Audit Committee note the update on the implementation of the 2016/17 audit action plan.</p> <p>(b) Audit Committee note that the Audit Action Plan is currently at 90% of findings having been resolved.</p> <p>(c) Audit Committee note that Action owners need to provide POE's for their action in order to be rated and also for Audit Purposes.</p>	All Directors	Audit Action plans were implemented and but there were still issues of inadequacies, inconsistency on reporting of performance information	30 June 2018.	CLOSED AND FOCUSED ON 2017/18 PLAN

Item 6.2	Key Control Dashboard	• Management and the new Accounting officer to develop new action plans as commitment to good key control environment	CAE/Directors/MM	Commitments were sought from management and the item is in for the meeting of 22/11/2019	IMPLEMENTED
Item 6.3	SCM Audit Report	• Noted therefore no action			IMPLEMENTED
Item 6.4	Audit Report on Compliance with legislation	• Noted therefore no action			IMPLEMENTED
Item 6.6	Fleet investigation to irregularities (Ad Hoc)	• Report to be finalized since there is no further information to assist in the investigation. • The report to be submitted to council once tabled to the Audit Committee	CAE/MM	Report to be table in the AC in November. Final Report on the issue an item for the meeting of 22/11/2019	IMPLEMENTED
Item 6.7	Progress against the IAP (deferred)	• To be presented in the next Audit Committee	CAE	Item in the meeting of 22/11/2019	IMPLEMENTED
Item 7.1	Draft Annual Financial Statement	• To clearly state the derecognition of the land fill site as a write off and not proceed/loss from sale of assets • To request a council resolution for the derecognition of the landfill site	ACFO/AMM	The item was taken to council together with the draft AFS and the resolution was given	IMPLEMENTED
Item 7.2	Internal Audit High level report on draft AFS 2018/19	• Noted, therefore no Actions			IMPLEMENTED
Item 8	Internal Audit report on review of draft Annual Performance Report	• Departments to correct all instances of inadequate information before AC report goes to Council	All Directors/AMM	All inadequate information was dealt with before the Council meeting	IMPLEMENTED

a) Resolutions that are in progress to date

DATE OF MEETING	RESOLUTION No.	RESOLUTION	ACTION REQUIRED	RESPONSIBLE DIRECTOR	PROGRESS	DUE DATE	STATUS

Item 7.1	4th Quarter Financial report	<ul style="list-style-type: none"> An update on CHD debt and all other state debtors be given to the audit committee 	ACFO/AMM	<ul style="list-style-type: none"> The municipality has been in communication with the new acting CFO of CHDM and relevant documents have been provided to him. A meeting will be arranged should CHDM not agree to the outstanding debt to discuss such and finalise the issue. Management has provided CHDM with all the records, but they still have not paid CHDM has countered that the municipality must also pay their water accounts that are outstanding. They are still in process to consolidate a report with support of the total amount due by the municipality after the municipality had confirmed properties in its ownership. A list of municipal properties including RDP Houses have been consolidated with the assistance of the Town Planning Unit and this information was submitted to CHDM on 14 June 2020. The municipality awaits the feedback from CHDM. 	<p>22 November 2019</p> <p>19 Feb 2020</p> <p>21 July 2020</p>	IN PROGRESS
Item 7.2	4th Quarter SCM report	<ul style="list-style-type: none"> The Irregular expenditure of R334 675 be referred to the Disciplinary Board for investigation of Financial Misconduct 	AMM	<p>Irregular expenditure was reported to council via item and audit committee chairperson. MPAC has been task to investigate the matter now. Council rejected the request by Audit Committee to refer the matter at this stage to Disciplinary Board. The MPAC report will direct the further actions required</p> <p>Municipality is in a Process of advertising for the position of Disciplinary Board Chairperson who will also fill the vacancy in the Audit Committee. All other members of this Board are already in place.</p>	22 November 2019	IN PROGRESS

	Item 6.5	Report on Risk Management	<ul style="list-style-type: none"> • Risk Management Committee to submit report at each Audit Committee meeting • Clarity on fraud Risk Assessment to be provided • Seek Assistance from Cogta on fraud risk identification • Follow up be done with the Risk Committee Chairperson as to the functionality of RMC 	MM	<p>Risk Management committee meeting held on 20 November 2019. Risk management report is an item for the meeting on 22/11/2019</p> <p>Cogta has been requested to assist the municipality in Strat and /fraud risk assessment inn March</p> <p>Risk Chairperson to give a report on the functionality of the committee</p> <p>Cogta has been requested to assist the municipality in Strat and /fraud risk assessment in March. Due to the lockdown this has was postponed and a date has been set for the 30 July 2020 to conduct the Assessment</p>	<p>22 November 2019</p> <p>19 Feb 2020</p> <p>21 July 2020</p>	IN-PROGRESS
22/11/2019	Item 8.1	Municipal Overview	<p>AC be given high level report on the Forensic report issued</p>	Municipal Manager	<p>Project Manager suspended and employment Contract expired on the 30th June 2020 while disciplinary processes were underway, so this one will be pursued outside the institution.</p> <p>Director for IDHS has been precautionary suspended, Municipality is in the process of Appointing Private Forensic Investigator for further processes regarding this case.</p> <p>Other officials implicated in the COGTA Report have since resigned and their matter will be dealt with by COGTA.</p>	21 July 2020	IN-PROGRESS

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Annexure I - SERVICE PROVIDER PERFORMANCE SCHEDULE FOR TECHNICAL PROJECTS

No	DESCRIPTION OF CONTRACT/PROJECT	BID/ CONTRACT NO.	CONTRACTOR'S/SERVICE PROVIDER'S NAME	CONTRACT AMOUNT	TOTAL PAID TO CONTRACT	EVALUATING COMMENTS
1	Construction of Municipal Offices Phase 1	ELM/5/9/2016T	Nubhana Trading JV Leshole Trading	R34 995 000,00	R9 004 113.23	Project being halted further implementation will be based on budget.
2	Professional Services for the Installation of HighMast Lights	ELM/4/7/2017T	Mekan Engineering	R679 668.00	R543 737.40	Project being investigated.
3	Installation of Solar Street Lights	ELM1/11/2017T	Wegezi JV Teshani	R4 016 300.00	R3 063 422.40	The project was not completed in 2017/18 financial year
4	Installation of HighMast Lights in Cacadu, Cacadu bridge and Dordrecht	ELM2/11/2017T	LT Ntloko JV Khubonga	R4 987 918.80	R3 552 029.8	Project being investigated.
5	Professional and Construction Services for the Rehabilitation of Indwe Sports Field Phase 1 Through Turnkey	ELM/2/5/2018T	MBS Civils JV Cudjoe Quantity Surveying CC	R 11 000 000.00	R10 998 617.50	Service provided is not to the expected level of satisfaction. Completion date was 30 June 2019.
6	Professional and Construction Services for the Construction of Cacadu Sports Fields Phase 3 in Ward 4 Through Turnkey	ELM9/5/2018T	Nemorango JV Nakiseni Business	R7 746 249.98	R7 710 555.42	Service provided by the service provider has improved after issuing final warning letter. Completion date was 31 May 2019.
7	Professional & Construction Services for the Construction of	ELM/2/07/2018T	Counterpoint JV Sizo Engineering	R 5 024 999.75	R5 175 822.96	Service provided not to the expected level of satisfaction. Completion date was 27 August 2019.

No	DESCRIPTION OF CONTRACT/PROJECT	BID/ CONTRACT NO.	CONTRACTOR'S/SERVICE PROVIDER'S NAME	CONTRACT AMOUNT	TOTAL PAID TO CONTRACT	EVALUATING COMMENTS
15	Cemetery Development Indwe (Ward 16) (contractor)	ELM/3/10/2019T	Nontembiso Projects	R2 034 775.56	R1 500 055.91	Service provided to the expected level of satisfaction.
16	Supply and Delivery of Paving Material to be delivered in Cacadu and Indwe Units	ELM/01/07/2019T	K2015077542 (SA) Pty Ltd	R884 850.00	R884 850.00	Service provided to the expected level of satisfaction.
17	Paving of Zakhele Location in ward 4	ELM/4/11/2019T	Tshiya Infrastructure Development (Pty) Ltd	R8 274 461.14	R4 145 285.66	Contractual obligations not met to the satisfactory level, however progress of construction work is satisfactory.
18	Paving of Sinakho Location in ward 11 & 14	ELM/5/10/2019T	Tshiya Infrastructure Development (Pty) Ltd	R8 762 624.64	R6 038 422.82	Contractual obligations not met to the satisfactory level, however progress of construction work is satisfactory.
19	Construction of Cacadu Park	ELM/4/11/2019T	Tati Group	R2 262 174.54	R1 580 508.41	Service provided to the expected level of satisfaction.
20	Professional and Construction Services for the Construction of the Tsolokazi Access Road in ward 17 Through turnkey	ELM6/11/2019T	Mvi Construction & Maintenance JB Ibhote Lwezizwe	R6 245 811.00	R3 463 704.57	Service provided to the expected level of satisfaction.
21	Professional and Construction Services for the Construction of the Jinginja Access Road in ward 1 Through turnkey	ELM/5/11/2019T	BM Infrastructure JV Masiyabu Trading	R6 618 118.85	R4 065 996.44	Service provided to the expected level of satisfaction.
22	Completion of Indwe Feedlot	ELM/3/2/2020T	NNW Sibhoma Construction and Supplies	R419 908.35	R383 415.96	Service provided to the expected level of satisfaction. There was a variation order of R6 500.00

No	DISCRIPTION CONTRACT/PROJECT	BID/ CONTRACT NO.	CONTRACTOR'S/SERVICE PROVIDER'S NAME	CONTRACT AMOUNT	TOTAL PAID TO CONTRACT	EVALUATING COMMENTS
8	Provision of Travel Agency & Events Management	ELM/7/12/2018T	Tunimart Travel (Pty) Ltd	Rates contract	R2 747 504.56	Service provided by the service provider to the expected level of satisfaction.
9	Panel of Attorneys for Legal Services:	ELM/1/4/2017T	Ntsiki Phakade	Rates contract	R1 072 505.19	Service provided by the service provider to the expected level of satisfaction. The contract ended on June 30, 2020.
10	Provision of Fuel for Municipal Vehicles	ELM/3/11/2019T	Indwe Vulstasie 2	Rates contract	R 47 696,13	Service provided by the service provider to the expected level of satisfaction.
11	Supply, Delivery, Installation and Commissioning of a prepaid Electricity Vending System	ELM/2/09/2019T	Ontec Systems (Pty) Ltd	Rates contract	R46 225.02	Service provided by the service provider to the expected level of satisfaction.

Liwani Sibha	• None	Yes
Ziduli Nokwandisa	• Khazimla Holdings (Pty)Ltd • (Husband Company)	Yes
Bobotyana Cecil	• None	Yes
Kulashe Thandeka Gloria	• None	Yes
Mondile Thembi	• None	Yes
Nqono Nosibulelo	• None	Yes
Fatyela Linda	• None	Yes
Sixishe Thobeka	• None	Yes

Feni Rossenberg Zihle	• New Era Business Enterprises	Yes
Kali Monwabisi	• None	Yes
Mrwebi Thozama	• None	Yes
Siyolo Peter Dalumzi	• None	Yes
Mziwakekile Kamteni	• None	Yes
Mtyobile Ncedisa	• None	Yes
Lali Nolitha	• None	Yes
Bongo Siyabulela	• None	Yes
Kalolo Dumisa	• None	Yes
Greyling Peter	• Owner Universal Garage Dordrecht	Yes
Kama Nolisten	• None	Yes
Fumanekile Mthandeni	• None	Yes
Paul Lizo Nelson	• None	Yes
Limba Mcebisi	• None	Yes
Qomoyi Mncedisi	• None	Yes

SECTION 56/57 MANAGERS

Xakwe Ntomboxolo	• None	Yes
Boniwe Sinawo	• None	Yes
Nobhula Andisiwe	• None	Yes
Stuurman Lusanda	• None	Yes
Strop Nosipho	• None	Yes
Mejeni Zola	• None	Yes
Nqokiso Malukhanye	• None	Yes
Ziwele Lusanda	• None	Yes
Ngxowa Mveleli	• None	Yes
Mxhamli Zikhona	• None	Yes
Makhasi Nqaba	• None	Yes
Sam Asithandile	• None	Yes

COMMUNITY SERVICES STAFF

Name of Person	Name of company	Declared (Y/N)
Wayne Mccaskill	• None	Yes
Mbengo Thembela Sherol	• None	Yes
Welile Mbaliso	• None	Yes
Makoma Nomfundo	• None	Yes
Gcuze Pamela	• None	Yes
Kalipha Phakama	• None	Yes
Hlangu Nkosiyabo	• None	Yes
France Nolusindiso	• None	Yes
Jack Mthandazo	• None	Yes
Mbono Mthunzi	• None	Yes
Mgemane Letshego Junior	• None	Yes
Mfihlo Asanda	• None	Yes
Gushelo Mncedisi	• None	Yes
Ntongana Nandipa Nwabisa Kwasa	• None	Yes
Nkwentsha Yandela	• None	Yes
Banca Luvuyo Lovemore	• None	Yes
Khayingana Mathias	• None	Yes
Xuba Kunjulwa	• None	Yes
Qaba Andile	• None	Yes
Mphali Victor	• None	Yes

Duba Timoty	• None	Yes
Malusi Ludwe Anda	• None	Yes
Sawa Yanga Witness	• None	Yes
Damane Zandisile	• None	Yes
Ndamane Sango	• None	Yes
Nzima Bongani	• None	Yes
Soboyisi Ntozami	• None	Yes
Mati Zenzile Richard	• None	Yes
Nkololo Siyabonga	• None	Yes
Ganamfana Xolile Maxwell	• Twin Dog Construction cc • Sibanye Event • Management	Yes
Siyekwana Isaac Vuyani	• None	Yes
Chasa-Maselana Yonela	• Amway Products • Property Development	Yes
Thenjwa Mhlozayo Elvis	• None	Yes
Ngacu Onke	• None	Yes
Mapoma Nocwaka	• None	Yes
Yawani Akhona	• None	Yes
Hobongwana Zolani	• None	Yes
Nkasela Amanda Nosisa	• None	Yes
Petse Luhle	• None	Yes
Ndyalvan Patrick	• None	Yes
Sabatha Zolani	• None	Yes

CORPORATE SERVICES STAFF

Masabata Swayena	• Tsimo Transports and Furniture Installations (PTY) Ltd	Yes
Madotyeni Simphiwe	• None	Yes

	.	
--	---	--

PEDTA

Vanqa Aphiwe	• None	Yes
Xhego-Madubela Nomabhaca	• None	Yes
Mfundisi Joseph	• None	Yes
Mfobo Qaqamba	• None	Yes
Mciteka Bathandwa	• None	Yes
Tshona Sonwabile	• None	Yes
Makaula Lungile	• None	Yes
Cobokwana Sikhusele	• None	Yes
Ncedo Noxolo	• None	Yes
Mkefa Daluxolo	• None	Yes
Mantyi Dolly Lumka	• None	Yes
Ncedo Noxolo	• None	Yes
Xhego-Madubela Nomabhaca	• None	Yes
Mfobo Qaqamba	• None	Yes

MUNICIPAL MANAGER OFFICE

Yawa Vuyelwa	• None	Yes
Soko Thembinkosi	• None	Yes
Tyembile Sandiso	• None	Yes
Mbotyi Zamuxolo	• None	Yes
Matoti Misikhaya	• None	Yes
Nqumkana Luthando	• None	Yes

Mntwana Mzoxolo	• None	Yes
Msitshana Buntubanti	• None	Yes
Mbam Mandla	• None	Yes
Liwani Zoliswa	• None	Yes
Mkhosana Zolisa	• None	Yes
Bekker M.J.	• None	Yes
Teka Zukile	• owner of zuk's tarven	Yes
Masiza Lungiswa Gloria	• None	Yes
Marotya Lindiwe	• None	Yes
Mketo Tembela	• None	Yes
Phondoyi Lesi	• None	Yes
Gaji Phumzile	• None	Yes
Ngantweni Thulani Cristopher	• None	Yes
Sizani Thobeka Hazel	• None	Yes

INDWE UNIT

Nziweni Malibongwe Advocate	• None	Yes
Peti Andisiwe	• None	Yes
Siteto Sindephi	• None	Yes
Jacobs Phumzile	• None	Yes
Mangena Mandla	• None	Yes
Dyantyi Thembinkosi Thomas	• None	Yes
Swelindawo Lindelwa	• None	Yes
Hlekiso Thembisile	• None	Yes
Fuma Vuyisile	• None	Yes
Gwatyu Mlungisi	• None	Yes
Elefu Thembani	• None	Yes
Diko Xolile	• None	Yes
Naka Elvis	• None	Yes
Khayingana Mafiyosi Iholho	• None	Yes
Poni Mlungisi	• None	Yes
Makamba Sekiwe	• None	Yes
Noganta Sindiswa	• None	Yes
Siyoyo Asanda	• None	Yes
Nonambana Zanenkosi	• None	Yes
Mbekwa Ntombizodidi	• None	Yes
Magalati Akhona	• None	Yes
Kwatshana Mzwethu	• None	Yes

APPROVAL OF THE AUDITED ANNUAL REPORT: 2019-2020

The Audited Annual Report with oversight was tabled in Council for approval on

the.....Council Resolution of Adoption:

Signatures:

.....
MR V.C MAKEDAMA
MUNICIPAL MANAGER

.....
DATE

Signatures:

.....
CLLR. N. F. KONI
HONOURABLE MAYOR

.....
DATE

EMALAHLENI

EMALAHLENI LOCAL

MUNICIPALITY OVERSIGHT

REPORT 2019/2020

FINANCIAL YEAR



UNITY IN DEVELOPMENT



1. TABLE OF CONTENTS

PAGE

1. TABLE OF CONTENTS
2. FOREWORD BY THE MPAC CHAIRPERSON
3. ACRONYMS
4. INTRODUCTION
5. PURPOSE
6. LEGAL FRAMEWORK
7. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
8. LEGISLATIVE FRAMEWORK & STATUTOR REQUIREMENTS
9. CONSULTATION AND ADOPTION PROCESS
10. PUBLIC PARTICIPATION IN THE OVERSIGHT REPORT
11. COMMITTEE FINDINGS AND RECOMMENDATIONS
12. RECOMMENDATIONS BY THE CHAIRPERSON
13. OVERSIGHT RESOLUTIONS

ANNEXURE "A" MINUTES OF THE PUBLIC ACCOUNTS COMMITTEE (MPAC)

ANNEXURE "B" EMALAHLENI LOCAL MUNICIPALITY ANNUAL REPORT (2019/2020)



2. MPAC CHAIRPERSON FOREWORD

In terms of MFMA Act no 56 of 2003- Circular no 32 and 11, MPAC is required to also oversee the annual report of the municipalities. As well as mandated by Council to review and scrutinize the 2019/2020 draft Annual Report. As an oversight committee we have fulfilled the obligation.

The annual report is one of the key instruments of transparent governance and accountability. It is a post financial year document which provides an overview process of financial and non-financial performance in respect of the previous financial year. The adoption of an Annual report is a legislative requirement in terms of the Local government: Municipal Finance Management Act (MFMA) 2003 (Act 56 of 2003).

The Annual Report is submitted to Council by the Accounting officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals and objectives set by the municipality for the financial year. The oversight report is considered to be a report of the Municipal council reflecting on the annual report. Council is responsible to oversee the performance of the municipality as required by the constitution, the Municipal finance management act, act no 56 of 2003 (MFMA), and the municipal systems act. The oversight responsibility of council is particularly important for the process of considering annual reports. In terms of Section 129 (1) of the MFMA, the Council of a municipality must consider the annual report of the municipality and adopt an oversight report containing the Council's comments on the annual report.

The Municipal Public Accounts committee records its concerns at the repetition of the same matters of raised in the previous financial years and the emphasis being raised repeatedly by the audit committee, Internal Audit and the Auditor-General in Audit reports over successive financial years, and also its concerns at the failure by the Municipality to rectify such matters, inter alia, by implementing existing measures and action plans.

We would like to thank the Executive Committee led by the Office of the Mayor including the Municipal Manager as well as senior management for their cooperation while performing this task.

L. P. MAPETE

CLLR LP MAPETE

MPAC CHAIRPERSON



3. ACRONYMS

AGSA	AUDITOR GENERAL
COGTA	DEPARTMENT OF COOPERATE GOVERNANCE AND TRADITIONAL AFFAIRS
EC	PROVINCE OF THE EASTERN CAPE
ELM	EMALAHLENI LOCAL MUNICIPALITY
FY	FINANCIAL YEAR
IDP	INTERGRATED DEVELOPMENT PLAN
KPI	KEY PERFORMANCE AREA
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
PMS	PERFORMANCE MANAGEMENT SYSTEM
RSA	REPUBLIC OF SOUTH AFRICA
SDBIP	SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

4. INTRODUCTION

Oversight is a concept that refers primarily to the crucial role of legislatures in reviewing and monitoring the actions of the executive organs of government. The executive in carrying out its tasks, whether by implementing legislation or policy, acquires considerable power (the ability to influence or determine a person's conduct). A condition of the exercise of that power in a constitutional democracy is that the administration or executive is checked by being held accountable to an organ distinct from it (the legislature). This notion is inherent in the concept of the separation of powers, which simultaneously provides for checks and balances on the exercise of executive power, making the executive more accountable to an elected legislature.

5. PURPOSE

Section 129 of the Municipal Finance Management Act requires a municipality to prepare an oversight report over the annual report and to publish the same. However, no further formal oversight requirements are contained in the legislation. Section 129(4) of the MFMA only provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearings, and the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report. Thus the purpose of this report is to present to Council the final audited report for 2019/2020 as well as the



Oversight report on the Annual Report as required in terms of section 129 of the Municipal Finance Management Act of 2000.

6. LEGAL FRAMEWORK

Herewith are the extracts from the key legislative requirements as stipulated in the Local Government Municipal Finance Management Act 56 of 2003 relating to the Annual report.

"121" Preparation and adoption of annual reports

- (1) Every Municipality and every Municipal entity must for each financial year prepare an annual report in accordance with this chapter. The council of the municipality must within 9 months after the end of the financial year deal with the annual report of the municipality and of any entity under the municipalities sole or shared control in accordance with section 129.
- (2) The purpose of an Annual report is:
 - (a) To provide a record of the activities of the municipality during the financial year to which the report relates.
 - (b) To provide a report on performance against the budget of the municipality for the financial year, and
 - (c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

"127" SUBMISSION AND TABLING OF ANNUAL REPORTS

- (1) The Mayor of the Municipality must within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's control.

"129" OVERSIGHT REPORTS AND ANNUAL REPORTS

- (1) The Council of a municipality must consider the annual report of the municipality under the municipality's control, and by no later than 2 months from the date on which the Annual Report was tabled in the Council's comments on the annual report, which must include a statement whether the Council.
 - (a) Has approved the Annual Report with or without reservations
 - (b) Has rejected the annual report or
 - (c) Has referred the annual report back for revision of those comments that can be revised.



7. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts committee (MPAC) is a committee of Council established in terms of section 79 of the Local Government Municipal structures act of 1998 (Act 117 of 1998) according to the terms of reference MPAC has the responsibility to inter alia, perform oversight over the process of preparing the annual report of council and produce an oversight report based on the Annual report. Thus the committee is delegated the responsibility to conduct meetings and hold public hearings to receive and hear public submissions on the Annual report on behalf of council. The Local Government elections that were held on the 3rd August 2016 resulted in ushering of new councillors. The current MPAC Members were elected at the first council meeting and its members are:

CLLR P MAPETE (CHAIRPERSON)

CLLR ZG MOSHANE CLLR MF MTHANDEKI

CLLR M MAKATESI CLLR N KRAQA

MR AT LWANYANA

8. LEGISLATIVE/ STATUTORY REQUIREMENTS

The following legislative framework is applicable.

- (a) The Constitution of the Republic of South Africa Act 108 of 1996
- (b) The Local government Municipal Structures Act 117 of 1998
- (c) The Local government Municipal Systems act 31 of 2000, as amended.
- (d) The Local Government Municipal Finance Management Act, Circular 11
- (e) The Local Government Municipal Finance Management Act, Circular 32 and 63
- (f) National treasury and Department of Corporate governance and Traditional Affairs final guidelines for the establishment of the Municipal public Accounts Committee, August 2011.

9. CONSULTATION AND ADOPTION PROCESS

The Draft Unaudited Annual Report was submitted to Council and was referred to the Municipal Public Accounts committee for oversight in terms of relevant legislation. The community was advised through the print media on the availability of the annual report and further encouraged to submit representations. Copies of the annual report were made available to all municipal libraries and community halls. Copies are further circulated to all councillors. Office of the auditor general, the Provincial Treasury and the Department of Corporate governance and traditional Affairs.



Members of the MPAC interrogated the annual report and the minutes thereof are attached for formal records of the proceedings in accordance with the provisions of section 129 (b) of the MFMA 56 of 2003.

In considering the Draft Unaudited Annual Report, the committee assessed the following documents:

- (a) Draft Annual report
- (b) Auditor General's Report

10. PUBLIC PARTICIPATION IN THE OVERSIGHT PROCESS

Section 136 of the MFMA provides that the meetings of the Municipal Council or Committee established by Council at which an Annual Report is to be discussed or at which decisions concerning on the Annual Report are to be taken and must be open to the public and any organ of state. This is in promotion of public participation in the municipal process. As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

- (a) Invite written submission from the local community on the Annual Report
- (b) Make public all meetings or which the Annual Report will be discussed.
- (c) Representatives of the Auditor General are entitled to attend and to speak at any meeting that deals with the Annual Report.
- (d) Engage in the process of public participation on the Annual Report.

An Imbizo has been organised to present this report and solicit inputs on the Annual report and oversight.

The Municipality undertook the following activities to promote public participation in considering the Annual Report.

MECHANISIMS TO PUBLIC PARTICIPATION	STATUS	COMMENTS
Invitation to the public to submit comments on the annual report	Done	The public was invited to submit comments on the Annual Report.



Make public all MPAC meetings that will consider the Annual report	Not done	There was no invitation that was published inviting members of the public to participate in the MPAC meetings due to the COVID- 19 pandemic that gripped the nation.
Representation of the Auditor General invited to meetings of Council that consider the Annual Report	Done	Auditor General made the report to council.

11. OVERSIGHT ON THE ANNUAL REPORT 2019/2020 FINANCIAL YEAR

ITEMS	CHAPTERS	QUESTIONS	RESPONSES
Mayors Foreword	Chapter 1	The Committee has gone through chapter 1 of the annual report and it is satisfied with the Mayor's foreword.	
Executive Summary	Chapter 1	The Committee has gone through chapter 1 of the annual report and it is satisfied with the Executive summary.	
Risk Management & Compliance	Chapter 2	Is the municipality having a risk register and an implementation plan? Has it been fully implemented?	Yes. The strategic Risk Register is assessed annually. Reported to the Risk Management Committee and the Audit Committee. The implementation plan is developed annually and reported to the Risk Management Committee quarterly.
		During the year under review, have there been any disciplinary measures and/or criminal prosecutions for instances of fraud and corruption relating to the municipality involving either, municipal councillors, officials and/or private individuals or companies? If yes, what is the progress report on those cases?	De Loite appointed by COGTA to investigate high mast project. IDHS Director was suspended, Dr Vatala was reported to SAPS for fraud and corruption related cases and Project Manager was also suspended with her contract later expired.



			The Council appointed ARMS Audit conduct internal investigation in COGTA report and MPAC report (Magwayi case). The report for ARMs audit will be presented to the council by executive with clear recommendations and action against affected individuals.
		What has the municipality done to recover losses resulting from fraudulent and corrupt activities?	Not yet done
By Laws	Chapter 2	Have by-laws been reviewed within the various functions? If so, when? If not, why not? <input type="checkbox"/> Are all by-laws effectively being enforced in the Municipality?	Yes, all by-laws were reviewed during 2019/2020 financial year third quarter. All by-laws were effectively enforced during 2019/2020 financial year.
Basic Service Delivery	Chapter 3	Have all the service delivery targets been met under the period reported.	NO, targets were not all achieved
		If not, what are the reasons for not achieving the targets?	The following 11 targets were not achieved: <ul style="list-style-type: none">• 7- IDHS• 3- Community Services• 1- PEDTA Reasons for non-achievement are stated in the Annual Performance Report which a chapter in the Annual Report. (Please refer to annual report and annual performance report).
		Are conditional grants used effectively and what was the spending levels?	Yes, 100% was achieved for the Municipal Infrastructure Grant and Expanded Public Works Programme.
		If there was underspending on grants provided for service delivery, what is the reasons for the underspending and what recommendations have been provided to improve performance?	There was no underspending of the grants
		What is the progress report on the AG's report for electrification?	The finding by AG was addressed as all outstanding connections were done
		The committee has noticed that electricity loss is at 26%, what is the plan to curb this percentage and bring it down?	The electricity losses will be reduced by classifying Technical & Non-Technical



			<p>Losses in the following manner:</p> <ul style="list-style-type: none">• Meter auditing to ensure correct tariff is used for each customer. (Non-Technical Losses)• Random checks to curb meter tampering & electricity theft (Non- Technical Losses)• Municipal has applied for a MISA/DBSA grant funding to upgrade its electricity infrastructure to reduce the Technical Losses,
		Has the municipality addressed the issue of high operational and capital costs relating to the affordability of connections to individual households and businesses?	The connection costs are approved by NERSA in line with the guidelines and are based on the cost of infrastructure (meter boxes) that are sourced from the service provider contracted by the municipality.
		Does the municipality have the strategy that will address the theft of copper cables and Eskom facilities that are vandalised by the community?	Yes, the infrastructure has been fenced to eradicate the theft of copper or vandalism of the electrical infrastructure.
Management of Workforce	Chapter 4	<p>Are there staff members that are on suspension?</p> <p>How many suspensions exceed the time limits as provided for in the policies?</p> <p>What measures are in place to ensure that disciplinary processes / investigations are finalized without delay?</p>	<p>Manager SCM since November 2019, Project Manager: PMU</p> <p>Two</p> <p>External Sourcing of Prosecutor/ Chairperson</p>
Annual Financial Statements	Chapter 5	<p>Why did Income or Revenue decrease so much in the financial year under reporting</p> <p>Are our key sources of revenue falling?</p>	The revenue was decreased due to the previous revenue targets being deemed unrealistic by National Treasury. This was part of the municipality's commitment to address the unfunded budget status.
		What measures have you put in place to prevent;	Unauthorized expenditure was mainly due to budget



		<ul style="list-style-type: none">• Unauthorized expenditure in the current and prior years• Irregular expenditure in the current and prior years <p>What is the municipality's strategy to mitigate the above mentioned expenditure?</p>	<p>cuts to bring the budget into funded status. Following measures will be implemented:</p> <ol style="list-style-type: none">1. Council to approve a realistic funded budget2. Budget vs Actual Expenditure to be monitored monthly <p>Irregular Expenditure Was incurred due to lack of understanding of SCM prescripts this will be addressed through:</p> <ol style="list-style-type: none">1. Regular training of all SCM role players.2. To implement Circular 62, to include the Internal Audit in the review of the bid processes prior to appointment letters being issued.
UDIT OPINION	Chapter 6	<p>What is the latest audit opinion?</p> <p>Has the municipality fully implemented the audit action plan of the year under review?</p>	<p>Unqualified Audit Opinion with Emphasis of Matter.</p> <p>Partially, there were recurring audit findings on internal controls, an effort is being deployed to address these in the medium short term.</p>

OVERSIGHT RESOLUTIONS

The Municipal public Accounts Committee having fully considered the Emalahleni local Municipality Annual Report for 2019/2020 Financial Year, resolves to Council that:

- (a) The Council having fully considered the Oversight Report on the Annual report 2019/2020 financial year, adopts the Oversight Report.
- (b) The Council having considered the final draft annual report for 2019/2020 financial year, adopts the Annual Report 2019/2020 without reservations.