



cogta

Department:
Co-operative Governance and Traditional Affairs
MPUMALANGA PROVINCIAL GOVERNMENT

SECTION 47 MUNICIPAL PERFORMANCE REPORT

2011/12

TABLE OF CONTENTS

No.	CONTENT	Page No.
1.	List of tables	i
2	Foreword by MEC	1
3.	Executive summary of performance by the HOD (KPA1-5)	2-4
4.	Introduction	5-7
5.	Section 46 report submission rate in the province	8-9
6.	DEMOGRAPHICS OF MPUMALANGA: 8.1 Ehlanzeni District Municipalities 8.2 Gert Sibande District Municipalities 8.3 Nkangala District Municipalities 8.4 Demographic Information By District	10-20
7.	BACKGROUND	21-25
8.	Analysis of Municipal Performance Information for 2011/12 Financial Year Key Performance Area 1: Municipal Transformation and Organisational Development Key Performance Area 2: Basic Service Delivery Key Performance Area 3: Local Economic Development Key Performance Area 4: Municipal Financial Viability and Management Key Performance Area 5: Good Governance and Public Participation Key Performance Area 6: Cross Cutting Interventions	26 27-56 57-72 73-82 83-98 99-112 113-130
9.	Performance Assessment And Evaluation	131-132
10.	Underperforming Areas per municipality per KPA in the province	132-135
11.	Key Challenges	136
12.	Future Outlook For 2012 - 2016	137
13.	CONCLUSION	143
14.	ACRONYMS	144-146

TABLE OF CONTENTS

Table nr	Content	Page nr
Table 1:	Implementation on PMS implementation in municipalities in the province	48
Table 2:	Linkage between IDP and SDBIP	54
Table 3:	Filling of Section 56 Managers posts	60
Table 4:	Number of approved, filled and vacant S56 posts in the province	62
Table 5:	Disciplinary processes against Section 56 Managers	63
Table 6:	Women appointments – Section 56 Managers	69
Table 7:	Employment of people with disabilities	72
Table 8:	Employment of employees that are aged 35 or younger per province	76
Table 9:	Development and Implementation of specific HR policies and systems per municipality	81
Table 10:	Workplace Skills Plans submitted by municipalities	84
Table 11:	No of municipalities put under section 139 interventions	96
Table 12:	Backlogs on access to basic services per district 2009/10 financial year	101
Table 13:	Backlogs on access to basic services per district 2010/11 financial year	104
Table 14:	Backlogs on access to basic services per district 2011/12 financial year	106
Table 15:	Blue Drop Water Certification per province	110
Table 16:	Total grants, donations and contributions received per province	113
Table 17:	Indigent Policies and Registers	116
Table 18:	Status on the provision of free basic services by municipalities per District 2011/12 Financial Year	119
Table 19:	Percentage of Municipalities with adopted LED strategies per province	126
Table 20:	Capacity of municipalities to implement LED	130
Table 21:	Number of jobs created per District	133
Table 22:	EPWP implementation per municipality in the province	137
Table 23:	Performance against budget by municipalities	143
Table 24:	Total grants, donations and contributions received	146
Table 25:	Auditor General's Opinion in the Province	151
Table 26:	Outstanding debt and debt management	155
Table 27:	Development of Revenue Enhancement Strategy	159
Table 28:	Functionality of Ward Committees	166
Table 29:	The total number of deployed CDW's in the province in 2010/11 compared to 2011/12	169
Table 30:	Good governance indicators as at May 2012	172
Table 31:	Progress on the implementation of anti-corruption strategies by municipalities	179
Table 32:	Presidential and Ministerial Imbizo	183
Table 33:	Compliance of municipalities on the analysis, public participation, development, adoption and implementation of the IDP	188
Table 34:	Development, submission and implementation rate of SDF's	191
Table 35:	State of readiness on Provincial Disaster Implementation per District	197
Table 36:	Functionality of Provincial Disaster Management in municipalities	204
Table 37:	Development, submission and implementation rate of SDF's	127
Table 38:	Functionality of rural nodes and 8 urban nodes	207
Table 39:	Vuna Awards participation	211
Table 40:	Other Highlights of Municipal Performance per KPA	213
Table 41:	Underperforming KPA's per municipality	214
Table 42:	Future Outlook	219

FOREWORD BY THE MEC



MEC SPD SKHOSANA (MPL)

The 2011/12 consolidated report of Municipal performance in Mpumalanga is indicative of the work that has gone into building a smooth transition from the 3rd local government to the 4th. The overarching message of the transition has been the building of better communities together with all the stake holders.

In the process of building these better communities, we have experienced challenges which are surmountable. We have since realised that we must focus a lot of our energies to matters of internal controls.

This culminated on the convention of a Local Government Indaba in July 2012 which performed the induction of the newly elected councillors.

The Department commits to focus, going forward on the issues that continue to challenge the effective running of municipalities. To stem the tide of regression on audit opinions, the Department must channel its energy on supporting municipalities to put in place correct internal controls.

It has come to our attention that we need to continue our focus on structures of governance. There is lack of implementation of policy by administration and we have since trained councillors and oversight bodies like MPAC.

The other challenge which is a cause for concern is the filling of vacant critical posts with appropriately skilled and competent personnel. This in turn will lead to the poor management of finances in municipalities and sustainable service delivery. We have placed great emphasis on maintaining constructive working relations with all spheres of Government, especially the local government sphere. All municipalities in the province are service delivery agents for the province. The department has committed to support municipalities on Good Governance, fighting corruption and ensuring that we fulfil the mandate of outcome 9; responsive, accountable, effective and an efficient local government system.

This report also binds the department to continuously monitor the vacancy rates on section 54A and 56 Managers, ensuring that there is compliance to all the prescripts. We will continue to implore the municipal political leaders to closely monitor and provide oversight on the municipal administration.

The department will continue to support municipalities with the development and implementation of action plans to address audit issues and to achieve clean audits in line with the operation clean audit 2014. All municipalities need assistance to develop revenue enhancement strategies and plans. The observation made was the improvement on debt collection in municipalities such as Mbombela, Nkomazi, Msukaligwa, and Steve Tshwete. Municipalities have also indicated that Government was one of the debtors. In that regard, the Department will assist the municipalities on debt recovery from the government departments.

The sum total of the report is that municipal councils, executive mayors and municipal managers must take full ownership of the key controls and satisfy themselves that internal control weaknesses receive the required attention. It is incumbent upon councils and executive mayors to ask for regular financial and performance reports and subject them to intense quality assessments.

For the following financial years the department must make sure that all role players and stake holders have clear, coherent and well-co-ordinated modus operandi to address the issues of leadership financial and performance management as well as governance.

Together with Provincial Treasury, SALGA, and the Districts we will continue to work on a consistent approach to assist municipalities to improve on the work that has been allocated to them until 2016.

A handwritten signature in blue ink, appearing to read 'SPD Skhosana', written over a horizontal line.

MEC SPD SKHOSANA

MEC: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 28/02/2014

EXECUTIVE SUMMARY BY THE HEAD OF DEPARTMENT



MR MD MAHLOBO
HEAD OF DEPARTMENT

What we have picked up from the Auditor General's report for 2011/12 financial year is perturbing in as far as municipal performance is concerned. Credit should be given to Ehlanzeni District and Steve Tswete municipalities respectively for their consistency in doing the province proud on the clean audit.

This report is submitted without information from two municipalities (Thaba Chweu and Dipaleseng LM's). The department should gear itself for rigorous and determined interventions strategies towards achieving clean audit at the seven (7) municipalities that also carried out flag with their unqualified audit reports. The department further congratulates the five (5) improvements in as far as our municipalities are concerned. However, disclaimers and qualifications will not be tolerated.

The provision of municipalities dictates that people are closer to the Local Government and Local Government closer to the people it serves. Monitoring from the department will henceforth get closer and new plans will be introduced so that people on the ground receives their deserved services. Summary of performance of municipalities in the province can be summarised in the following manner;

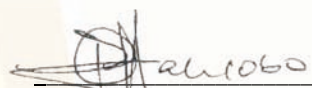
Highlights of Municipal Performance per KPA

KPA	Municipality/s	Highlight of Performance	Findings
KPA 1: Municipal Transformation and Organisational Development	Ehlanzeni District Gert Sibande District Chief Albert Municipality Msukaligwa Municipality Dr Pixley Ka Isaka Seme Municipality Steve Tswete Municipality	Assurance of information in the Annual Report	Level of assurance provided; All role players Oversight Committee Audit Committee Executive mayor Exec. Mayor and Senior Managers All role players
KPA 2: Basic Service Delivery	Thaba Chweu Municipality Umjindi Municipality Victor Khanye Municipality and Steve Tswete Municipality	100% spending of MIG	100% spending of MIG
KPA 3: Local Economic Development	Ehlanzeni District Municipality	4500 jobs created through Community Works programme	

KPA 4: Municipal Financial Viability and Management	Ehlanzeni District and Steve Tshwete Municipality	Sustained clean audit status	The 2 municipalities have been able to sustain their clean audit status for the past three years
		Credible and reliable financial statements	Submitted Annual Financial Statements without material misstatements
KPA 5: Good Governance and Public Participation	Ehlanzeni District and Steve Tshwete Municipality	Interaction with Mayors	Interactions extend to provincial legislative oversight to share insights and enable improved oversight of local government
KPA 6: Cross Cutting	Mbombela Municipality	Predetermined objectives	Mbombela Local Municipality improved to having no Predetermined Objectives findings

Underperforming areas per municipality per KPA

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 1: Municipal Transformation and Organisational Development	Lekwa- 100% Thembisile Hani Govan Mbeki Pixley Ka Isaka Seme Umjindi	Vacancy rate
KPA 2: Basic Service Delivery	Ehlanzeni District Municipalities: 79% Gert District Municipalities: 86% Nkangala District Municipalities: 83%	Under spending on conditional grants
KPA 3: Local Economic Development	Bushbuckridge Municipality Thaba Chweu Municipality Mbombela Municipality	Non development or reviewal of LED strategies
KPA 4: Municipal Financial Viability and Management	Bushbuckridge Municipality Dipaleseng Municipality Lekwa Municipality Mbombela Municipality Nkomazi Municipality Dr Pixley Ka Isaka Seme Municipality Umjindi Municipality	Unauthorised, irregular as well as fruitless and wasteful expenditure
KPA 5: Good Governance and Public Participation	Regressed in all municipalities from; 40% - 2010/11 to 26% - 2011/12	Exercise oversight responsibility regarding financial and performance reporting and compliance with laws and regulations and related internal controls
KPA 6: Cross Cutting	Gert Sibande District Nkangala District Emakhazeni Municipality Umjindi Municipality Victor Khanye Municipality	Predetermined Objectives: - The usefulness and reliability of reported performance in the Annual Report - Meeting the planned targets - Annual Performance reports that contained material misstatements



DAVID MAHLOBO

HEAD OF DEPARTMENT: COGTA

DATE: 28/02/2014

INTRODUCTION

The introduction will cover the following areas:

1. Background to Municipal Performance Reporting
2. Purpose of the Report
3. The Assessment Process and the Methodology followed in Compiling the Report
4. South African Population
5. Structure of the Report
6. The municipal reporting process
7. Limitations for the municipal reporting process
8. The provincial reporting process
9. Limitations for the provincial reporting process
10. Concluding Remarks

1. Background to Municipal Performance Reporting

This report is compiled in terms of the legislative requirements of Chapter 6 of the Municipal Systems Act, 32 of 2000 and Chapter 12 for the Municipal Finance Management Act, 56 of 2003. The Municipal Systems Act prescribes the role of each sphere of government in the municipal performance reporting.

2. Purpose of the Report

The main purpose of this report is to account to MEC for Local Government, Provincial legislature, NCOP, Minister of Cooperative Governance and Traditional Affairs, National Treasury, Auditor-General and to the citizens of South Africa on progress being made by municipalities towards achieving the overall goal of 'a better life for all'. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, and White Paper on Local Government, MSA and the MFMA.

3. The Assessment Process and the Methodology followed in Compiling the Report

According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipalities' annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council, it must then be submitted to the MEC for Local Government.

4. Compilation and Structure of the Report

The report presents an analysis and comparison of past and current progress on performance which has been conducted. A brief assessment summary is presented at the end of each Key Performance Area (KPA), followed by the sub-section that relates to the challenges experienced by municipalities in performing in these KPAs. The performance report on each KPA will end with concluding remarks that reflect on the full assessment and evaluation of the reported progress on a provincial perspective and the impact on service delivery.

The report is structured as follows:

- **Section One** provides the background, purpose of municipal reporting and the responsibilities assigned to each of the three spheres of government in monitoring and reporting on municipal performance on an annual basis. The section should also outline the process followed in collecting, collating, validating, analysing and assessing the performance information provided by relevant sources on compiling the consolidated report on municipal performance for the 2009/10 financial year.
- **Section Two** should give an overview of the developmental agenda and the strategic direction taken by the South African government to support the local government transformation process in a cooperative and intergovernmental framework.
- **Section Three** should present an analysis of the performance information provided in the municipal Section 46 reports and provincial trend analysis report. This should give a trend analysis of performance over a period of the years previous years (2009/10, 2010/11 and 2011/12). This information is categorized under each of the five Key Performance Areas, cross-cutting issues and a comparison of the previous years' trends. The challenges encountered by municipalities and the interventions carried out by other spheres of government and stakeholders are contained in this section.
- **Section Four** will furnish an evaluation of the analysed performance information and drawing pertinent conclusions on how far the municipalities' performance in the year under review and previous years after the country's attainment of democracy, had been able to change the character of local government to being sustainable, developmental and performance-driven institutions. It assesses whether there is any progress towards achieving the developmental outcomes which will lead to realising the country's Vision 2014 and meeting MDG targets, using the outcomes 9, turnaround strategy and Intergovernmental Relations (IGR) structures.
- **Section Five** will examine what still needs to be achieved in the remaining leg of local government transformation up to the year 2014.
- **Section Six** concludes with a summary of the whole report.

5. The municipal reporting process

Section 46 (1) of the Municipal Systems Act (MSA) 32 of 2000, states that

- (1) A municipality must prepare for each financial year a performance report reflecting:
 - (a) the performance of the municipality and of each external Service provider during that financial year; also
 - (b) a comparison of the performances referred to paragraph (a) with targets set for and performances in the previous financial year; and
 - (c) measures taken to improve performance.
- (2) An annual performance report must form part of the municipality's annual report in terms of chapter 12 of the Municipal Finance Management Act

2.2 Section 121 of the Municipal Finance Management Act (MFMA) 56 of 2003, requires that:

- (1) Every municipality and every entity must for each financial year prepare an annual report. The Council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

2.3 Section 129 of the Municipal Finance Management Act (MFMA) 56 of 2003, requires that:

- (1) The Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing 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 components that can be revised.

Section 46 report submission rate in the province

Districts	Names of Municipalities	2009/10		2010/11		2011/12		No. & names of municipalities that did not submit Section 46 reports in 2011/12
		No. of submissions	% of submissions	No. of submissions	% submissions	No. of submissions	% submissions	
EHLANZENI DISTRICT	Bushbuckridge	✓		✓		✓		
	Mbombela	✓		✓		✓		
	Nkomazi			X		✓		
	Thaba Chweu	✓		X		X		Thaba Chweu
	Umjindi							
GERT SIBANDE DISTRICT	EHLANZENI DISTRICT	✓		✓		✓		
	Chief Albert Luthuli	✓		✓		✓		
	Dipaleseng	✓		✓		X		Dipaleseng
	Govan Mbeki	✓		✓		✓		
	Lekwa	✓		X		✓		
	Mkhondo	✓		X		✓		
	Msukaligwa	✓		✓		✓		
	Dr. Pixley Ka Isaka Seme	✓		✓		✓		

Districts	Names of Municipalities	2009/10		2010/11		2011/12		No. & names of municipalities that did not submit Section 46 reports in 2011/12
		No. of submissions	% of submissions	No. of submissions	% submissions	No. of submissions	% submissions	
	GERT SIBANDE DISTRICT	✓		✓		✓		
NKANGALA DISTRICT	Victor Khanye	✓		✓		✓		
	Emalahleni	✓		✓		✓		
	Emakhazeni	✓		✓		✓		
	Dr. JS Moroka	X		X		✓		
	Steve Tshwete	✓		✓		✓		
	Thembisile Hani	X		X		✓		
	NKANGALA DISTRICT	✓		✓		✓		

Source: 2011/12 Section 46 reports

6. Provincial Reporting Process

Section 47 of the Municipal Systems Act, 32 of 2000 says that:

- (1) The MEC for local government must annually compile and submit to the Provincial Legislatures and the Minister a consolidated report on the performance of municipalities in the province.
- (2) The report must:
 - (a) identify municipalities that under-performed during the year;
 - (b) propose remedial action to be taken; and
 - (c) be published in the Provincial Gazette.
- (3) The MEC for local government must submit a copy of the report to the National Council of Provinces.

The reporting compilation process comprised of five (5) phases, as follows:

- **Phase 1:** Using the previous year's report, template developed by National, provincial template for collection of information, circular 11 and 63 template for s46 and the Guide from the Auditor-General, support municipalities to develop a section 46 report.
- **Phase 2:** Collection of from different sources. Sources of information were divided into three categories; namely, baseline information, primary and secondary sources of information (The use of the quarterly reports as per the IDP, POA reports, financial statements, A-G report and evidence.
- **Phase 3:** Information sourced in Phase 1 to develop a report as per the Provincial reporting template.
- **Phase 4:** Information is categorized according to the five key performance areas (KPA) and cross-cutting issues, identified indicators and focus areas that fell under each KPA. A high-level gap analysis is developed, informed by further data collection to close the gaps. The data is then collated and analysed.
- **Phase 5:** Characterized by an assessment and evaluation of the municipal performance, using baseline information and information contained in previous year's reports and make comparisons with performance in the year under review. During this phase, report writing also begins.
- **Phase 6:** Integration of the report into one consolidated report, outlining the overall challenges, interventions, recommendations, giving the outlook for the future and submission of the report to different structures for comment and finally, to the MEC, Legislature, NCOP and gazetting.

7. Limitations in Provincial Reporting

- Non and late submission of S46 report by municipalities delaying the compilation of S47 report
- Credibility and quality of reports as submitted by municipalities
- Validation and in consistency of information of previous years due to lack of information management and organisational/institutional memory

DEMOGRAPHICS OF MPUMALANGA

- Largest population Mbombela (14.6%) and smallest Dipaleseng (1%)
- Almost 50% of the population in only 4 municipal areas □ Mbombela, Bushbuckridge, Emalahleni and Nkomazi
- High population growth areas with more than the provincial growth of 20% (between 2001 & 2011) □ Steve Tshwete (61%), Emalahleni (43.1%), Victor Khanye (34.2%), Govan Mbeki (32.8%), Umjindi (29.5%), Mbombela (23.5%) and Thembisile Hani, Thaba Chweu & Mkhondo just more than 20%
- Negative population growth for Albert Luthuli and low growth of less than 10% for Dr. JS Moroka, Dr. Pixley Ka Isaka Seme, Bushbuckridge, Emakhazeni and Dipaleseng
- Over-estimation of population in 2007 CS of StatsSA □ Emalahleni
- Under-estimation □ Nkomazi, Mkhondo, Lekwa, Dr. Pixley Ka Isaka Seme, Victor Khanye and Emakhazeni

8. Provincial Population of Households Per Municipalities

8.1 EHLANZENI DISTRICT MUNICIPALITIES

8.1.1 Bushbuckridge Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	500 128	541 248	32.1%	13.4%	2
Number of Households	108 500	134 197	30.2%	12.5%	2
Area size □km2		10256	36.7%	13.4%	1
Population per km2		53			

- According to Stats SA (2011 Census), 541 248 people were recorded in 2011 which was 32.1% of Ehlanzeni's population.
- Population grew by only 8.2% between 2001 and 2011 and the average population growth rate was measured at only 0.8% per annum.
- Community Survey 2007 population - estimated at 509 979.
- Females 54.5% and males 45.5% of the population □ 99.5% Africans.
- Youth up to 34 years, 74.0% of population.
- 134 197 households (4.0 people per household) □ 30.2% of Ehlanzeni's 445 087 households.
- Female headed households 53.3% and child headed (0-17 years) households 2.0% in 2011.

8.1.2 Mbombela Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	476 903	588 794	34.9%	14.6%	1
Number of Households	112 321	161 773	36.3%	15.0%	1
Area size □km2		5 396	19.3%	7.1%	5
Population per km2		109			

- According to Stats SA (2011 Census), 588 794 people were recorded in 2011 which was 34.9% of Ehlanzeni population
- Population grew by 23.5% between 2001 and 2011 and the average population growth rate was measured at 2.1% per annum.
- Community Survey 2007 population was estimated at 527 198.
- Females 51.5% and 48.5% males of the population - 89.4% Africans, 8.7% Whites, 0.9% Coloureds, 0.7% Asians and other 0.2%.
- Youth up to 34 years, 69.9% of the population in 2011
- 161 773 households in 2011 (3.6 people per household) □ 36.3% of Ehlanzeni's 445 087 households.
- Female headed households 38.9% and child headed (0-17 years) households 0.6 % in 2011.

8.1.3 Nkomazi Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	334 668	390 610	23.1%	9.7%	4
Number of Households	71 840	95 509	21.5%	8.9%	5
Area size □ km2		4 790	17.2%	6.3%	8
Population per km2		82			

- According to Stats SA (2011 Census), 390 610 people were recorded which was 23.1% of Ehlanzeni's population
- Population grew by 16.7% between 2001 and 2011 and the average population growth rate was measured at 1.6% per annum.
- Community Survey 2007 population figures were under-estimated at 338 098.
- 47.3% males and 52.7% females.
- 97.7% Africans, 1.6% Whites, 0.2% Coloureds, 0.3% Asians and 0.1% Other.
- Youth up to 34 years □ 75.5% of the population in 2011.
- 95 509 households (4.1 people per household) □ 21.5% of Ehlanzeni's 445 087 households.
- Female headed households 45.7% and child headed (0-17 years) households 1.5 % in 2011.

8.1.4 Thaba Chweu Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	81 681	98 387	5.8%	2.4%	13
Number of Households	21 257	33 352	7.5%	3.1%	12
Area size □ km2		5 720	20.5%	7.5%	3
Population per km2		17			

- According to Stats SA (2011 Census), 98 387 people were recorded in this area which was 5.8% of Ehlanzeni's population in 2011.
- Population grew by 20.5% between 2001 and 2011 and the average population growth rate was measured at 1.9% per annum.
- Community Survey 2007 population was estimated at 87 544.
- 51.2% females and 48.8% males.
- 81.6% Africans, 14.5% Whites, 2.6% Coloureds & 0.6% Asians and 0.6% Others.
- Youth up to 34 years, 63.7% of Thaba Chweu's population.
- 33 352 households (2.9 people per household) □ 7.5% of Ehlanzeni's 445 087 households.
- Female headed households 33.2% and child headed (0-17 years) households 0.5 % in 2011.

8.1.5 Umjindi Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	53 744	69 577	4.1%	1.7%	16
Number of Households	14 458	20 255	4.6%	1.9%	15
Area size □km2		1 746	6.3%	2.3%	16
Population per km2		38			

- According to Stats SA (2011 Census), 69 577 people were recorded in 2011 which was 4.1% of Ehlanzeni's population.
- Population grew by 29.5% between 2001 and 2011 and the average population growth rate was measured at 2.6% per annum.
- Community Survey 2007 population was estimated at 60 477.
- 47.7% females and 52.3% males.
- Youth up to 34 years - 67.5% of the population.
- 87.0% Africans, 9.8% Whites, 2.0% Coloureds, 1.0% Asians and 0.2% Other.
- 20 255 households (3.4 people per household) □ 4.6% of Ehlanzeni's 445 087 households.
- Female headed households 34.8% and child headed (0-17 years) households 0.6 % in 2011.

8.2 GERT SIBANDE DISTRICT MUNICIPALITIES

8.2.1 Chief Albert Luthuli Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	187 751	186 010	17.8%	4.6%	9
Number of Households	39 652	47 705	17.4%	4.4%	9
Area size □km2		5 560	17.5%	7.3%	4
Population per km2		33			

- According to StatsSA (2011 Census), 186 010 people were recorded in 2011 □ 17.8% of the Gert Sibande population.
- Negative population growth of - 0.9% between 2001 & 2011 while annualised population growth rate was measured at -0.1%, the only municipal area with a negative population growth rate.
- Population in 2007 Community Survey was estimated at 194 088.
- Females 53.1% and males 46.9% of the population □ 97.6% Africans.
- Youth up to 34 years - 72.5% of Chief Albert Luthuli population.
- Number of households 47 705 (3.9 people per household) □ 17.4% of Gert Sibande's households.
- Female headed households 49.3% and child headed (0-17 years) households 1.1 % in 2011.

8.2.2 Dipaleseng municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	38 618	42 390	4.1 %	1.0%	18
Number of Households	9 474	12 637	4.6%	1.2%	18
Area size □km2		2 618	8.2%	3.4%	14
Population per km2		16			

- According to (StatsSA □ 2011 Census) 42 390 people were recorded in Dipaleseng - 4.1% of Gert Sibande population □ smallest population in the province.
- Population grew by 9.8% between 2001 & 2011 while annualised population growth rate was measured at 0.9%.
- Population in Community Survey in 2007 was under-estimated at 37 880.
- 50.6% females and 49.4% males.
- 89.8% Africans, Whites 8.6%, Coloureds 0.5%, Asians 0.9% and Others 0.2%.
- Youth of up to 34 years □ 65.4% of Dipaleseng's population.
- Number of households 12 637 (3.4 people per household) □ 4.6% of Gert Sibande's households.
- Female headed households 35.2% and child headed (0-17 years) households 0.4 % in 2011.

8.2.3 Govan Mbeki municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	221 747	294 538	28.2%	7.3%	6
Number of Households	61 714	83 874	30.7%	7.8%	5
Area size □km2		2 955	9.3%	3.9%	12
Population per km2		100			

- 294 538 people (StatsSA □ 2011 Census) □ 28.2% share of Gert Sibande's population.
- Population grew by 32.8% between 2001 & 2011 while annualised population growth rate was measured at 2.9% (fourth highest in the province).
- Population in Community Survey in 2007 was under-estimated at 268 947.
- 48.3% females and 51.7% males.
- Africans 80.5%, Whites 16.0%, Asians 1.5%, Coloureds 1.5% and Others 0.4%.
- Youth of up to 34 years, 66.4% of Govan Mbeki's population.
- Govan Mbeki recorded the fifth highest number of households in the province at 83 874 (3.5 people per household □ 30.7% of Gert Sibande's households).

8.2.4 Lekwa Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	103 265	115 662	11.1%	2.9%	12
Number of Households	26 199	31 071	11.4%	2.9%	13
Area size □km2		4 586	14.4%	6.0%	10
Population per km2		25			

- According to StatsSA (2011 Census), 115 662 people were recorded in Lekwa □ 11.1% of Gert Sibande's population.
- Population grew by 12.0% between 2001 & 2011 while annualised population growth rate was measured at 1.1%.
- Population in Community Survey 2007 was under-estimated at 91 130.
- 84.2% Africans, Whites 11.4%, Coloureds 2.9%, Asians 1.2% and Others 0.3%.
- Males 49.8% and females 50.2%.
- Youth of up to 34 years, 65.2% of Lekwa's population.
- Number of households 31 071 (3.7 people per household) □ 11.4% of Gert Sibande's households.
- Female headed households 35.7% and child headed (0-17 years) households 0.3 % in 2011

8.2.5 Mkhondo Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	143 077	171 982	16.5%	4.3%	10
Number of Households	27 888	37 433	13.7%	3.5%	11
Area size □km2		4 883	15.3%	6.4%	7
Population per km2		35			

- 171 982 people (StatsSA □ 2011 Census) were recorded in this area □ 16.5% share of Gert Sibande's population.
- Population grew by 20.2% between 2001 & 2011 while annualised population growth rate was measured at 1.8%.
- Population in Community Survey in 2007 was under - estimated at 106 459.
- 52.2% females and 47.8% males.
- 94.7% Africans, Whites 3.7%, Coloureds 0.5%, Asians 0.8% and Others 0.2%.
- Youth of up to 34 years □ 72.9% of Mkhondo's population.
- Number of households 37 433 (4.6 people per household) □ 13.7% of Gert Sibande's households.
- Female headed households 45.3% and child headed (0-17 years) households 1.1 % in 2011.

8.2.6 Msukaligwa Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	124 812	149 378	14.3%	3.7%	11
Number of Households	29 689	40 932	15.0%	3.8%	10
Area size □km2		6 016	18.9%	7.9%	2
Population per km2		25			

- 149 378 people (StatsSA □ 2011 Census) □ 14.3% share of Gert Sibande's population.
- Population grew by 19.7% between 2001 & 2011 while annualised population growth rate was measured at 1.8%.
- Population in Community Survey in 2007 was estimated at only 126 274.
- 50.4% females and 49.6% males.
- 88.1% Africans, Whites 9.8%, Coloureds 0.6%, Asians 1.1% and Others 0.3%.
- Youth of up to 34 years - 69.1% of Msukaligwa's population.
- Number of households 40 932 (3.6 people per household) □ 15.0% of Gert Sibande's number of households
- Female headed households 37.8% and child headed (0-17 years) households 0.6 % in 2011.

8.2.7 Dr Pixley Ka Isaka Seme

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	80 737	83 235	8.0%	2.1%	14
Number of Households	18 002	19 838	7.3%	1.8%	16
Area size □km2		5 227	16.4%	6.8%	6
Population per km2		16			

- 83 235 people (StatsSA □ 2011 Census) □ 8.0% share of Gert Sibande's population.
- Population grew by only 3.1% between 2001 & 2011 while annualised population growth rate was measured at only 0.3% - third lowest population growth in the province.
- Population in Community Survey in 2007 was under-estimated at 65 928
- 90.5% Africans, Whites 7.4%, Coloureds 0.6%, Asians 1.2% and Others 0.3%.
- Males 47.5% and females 52.5%.
- Youth of up to 34 years - 69.3% of the population.
- Number of households 19 838 (4.2 people per household) □ 7.3% of Gert Sibande's households.
- Female headed households 45.1% and child headed (0-17 years) households 1.2 % in 2011.

8.3 NKANGALA DISTRICT MUNICIPALITIES
8.3.1 Victor Khanye Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	56 335	75 452	5.8%	1.9%	15
Number of Households	13 428	20 548	5.8%	1.9%	14
Area size □km2		1 568	9.4%	2.0%	17
Population per km2		48			

- According to Stats SA (2011 Census), 75 452 people were recorded in 2011 □ 5.8% of Nkangala's population.
- Population grew by 33.9% between 2001 & 2011 while the annualised population growth rate was measured at 2.9%.
- Population in 2007 Community Survey was under-estimated at only 50 452.
- Females 51.4% and males 48.6% of the population □ 82.3% Africans, 16.0% Whites, 1.1% Coloureds, 0.3% Asians and 0.3% others.
- Youth up to 34 years, 72.8% of Victor Khanye's population.
- Number of households 20 548 (3.7 people per household) □ 5.8% of Nkangala's households.
- Female headed households 30.2% and child headed (0-17 years) households 0.4 % in 2011.
- Youth up to 34 years □ 66.9% of the population.
- Number of households 62 162 (4.0 people per household) □ 17.4% of Nkangala's households.
- Female headed households 49.3% and child headed (0-17 years) households 1.0 % in 2011.

8.3.2 Emalahleni Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	276 413	395 466	30.2%	9.8%	3
Number of Households	74 917	119 874	33.6%	11.1%	3
Area size □km2		2 678	16.0%	3.5%	13
Population per km2		148			

- According to Stats SA (2011 Census) 395 466 people were recorded in 2011 □ 30.2% of Nkangala's population.
- Population grew by 43.1% between 2001 & 2011 while annualised population growth rate was measured at 3.6%.
- Population in 2007 Community Survey was over-estimated at 435 226.
- Females 52.8% and males 47.2% of the population.
- 81.3% Africans, 15.7% Whites, 1.7% Coloured, 0.9% Asians and Others 0.3%.
- Youth up to 34 years □ 65.6% of Emalahleni's population.
- Number of households 119 874 (3.3 people per household) □ 33.6% of Nkangala's households.
- Female headed households 27.9% and child headed (0-17 years) households 0.3% in 2011.

8.3.3 Emakhazeni Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	43 008	47 216	3.6%	1.2%	17
Number of Households	9 723	13 722	3.8%	1.2%	17
Area size □ km2		4 763	28.3%	6.2%	9
Population per km2		10			

- According to Stats SA (2011 Census), 47 216 people were recorded in 2011 □ 3.6% of Nkangala's population □ second smallest population in the province.
- Population grew by 9.8% between 2001 & 2011 while annualised population growth rate was measured at 0.9%.
- Population in Community Survey in 2007 was under-estimated at 32 839.
- 49.0% males and 51.0% females.
- 87.2% Africans, 10.8% Whites, 1.2% Coloureds, 0.7% Asians and Others 0.2% .
- Youth up to 34 years - 65.6% of Emakhazeni's population.
- 13 722 households (3.4 people per household) □ 3.8% of Nkangala's households.
- Female headed households 35.9% and child headed (0-17 years) households 0.5 % in 2011.

8.3.4 Dr JS Moroka Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	243 313	249 705	19.1%	6.2%	7
Number of Households	53 583	62 162	17.4%	5.8%	8
Area size □ km2		1 417	8.5%	1.9%	18
Population per km2		176			

- According to Stats SA (2011 Census), 249 705 people were recorded in 2011 - 19.1% of Nkangala's population - smallest area of the 18 municipal areas.
- Population grew by only 2.6% between 2001 & 2011 while annualised population growth rate was measured at only 0.3%.
- Population in 2007 Community Survey was estimated at 246 965.
- Population in 2007 Community Survey was estimated at 246 965.

8.3.5 Steve Tswete Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	142 770	229 832	17.6%	5.7%	8
Number of Households	36 229	64 971	18.2%	6.0%	8
Area size □ km2		3 977	23.7%	5.2 %	11
Population per km2		58			

- According to Stats SA (2011 Census), 229 832 people were recorded in 2011 □ 17.6% of Nkangala's population of 1 308 129.
- Population grew by 61.0% between 2001 & 2011 while annualised population growth rate was measured at 4.8% - highest population growth in the province.
- Population grew by 61.0% between 2001 & 2011 while annualised population growth rate was measured at 4.8% - highest population growth in the province.
- Females 52.0% and males 48.0% of the population.
- 73.6% Africans, 21.8% Whites, 2.6% Coloureds & 1.6% Asians and Others 0.4%.
- Youth up to 34 years □ 63.7% of Steve Tshwete's population.
- Number of households 64 971 (3.5 people per household) □ 18.2% of Nkangala's households.
- Female headed households 29.4% and child headed (0-17 years) households 0.3% in 2011.

8.3.6 Thembisile Hani Municipality

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Ehlanzeni's Figure	Shares of Mpumalanga's Figure	Ranking: Highest(1)-Lowest (18)
	2001	2011	2011	2011	
Population number	256 583	310 458	23.7%	7.7%	5
Number of Households	57 548	75 634	21.2%	7.0%	6
Area size □km2		2 385	14.2%	3.1%	15
Population per km2		130			

- According to Stats SA (2011 Census), 310 458 people were recorded in 2011 - 23.7% of Nkangala's population.
- Population grew by 21.0% between 2001 & 2011 while annualised population growth rate was measured at 2.1%.
- Population in 2007 Community Survey was estimated at 278 518.
- Females 52.4% and males 47.6% of the population □ 99.2% Africans.
- Youth up to 34 years □ 68.7% of the population.
- Number of households 75 634 (4.1 people per household) □ 21.2% of Nkangala's households.
- Female headed households 46.1% and child headed (0-17 years) households 0.9 % in 2011.

8.4 DEMOGRAPHIC INFORMATION BY DISTRICT

8.4.1 Ehlanzeni District Demographic Indicators

DEMOGRAPHIC INDICATORS	Stats SA Census (2011 Demarcation)	Stats SA Census	Share of Mpumalanga figure	Ranking: Highest 1-Lowest 3
	2001	2011	2011	
Population Number	1 447 124	1 688 616	41.8%	1
Number of Households	351 877	445 087	41.4%	1
Area size (km)2		27 908		2
Population per km2		55		

- According to Stats SA (2011 Census), 1 688 616 people were recorded in this area which was 41.8% of Mpumalanga's population.
- Population grew by 16.7% between 2001 & 2011 while annualised population growth rate was measured at 1.5%.
- Population in Community Survey in 2007 was estimated at 1 526 232.

- 52.4% females and 47.6% males.
- 94.0% Africans, 4.7% Whites, 0.6% Coloureds, Asians 0.4% any other 0.2%.
- Youth of up to 34 years - 73.1% of Ehlanzeni's population.
- Number of households 445 087 (3.8 people per household) □ 41.4% of Mpumalanga's households.

8.4.2 Gert Sibande District Demographic Indicators

DEMOGRAPHIC INDICATORS	Stats SA Census (2011 Demarcation)	Stats SA Census	Share of Mpumalanga figure	Ranking: Highest 1- Lowest 3
	2001	2011	2011	
Population Number	900 007	1 043 194	25.8%	3
Number of Households	222 264	273 490	25.4%	3
Area size (km) ²		31 844	42.0%	1
Population per km ²		28		

- Population figure of 1 043 095 (Stats SA □ 2011 Census) of which 50.7% females and 49.3% males □ 25.8% share of Mpumalanga's population.
- Population grew by 15.9% between 2001 & 2011 while annualised population growth rate was measured at 1.5%.
- Population in Community Survey in 2007 was estimated at 890 700.
- Youth of up to 34 years - 69.0% of Gert Sibande's population.
- 88.6% Africans, Whites 9.0%, Coloureds 1.0%, Asians 1.1% and others 0.3%.
- Number of households 273 490 (3.8 people per household) □ 25.4% of Mpumalanga's households.

8.4.3 Nkangala District Demographic Indicators

DEMOGRAPHIC INDICATORS	Stats SA Census (2011 Demarcation)	Stats SA Census	Share of Mpumalanga figure	Ranking: Highest 1- Lowest 3
	2001	2011	2011	
Population Number	1 018 827	1 308 129	32.4%	2
Number of Households	256 809	356 911	33.2%	2
Area size (km) ²		16 761	21.9%	3
Population per km ²		73		

- According to Stats SA (2011 Census), 1 308 129 people were recorded in 2011 □ 32.4% of Mpumalanga's population.
- Population grew by 28.5% between 2001 & 2011 while annualised population growth rate was measured at 2.5%.
- Population in Community survey in 2007 was estimated at 1 226 498.
- Females 50.2% and males 49.8% of the population □ 87.9% Africans.
- Youth up to 34 years - 67.1% of Nkangala's population.
- Number of households 356 911 (4.0 people per household) □ 33.2% of Mpumalanga's households.

This chapter covers the following areas:

- Introduction
- The Global Perspective
- The Millennium Development Goals
- South African Perspective
- The Constitutional Mandate
- The White Paper on Local Government
- Programme of Action
- Vision 2014
- Turnaround Strategy
- Outcomes 9
- Concluding Remarks

Introduction

The South African Constitution introduced a government consisting of three distinct yet interdependent spheres of government and mandates that these three spheres work together in a cooperative manner. This concept of cooperative governance is provided for in Chapter three of the Constitution and it supports the realization of a developmental state, where the developmental role of local government is dependent on a successful establishment of cooperative governance. It is a concept that embraces the realization that a single sphere of government cannot handle the magnitude of development challenges and responsibilities of a developmental state. The Constitution envisages an establishment of structures and institutions to foster intergovernmental relations. In that regard, the Intergovernmental Relations Framework Act was promulgated in 2005, to support the concept of cooperative governance.

Chapter 7 of the Constitution then sets out objects that mandate local government to be developmental. Section 152 of the Constitution sets out the objects and mandate of local government as the following:

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

Section 153 confers developmental duties of local government such that every municipality must:

- a) structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b) participate in national and provincial development programmes

Section 154 reiterates the co-operative government obligations for the national government and provincial governments, by legislative and other measures, to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

The above provisions laid the foundation to local government transformation. Local government is no longer an administrative arm of government that is required to provide infrastructure, but is given a developmental character to improve the quality of communities and promote basic human rights. This places municipalities at the forefront of national government's efforts to address all the social and economic inequalities of the past.

The White Paper on Local Government

The White Paper on Local Government is regarded as the "constitution" of South African local government. It flashes out more clearly the developmental role of local government and gives meaning to the constitutional obligations placed upon the sphere of local government. It defines a developmental local government as "municipalities who are committed to working with the local communities to find sustainable ways to meet their needs (social, economic and material) and improve the quality of their lives". (White Paper on Local Government of 1998).

In order to attain a developmental local government, the White Paper offers the guiding principles and outlines the unique characteristics of a developmental local government, the expected outcomes and the mechanisms that will assist in the process towards attainment of the developmental outcomes. The elements within each of the guiding areas are discussed briefly below.

Characteristics of the Developmental Local Government

Municipalities are expected to work with their communities to find innovative and cooperative ways to execute their powers and functions in order to reshape themselves into institutions that are:

- Maximizing social development and economic growth;
- Integrating and coordinating development;
- Democratizing development, empowering and redistribution of resources; and
- Leading and learning.

Since local government transformation is a change management process, at the end of each year, municipalities have to assess their performance and report on whether they are changing towards attaining the above developmental characteristics.

Outcomes or Results of Developmental Local Government

The outcomes include:

- Provision of household infrastructure;
- Creation of live-able, integrated cities, towns and rural areas;
- Local economic development;
- Community empowerment and redistribution.

The questions that need to be raised and answered during every annual reporting period by each of the three spheres of government are: whether municipalities are achieving the above outcomes? Have they reached sustainability? Are other spheres playing a meaningful role to support the developmental course?

Mechanisms to Support Developmental Local Government

The White Paper lists three mechanisms or tools to support the process of local government transformation, as well as a guide to new approaches to service delivery:

- Integrated development planning and budgeting;
- Performance management; and
- Cooperation mechanisms.

The White Paper envisages a process of transformation for local government whereby cooperative governance is a central feature. It foresees the creation of an intergovernmental framework as a pillar to the realization of the developmental state. The White Paper also clearly defines the roles and responsibilities of the national and provincial spheres of government with respect to local government. The roles and responsibilities indicates that national and provincial government are constitutionally required to take an active interest in ensuring the development of strong local government, capable of fulfilling its constitutional mandate. In return, municipalities are required to work with provincial and national government in their respective areas of jurisdiction, and enhance the effectiveness of national and provincial programmes. Local government should maintain open, cooperative and constructive relations with both provincial and national government, seeing its operation as a component of the broader developmental state structure.

Organized Local Government Priorities

The White Paper on Local Government also touches on the role of organized local government. The Constitution allows for municipalities to organise forms of municipal association and the South African Local Government Association (SALGA) was established to become the voice of local government.

SALGA's key role is the effective representation of local government in the legislative processes of all spheres of government and in intergovernmental executive processes. SALGA represents local government interests in forums such as the National Council of Provinces, the Financial and Fiscal Commission, the new Budget Forum dealing with intergovernmental transfers, intergovernmental structures such as MINMEC, and in the drafting of legislation that affects the status, institutions, powers and functions of municipalities.

SALGA is also an employers' organisation, and constitutes the employer component of the South African Local Government Bargaining Council. SALGA has a key role to play, not only as an employer in the South African Local Government Bargaining Council, but also in building capacity in the area of labour relations among its membership, and maintaining open and constructive relationships with organised labour. The successful transformation of local government requires that the relations between employer bodies and municipal trade unions are reconstructed around a common commitment to a developmental role for local government.

SALGA also has a responsibility to make a strong contribution to the development of municipalities through, amongst other things:

- The provision of specialised services to supplement and strengthen the capacity of municipalities;
- Research and information dissemination;
- Facilitating shared learning between municipalities;
- Human resource development; and
- Councillor training.

Vision 2014

Vision 2014 is South Africa's direct response to contribute and address the development challenges as set-out in the Millennium Development Declaration and to implement the above policies. At the Cabinet Lekgotla held from 20 to 22 January 2010, the adopted 12 Outcomes that reflect our mandate and derive from the Medium Term Strategic Framework. They are:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and World
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

The five priorities identified in the manifesto of the ruling party correspond with the first seven outcomes while Local Government and Human Settlements have been added as priorities.

Eighteen years into the new Local Government system shows that a significant number of municipalities are in deep distress. The service delivery protests are a clear signal that the failings in local government cannot go unchecked. Problems at municipalities range from issues of poor governance and accountability, weak financial management, high vacancies in critical senior management posts and in a number of instances an inability to deliver even a core of basic municipal services efficiently and effectively.

Much of the reason for the limited success of past attempts to improve the performance of local government stemmed from the fact that we tended to treat all municipalities as uniform, undifferentiated entities. This was clearly a mistake and we now recognise, as you have in your department's Local Government Turnaround Strategy, that municipalities have different capacities and their social and economic contexts also vary. Our response to turn around local government should thus be conducive to the different contexts prevailing in municipalities. A further explanation for limited success was the inability of the national government departments that impact local government to develop a cohesive plan and co-operate fully to ensure a unified approach within their interventions.

Turnaround Strategy

The key question government undertook to reflect on with a range of role players over the past few months was *“what is the state of local government in 2009, and what must be done to restore the confidence of our people in this sphere of government by 2010 and beyond?”*

The Department of Cooperative Governance and Traditional undertook a process of provincial assessments of every municipality and came up with the State of Local Government produced in 2009. This report gave the status quo of municipalities' performance as per province. The report gave an overview of under-performing and performing municipalities. From this report, the department developed the Local Government Turn-Around Strategy (LGTAS). The Cabinet adopted the SLGR and LGTAS (2 December 2009). It was recommended that each municipality to develop their own MTAS as priority for intervention to derive root cause analysis and detailed evidential findings. In 2010, the Cabinet Lekgotla approved a 10 Point Plan and performance management system for municipalities to:

- Develop an implementation plan for MTAS
- Develop an Implementation Guidelines for phases 1-4 of MTAS process
- Rollout of MTAS pre-2010: January 2009 – March 2010

Local Government Ten Point Plan

The Local Government Turn-Around Strategy (LGTAS) is the basis for the Ten Point Plan for Local Government (2009 – 2014). The ten point plan outlines the following area:

1. Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.
2. Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development (LED).
3. Ensure the development & adoption of reliable and credible Integrated Development Plans (IDPs).
4. Deepen democracy through a refined Ward Committee model.
5. Build and strengthen the administrative, institutional and financial capabilities of municipalities.
6. Create a single window of coordination for the support, monitoring and intervention in municipalities.
7. Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government.
8. Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
9. Develop and strengthen a politically and administratively stable system of municipalities.
10. Restore the institutional integrity of municipalities.

The MEC FOR Cooperative Governance and Traditional Affairs signed a performance agreement based on the achievement of the following areas:

- | | |
|-----------|--|
| Output 1: | Implement a differentiated approach to municipal financing, planning and support |
| Output 2: | Improving Access to Basic Services |
| Output 3: | Implementation of the Community Work Programme |
| Output 4: | Actions supportive of the human settlement outcomes |
| Output 5: | Deepen democracy through a refined Ward Committee model |
| Output 6: | Administrative and financial capability |
| Output 7: | Single window of coordination |

The analysis of this performance information consists of the following KPAs:

KPA 1: Municipal Transformation and Organizational Development

KPA 2: Basic Service Delivery

KPA 3: Local Economic Development

KPA 4: Municipal Financial Viability and Management

KPA 5: Good Governance and Public Participation

KPA 6: Cross-Cutting Issues

Concluding Remarks

Key Performance Area 1:
Municipal Transformation and Organisational Development

This KPA will cover the following areas:

- Introduction
- Performance Management Systems.
- Filling of Section 57 Manager positions;
- Signed performance agreements by Section 57 Managers;
- Disciplinary processes against Section 57 Managers;
- Employment Equity
- Human Resource Development Strategy
- Municipal Budget spent on implementing workplace skills plan
- Challenges experienced in municipal transformation and organizational development (indicate specific municipalities)
- Interventions by national and provincial government, SALGA and other government agencies.

Key Performance Area: Municipal transformation and Organisational development

Introduction

The main focus in this key performance area is the institutional and organisational capacity of municipalities to perform their functions and fulfil their developmental role as stipulated in the Constitution and the White Paper on Local Government. Institutional and organisational reform in local government is the key to sustainable municipalities. Having been allocated separate powers and functions entrenched in the Constitution, municipalities had to organise themselves in preparation to fulfil these functions and powers. Organisational transformation in local government is further explicitly prescribed in Section 51 of the Municipal Systems Act which provides as follows:

□A municipality must, within its administrative and financial capacity, establish and organise its administration in a manner that would enable the municipality to:-

- a. be responsive to the needs of the local community;
- b. facilitate a culture of public service and accountability amongst its staff;
- c. be performance orientated and focussed on the objects of local government set out in section 152 of the Constitution and its developmental duties as required by section 153 of the Constitution;
- d. ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated development plan;
- e. establish clear relationships, and facilitate co-operation, co-ordination and communication, between-
 - i. its political structures, political office bearers and its administration;
 - ii. its political structures, political office bearers and administration and the local community;
- f. organise its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
- g. perform its functions□
 - i. through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units; and
 - ii. when necessary, on a decentralised basis;
 - iii. assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;
 - iv. hold the municipal manager accountable for the overall performance of the administration;
 - v. maximise efficiency of communication and decision-making within the administration;
 - vi. delegate responsibility to the most effective level within the administration;
 - vii. involve staff in management decisions as far as is practicable; and
 - viii. provide an equitable, fair, open and non-discriminatory working environment

This key performance area focuses on organisational capacity and includes indicators that show progress on how municipalities have organised themselves in terms of building capacity to deliver, compliance with equity targets as well as implementing both the organisational and individual performance management systems. Municipal performance in this KPA was assessed in the following six (6) focus areas:

- Performance Management Systems.
- Filling of Section 57 Manager positions;
- Signed performance agreements by Section 57 Managers;
- Disciplinary processes against Section 57 Managers;
- Employment Equity; and
- Skills development.

It is important to note that not all municipalities and provinces submitted information in all of the above-listed six focus areas. The reporting varied from one province to the other, but almost all provinces reported on appointment of Section 57 Managers, employment equity and workplace skills plans. Even in these focus areas, the type of issues that were reported on were not uniform.

Performance Management System

Table 1: Implementation on PMS implementation in municipalities in the province

Districts	Names of Municipality	No of municipalities with PMS Framework developed /reviewed and adopted by Council (State date of adoption)	No of municipalities that analysed their IDP and engaged with the community	No of municipalities with IDP developed and adopted IDP linked to SDBIP?	No of section 57 Performance contracts signed?	No of section 57 managers with signed Performance Agreements?	No of municipalities with PMS audited by an Internal Auditor for functionality and legal compliance?	No of municipalities with Appointed Performance Audit Committee (PAC)	No of municipalities that submitted council oversight reports and made public	No of municipalities that submits quarterly performance report	No of municipalities which have cascaded PMS to lower level	State reasons for non-compliance of any of these components
EHLANZENI DISTRICT	Bushbuckridge	Yes the framework was reviewed in 2013 August 22	✓	✓	3	3	✓	X	✓	✓	✓	Using Audit committee for performance Audit committee
	Mbombela		✓	✓	5	5	✓	Audit Committee	✓	✓	Draft PMS framework complete and referred to LLF for consultation	None
	Nkomazi	✓	✓	✓								
	Thaba Chweu	-	-	-	-	-	-	-	-	-	-	
GERT SIBANDE	Umjindi	✓	✓	✓	6	6	✓	✓	✓	✓	X	
	EHLANZENI DISTRICT	✓	✓	✓			✓	✓	✓	✓		
	Chief Albert Luthuli	Yes September 2013	✓	✓	8	8	✓	✓	✓	X		

Districts	Names of Municipality	No of municipalities with PMS Framework developed /reviewed and adopted by Council (State date of adoption)	No of municipalities that analysed their IDP and engaged with the community	No of municipalities with IDP developed and adopted IDP linked to SDBIP?	No of section 57 Performance contracts signed?	No of section 57 managers with signed Performance Agreements?	No of municipalities with PMS audited by an Internal Auditor for functionality and legal compliance?	No of municipalities with Appointed Performance Audit Committee (PAC)	No of municipalities that submitted council oversight reports and made public	No of municipalities that submit quarterly performance report	No of municipalities which have cascaded PMS to lower level	State reasons for non-compliance of any of these components
DISTRICT	Dipaleseng	✓	✓	✓	5	5	✓	✓	X	X		
	Govan Mbeki	✓	✓	✓	5	5	✓	✓	X	X		
	Lekwa	✓	✓	✓	3	0	✓	✓	X	X		
	Mkhondo	✓	✓	✓	4	4	✓	✓	X	X		
	Msukaligwa	✓	✓	✓	3	3	✓	✓	X	X		
	Dr. Pixley Ka Isaka Seme	YES, C/R A60/2009	✓	✓	6	6	✓	Shared function with GSDM	✓	✓	X	
NKANGALA DISTRICT	GERT SIBANDE DISTRICT	✓	✓	✓	4	4			X	X		
	Emalaheni	Yes	✓	✓	6	6	✓	Audit Committee	X	✓	X	Implementation of PMS Framework is in process
	Emakhazeni	PMS Framework was adopted by Council in 2006 and has never been reviewed	✓	✓	5	5	X	Audit Committee	?	✓	X	The municipality does not have a PMS Practitioner.
	Steve Tshwele	PMS framework adopted in 2009 (council resolution to be provided)	✓	✓	5	5	✓	Date of establishment to be	✓	✓	X	Municipality is in the process of planning to cascade PMS

Districts	Names of Municipality	No of municipalities with PMS Framework developed /reviewed and adopted by Council (State date of adoption)	No of municipalities that analysed their IDP and engaged with the community	No of municipalities with IDP developed and adopted IDP linked to SDBRP?	No of section 57 Performance contracts signed?	No of section 57 managers with signed Performance Agreements?	No of municipalities with PMS audited by an Internal Auditor for compliance?	No of municipalities with Appointed Performance Audit Committee (PAC)	No of municipalities that submitted council oversight reports and made public quarterly performance report	No of municipalities which have cascaded PMS to lower level	State reasons for non-compliance of any of these components to lower levels
	Victor Khanye	-	✓	✓	-	-	✓	✓	✓		
	Dr. JS Moroka	-	✓	✓	-	-	✓	✓	✓		
	Thembisile Hani	-	✓	✓	-	-	✓	✓	✓		
	Nkangala District	Yes- Draft PMS Policy, reviewed and the Procedure manual developed and adopted by Council on the 4 th of July 2012 as a draft	✓	✓	5	5	Yes	No ☐ The current District Audit Committee is also utilised for Performance matters	✓	✓	

Source: 2011/12 Section 46 reports

Provincial Analysis

- Inadequate performance management and a lack of consequences for transgressions are at the root of many of the failures within municipalities

Challenges

- Lack of commitment and discipline
- Controls and performance objectives of the municipality did not filter through to the performance contract of municipal official in order to direct their daily operations

Interventions

- Implementation of a sound performance management processes, evaluating and monitoring performance
- Consistence demonstration that non-performance has consequences

Recommendation

- Ensure PMS is in place to all municipalities
- Ensure that there is a robust performance management system linked to the requirements of the integrated development plan and the service delivery and budget implementation plan.
- Take oversight actions in respect of poor performance and transgression
- Provide technical support to the development of the appropriate performance management policies and systems

Table 2: Linkage between IDP and SDBIP

Districts	Name of municipalities	2009/10				2010/11				2011/12				Reasons
		IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	IDP framework Submitted	IDP framework Approved	IDP aligned to SDBIP	
EHLANZENI DISTRICT	Bushbuckridge	-	-	-	-	-	-	-	-	-	-	-	No	
	Mbombela	-	-	-	-	-	-	-	-	-	-	-	✓	
	Nkomazi	-	-	-	-	-	-	-	-	-	-	-	No	
	Thaba Chweu	-	-	-	-	-	-	-	-	-	-	-		
	Umgindi	-	-	-	-	-	-	-	-	-	-	-	✓	
	EHLANZENI DISTRICT	-	-	-	-	-	-	-	-	-	-	-	✓	
GERT SIBANDE DISTRICT	Chief Albert Luthuli	-	-	-	-	-	-	-	-	-	-	-	✓	
	Dipaleseng	-	-	-	-	-	-	-	-	-	-	-		
	Govan Mbeki	-	-	-	-	-	-	-	-	-	-	-	✓	No
	Lekwa	-	-	-	-	-	-	-	-	-	-	-	✓	
	Mkhondo	-	-	-	-	-	-	-	-	-	-	-	✓	
	Msakaligwa	-	-	-	-	-	-	-	-	-	-	-	✓	
	Dr. Pixley Ka Isaka Seme	-	-	-	-	-	-	-	-	-	-	-	✓	
	GERT SIBANDE DISTRICT	-	-	-	-	-	-	-	-	-	-	-	✓	
	Emalahleni	-	-	-	-	-	-	-	-	-	-	-	✓	IDP was not used as a baseline document
	Emakhazeni	-	-	-	-	-	-	-	-	-	-	-	✓	
NKANGALA DISTRICT	Steve Tshwete	-	-	-	-	-	-	-	-	-	-	-	✓	None

Districts	Name of municipalities	2009/10				2010/11				2011/12				Reasons
		IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	IDP framework Approved	IDP framework Submitted	IDP aligned to SDBIP	
	Victor Khanye	-	-	-	-	-	-	-	✓	-	✓	✓	✓	
	Dr. JS Moroka	-	-	-	-	-	-	-	✓	-	✓	✓	✓	
	Thembisile Hani	-	-	-	-	-	-	-	✓	-	✓	✓	✓	
	Nkangala District	-	-	-	-	-	-	-	✓	-	✓	✓	✓	

Source: 2011/12 Section 46 reports

Provincial Analysis

- All Municipal IDPs in the province were adopted with seven municipalities getting high scores during the analysis
- Dr JS Moroka and Thaba Chweu municipalities were the only municipalities that received the lowest ranks of 42%-48% ratings

Challenges

- Non- availability of sector plans e.g. (Water and Infrastructure Plans)
- Vacancies within municipalities making it difficult for them to perform to the expectations
- Report on the status of water quality not being mentioned by all municipalities
- Grant funding not re-infenced

Intervention

- 3 District IDP analysis were conducted to enable the sector plans to be district focused also to improve sector participation

Recommendations

- More attention to be provided to planning processes
- Sector departments to be encouraged to attend as it is very critical to have their sector plans
- More attention to be given to struggling municipalities

Table 3: Filling of Section 56 Managers posts

IN ALL 3 DISTRICT MUNICIPALITIES:

Posts	2009/10				2010/11				2011/12				Reasons for vacancies
	No of posts approved	No of posts filled	No of vacancies		No of posts approved	No of posts filled	No of vacancies		No of posts approved	No of posts filled	No of vacancies		
Municipal Manager	21	18	3		21	12	9		21	10	11		
Chief Financial Officer	21	16	5		21	11	10		21	10	11		
Technical	21	21	0		21	14	7		21	10	11		
Corporate Services	21	20	1		21	16	5		21	10	11		
TOTAL	84	75	09		84	53	31		84	40	44		

Source: 2011/12 Section 46 reports

Provincial Analysis:

- Employment agreements for section 56 managers were coming to an end starting from 2010/11 financial year hence vacancies in this financial year increased. Other section 56 managers resigned during this period. New administration was to be elected in 2011. Most posts were not filled since other municipalities were waiting for the new administration to make appointments on vacant positions.

Challenges:

- Municipalities were delaying the process of appointing section 56 managers as a result strategic positions become vacant and that resulted in challenges on service delivery.
- Municipalities did not complying to the Municipal Systems Amendment Act specifically sections that deal with the appointment of section 57 managers as amended in 2011.

Interventions:

- Municipalities to be assisted with the development of recruitment acceleration plans in order to fill vacant positions.
- MEC to intervene by secondments on the vacant positions.
- Monitor the compliance of the Municipal Systems Amendment Act of 2011 on the appointments of municipal managers and managers directly accountable to municipal managers.

Table 4: Number of approved, filled and vacant s56 posts per province

DISTRICTS	2009/10			2010/11			2011/12		
	No of approved s57 posts	No of filled Section 57 posts	No of vacancies Section 57	No of approved s57 posts	No of filled Section 57 posts	No of vacancies Section 57	No of approved s57 posts	No of filled Section 57 posts	No of vacancies Section 57
EHLANZENI	38	36	2	37	24	13	39	32	7
GRET SIBANDE	49	43	6	48	32	15	48	29	19
NKANGALA	37	27	10	36	23	13	36	31	5
TOTAL	124	106	18	121	79	41	123	92	31

Source: 2011/12 Section 46 reports

Provincial Analysis:

- Employment agreements for section 56 managers were coming to an end starting from 2010/11 financial year hence vacancies in this financial year increased. Other section 56 managers resigned during this period. New administration was to be elected in 2011. Most posts were not filled since other municipalities were waiting for the new administration to make appointments on vacant positions.

Challenges:

- Municipalities were delaying the process of appointing section 56 managers as a result strategic positions become vacant and that resulted in challenges on service delivery.
- Municipalities did not complying to the Municipal Systems Amendment Act specifically sections that deal with the appointment of section 56 managers as amended in 2011.

Interventions:

- Municipalities to be assisted with the development of recruitment acceleration plans in order to fill vacant positions.
- MEC to intervene by secondments on the vacant positions.
- Monitor the compliance of the Municipal Systems Amendment Act of 2011 on the appointments of municipal managers and managers directly accountable to municipal managers.

Table 5: Disciplinary processes against Section 56 Managers

Districts	Name of Municipalities	2009/10				2010/11				2011/12			
		No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of reported cases	No of pending cases	No of resolved cases	No of pending cases
EHLANZENI DISTRICT	Bushbuckridge	-	-	-	5	0	5	5	0	5	0	5	0
	Mbombela	-	-	-	11	1	10	1	1	1	1	0	0
	Nkomazi	-	-	-	2	1	1	1	1	3	0	3	0
	Thaba Chweu	-	-	-	17	0	17	4	0	4	0	4	0
	Umgjindi	-	-	-	3	2	1	1	0	1	0	1	0
	EHLANZENI DISTRICT	-	-	-	0	0	0	0	0	0	0	0	0
TOTAL					38	4	34	14	1	13	1	13	1
GERT SIBANDE DISTRICT	Chief Albert Luthuli	-	-	-	0	0	0	5	0	5	0	5	0
	Dipaleseng	-	-	-	4	0	4	2	0	2	0	2	0
	Govan Mbeki	-	-	-	0	0	0	8	0	8	0	8	0
	Lekwa	-	-	-	1	0	1	6	5	6	5	1	5
	Mkhondo	-	-	-	11	1	10	12	6	12	6	6	6
	Msukaligwa	-	-	-	0	0	0	3	0	3	0	3	0
	Dr. Pixley Ka Isaka Seme	-	-	-	8	0	8	7	0	7	0	7	0
	GERT SIBANDE DISTRICT	-	-	-	0	0	0	4	0	4	0	4	0
TOTAL					20	01	19	47	11	36	11	36	11
NKANGALA DISTRICT	Emalahleni	-	-	-	6	01	5	1	0	1	0	1	0
	Emakhazeni	-	-	-	10	0	10	9	0	9	0	9	0

Districts	Name of Municipalities	2009/10			2010/11			2011/12		
		No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases
	Steve Tshwete	-	-	-	13	0	13	0	0	0
	Victor Khanye	-	-	-	2	0	2	4	0	4
	Dr. JS Moroka	-	-	-	10	03	7	12	4	8
	Thembisile Hani	-	-	-	8	0	8	12	6	6
	Nkangala District	-	-	-	1	1	0	0	0	0
TOTAL					50	05	45	38	10	28

Source: 2011/12 Section 46 reports

Provincial Analysis

- The total number of cases has decrease from 125 in 2010/2011 financial to 99 in the current financial year. However Gert Sibande District is having more disciplinary cases which are 47, followed by Nkangala District with 38 cases and Ehlanzeni District with 14 cases.

Challenges:

- Out of the 77 cases that were resolved, some employees were dismissed as final verdict and non availabilty of a data base of dismissed is a limitation. Disciplinary cases are taking long before being finalised and the process of appeal is taking long before finalisation of cases.

Interventions:

- Development of data base for dismissed staff and continouse monitoring of appointments made in municipalities. Provide capacity in a form of training to Labour Relations Officers in municipalities.

Development and Implementation of specific HR policies and systems per municipality

The Human Resources Development Strategy (HRDS) of South Africa's key mission is to maximise the potential of our people through knowledge and skills acquisition to improve livelihoods (HRDS SA 2001). Capacity building at municipalities is crucial in achieving effective service delivery. As such, Human Resource management is aimed at strengthening institutional capacity. This is enshrined in the Municipal Systems Act of 2000:

68. (1) A municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 2019 (Act No. 28 of 1999).

The HRD Strategy consists of 5 strategic objectives, namely:

1. Improving the foundation for human development;
2. Developing high quality skills that are more responsive to our developmental needs;
3. Improving and increasing employer participation in lifelong learning;
4. Supporting employment growth through creative innovation and policies; and
5. Ensuring that the four objectives above are linked.

The table below indicates the status with regards to the development and implementation of specific HR policies by municipalities.

Employment Equity

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

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

Skills Development

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

Adoption of Workplace Skills Plans

Number of local government staff trained during the year under review as compared to 2009/10 and percentage of budget spent in implementing municipalities' Skills Development Plans

Table 6: Women appointments □ Section 57 Managers

Districts	Names of Municipalities	2009/10						2010/11				2011/12			
		No. of Section 57 posts approved	Women appointed in Section 57 posts	No of vacancies for women	Section 57 Managers	No. of Section 57 posts approved	Women appointed in Section 57 posts	No of vacancies for women	Section 57 Managers	No. of Section 57 posts approved	Women appointed in Section 57 posts	No. of Section 57 posts approved	Women appointed in Section 57 posts	No of vacancies for women	Section 57 Managers
EHLANZENI DISTRICT	Bushbuckridge	8	2	0		8	2	None		8	1	8	1	0	
	Mbombela	6	1	0		6	1	None		6	1	6	1	0	
	Nkomazi	6	2	0		6	2	None		6	0	6	0	0	
	Thaba Chweu	5	1	0		5	1	None		5	0	5	0	0	
	Umjindi	6	3	0		6	1	None		7	0	7	0	0	
	EHLANZENI DISTRICT	7	1	0		6	1	None		7	1	7	1	0	
TOTAL		38	10	0		38	8	None		39	3	39	3	0	
GERT SIBANDE DISTRICT	Chief Albert Luthuli	8	3	0		8	0	None		7	2	7	2	0	
	Dipaleseng	5	2	0		5	2	None		6	0	6	0	0	
	Govan Mbeki	7	2	0		7	2	None		7	2	7	2	0	
	Lekwa	6	2	0		6	1	None		6	0	6	0	0	
	Mkhondo	6	0	0		5	0	None		5	0	5	0	0	
	Msukaligwa	5	1	0		6	0	None		6	1	6	1	0	
	Dr. Pixley Ka Isaka Seme	6	2	0		6	1	None		6	0	6	0	0	

Districts	Names of Municipalities	2009/10				2010/11				2011/12			
		No. of Section 57 posts approved	Women appointed in Section 57 posts	No of vacancies for women Managers	No. of Section 57 posts approved	Women appointed in Section 57 posts	No of vacancies for women Managers	No. of Section 57 posts approved	Women appointed in Section 57 posts	No. of Section 57 posts approved	Women appointed in Section 57 posts	No of vacancies for women Managers	No. of Section 57 posts approved
	GERT SIBANDE DISTRICT	5	0	0	5	1	None	5	0	5	0	0	
TOTAL		45	12	0	48	7	None	48	5	48	5	0	
NKANGALA DISTRICT	Emalaheni	6	0	0	6	1	None	6	1	6	1	0	
	Emakhazeni	5	2	0	5	1	None	5	2	5	2	0	
	Steve Tshwete	5	01	0	5	2	None	5	3	5	3	0	
	Victor Khanye	5	0	0	5	0	None	5	3	5	3	0	
	Dr. JS Moroka	5	01	0	5	2	None	5	1	5	1	0	
	Thembisile Hani	6	0	0	5	0	None	5	0	5	0	0	
	Nkangala District	5	01	0	5	1	None	5	2	5	2	0	
TOTAL		37	05	0	36	07	None	36	12	36	12	0	

Source: 2011/12 Section 46 reports

Provincial Analysis

- The total number of women appointed in senior manager's positions in the province is 20 out of 123 senior managers' positions. This constitutes only 16% of women appointments. The number of female managers has come down. Previously there were two woman municipal managers and later become one.

Challenges:

- Municipalities are not adhering to their Employment Equity Plan hence are not progressing towards reaching target of women representation at senior management level as per the Act.

Interventions:

- Continuous monitoring of compliance to the Act by municipalities and analyse Equity reports submitted by municipalities to the Department of Labour.

Table 7:Employment of people with disabilities

Districts	Names of Municipalities	2009/10				2010/11				2011/12		
		Total no. of people with disabilities	No. of people with disabilities	No of vacancies for people with disabilities	Total no. of disabilities	No. of people with disabilities	% No of vacancies for people with disabilities	Total no. of disabilities	No. of people with disabilities	Total no. of disabilities	No of vacancies for people with disabilities	
EHLANZENI DISTRICT	Bushbuckridge	-	-	-	5	5	0	5	5	5	0	
	Mbombela	-	-	-	5	5	0	8	8		0	
	Nkomazi	-	-	-	3	3	0	6	6		0	
	Thaba Chweu	-	-	-	5	5	0	4	4		0	
	Umjindi	-	-	-	2	2	0	3	3		0	
	EHLANZENI DISTRICT	-	-	-	0	0	0	0	0		0	
TOTAL					20	20	0	26	26		0	
GERT SIBANDE DISTRICT	Chief Albert Luthuli	-	-	-	0	0	0	1	1		0	
	Dipaleseng	-	-	-	1	1	0	3	3		0	
	Govan Mbeki	-	-	-	10	10	0	10	10		In all positions advertised people with disabilities are encouraged to apply	
	Lekwa	-	-	-	5	5	0	4	4		0	
	Mkhondo	-	-	-	1	1	0	2	2		0	
	Msukaligwa	-	-	-	7	7	0	7	7		0	
TOTAL	Dr. Pixley Ka Isaka Seme	-	-	-	4	4	0	4	4		0	
	GERT SIBANDE DISTRICT	-	-	-	0	0	0	2	2		0	
					28	28	0	33	33			
	Emalahleni	-	-	-	0	0	0	3	3		0	
	Emakhazeni	-	-	-	1	1	4	1	1		4	
	Steve Tshwete	-	-	-	22	22	0	24	24		2	
NKANGALA DISTRICT												

Districts	Names of Municipalities	2009/10						2010/11				2011/12			
		Total no. of people with disabilities	No. of people with disabilities	No of vacancies for people with disabilities	Total no. of people with disabilities	No. of people with disabilities	% No of vacancies for people with disabilities	Total no. of people with disabilities	No. of people with disabilities	No. of people with disabilities	Total no. of people with disabilities	No. of people with disabilities	No of vacancies for people with disabilities	No. of people with disabilities	Total no. of people with disabilities
	Victor Khanye	-	-	-	5	5	0	5	5	5	5	5	0	5	0
	Dr. JS Moroka	-	-	-	4	4	0	4	4	7	7	7	0	7	0
	Thembisile Hani	-	-	-	3	3	0	3	3	3	3	3	0	3	0
	Nkangala District	-	-	-	0	0	0	0	0	0	0	0	0	0	0
TOTAL		-	-	-	35	35		35	35	42	42	42	6	42	6

Source: 2011/12 Section 46 reports

Provincial Analysis

- The employment rate of people with disabilities in municipalities is still low. The status quo of appointed people with disabilities in municipalities during 2011/2012 financial year compare to the previous year has no change. Only few municipalities have appointed people with disabilities. According to the Provincial trends, the number of people with disabilities is increasing from the previous financial year 2010/2011.

Challenges:

- A number of municipalities still are not complying with Employment Equity Act and EEP is mainly not considered when recruiting staff.

Interventions:

- Continuous monitoring of compliance to the Act by municipalities and analyse Equity reports submitted by municipalities to the Department of Labour.

Table 8: Employment of employees that are aged 35 or younger per province

Districts	Names of Municipalities	2009/10			2010/11			2011/12		
		Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger
EHLANZENI DISTRICT	Bushbuckridge	-	-	-	1192	680	43%	988	210	21%
	Mbombela	1689	486	28.8%	1714	445	26%	1855	563	30%
	Nkomazi	-	-	-	1000	405	40.5%	945	288	30%
	Thaba Chweu	-	-	-	0	0	0	447	89	20%
	Umjindi	-	-	-	315	182	24%	342	88	26%
	EHLANZENI DISTRICT	-	-	-	132	46	65.15%	130	43	33%
TOTAL		1689	486	-	4353	1758		4707	1281	
GERT SIBANDE DISTRICT	Chief Albert Luthuli	499	331	38%	406	201	50%	470	116	24%
	Dipaleseng	-	-	-	114	77	67%	424	76	18%
	Govan Mbeki	-	-	-	1439	368	25.57%	1330	335	26%
	Lekwa	-	-	-	593	114	19.22%	682	106	16%
	Mkhondo	-	-	-	754	144	19.10%	754	213	28%
	Msukaligwa	-	-	-	858	168	19.58%	808	178	22%
	Dr. Pixley Ka Isaka Seme	-	-	-	361	21	5.8%	361	111	30%
	GERT SIBANDE DISTRICT	-	-	-	171	115	67%	242	101	42%

Districts	Names of Municipalities	2009/10			2010/11			2011/12		
		Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger
TOTAL					4696	1208		5071	1236	
NKANGALA DISTRICT	Emalahleni	-	-	-	1550	254	16.07%	1550	223	14.39%
	Emakhazeni	-	-	-	399	127	68.17%	399	129	32%
	Steve Tshwete	-	-	-	1354	408	30%	1354	320	24%
	Victor Khanye	-	-	-	322	135	58%	366	95	26%
	Dr. JS Moroka	-	-	-	643	186	29%	842	161	19
	Thembisile Hani	-	-	-	533	33	6.17	533	78	15%
TOTAL	Nkangala District	-	-	-	0	0	0	243	40	16%
TOTAL					4801	1143		5287	1046	

Source: 2011/12 Section 46 reports

Provincial Analysis

- All municipalities in the Province have appointed staff aged 35 or younger,

Challenges:

- Still the appointment of youth in most municipalities is below 30% which is an indication that appointment of youth is not a priority or experience is considered mostly. Even interns are not considered for recruitment after completing their experimental training.

Interventions:

- To assist municipalities in conducting workforce analysis and development of human resource plan.
- To monitor the implementation of EEP in order to ensure compliance with the Employment Equity Plan.

Table 9: Development and Implementation of specific HR policies and systems per municipality

DISTRICTS	Names of Municipalities	Recruitment and selection policy				Skills Development Plan			EE Plan			HRM and HRD policies		
		Reviewed /Developed	Approved	Implemented		Reviewed /Developed	Approved	Implemented	Reviewed /Developed	Approved	Implemented	Reviewed /Developed	Approved	Implemented
EHLANZENI DISTRICT														
	Bushbuckridge	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mbombela	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Umgindi	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE DISTRICT	EHLANZENI DISTRICT	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Chief Albert Luthuli	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Msukaligwa	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	GERT SIBANDE DISTRICT	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Emalaheni	Yes July 2003	Yes 2003	Yes 2003		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

DISTRICTS	Names of Municipalities	Recruitment and selection policy			Skills Development Plan			EE Plan			HRM and HRD policies		
		Reviewed/Developed	Approved	Implemented	Reviewed/Developed	Approved	Implemented	Reviewed/Developed	Approved	Implemented	Reviewed/Developed	Approved	Implemented
DISTRICT	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TOTAL	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Provincial Analysis

- Municipalities in the Province have the above policies and plan in place.

Challenges:

- Implementation of these policies/plans during both recruitment phase and development phase of human resource.
- Most of these policies from municipalities are not addressing issues of retention strategy, succession and performance relationship between employers and employees below section 57 managers.

Interventions:

- Continuous monitoring of those plans and assists municipalities during the review period of their policies.
- Assisting those municipalities without retention strategy and succession plan.

Table 10: Workplace Skills Plans submitted by municipalities

DISTRICT	Municipality	Management level	2009/10		2010/11		2011/12	
			Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
EHLANZENI	Bushbuckridge	Councillors	39	0	419	19	74	18
		Senior Management level	6	0	37	16	39	8
		Lower level employees	391	0	732	448	678	156
		Technicians and professional	58	0	114	36	37	24
		TOTAL	494	0	1302	519	937	206
	Mbombela	Councillors	75	24	70	65	78	69
	Thaba Chweu	Senior Management level	23	8	51	25	36	18
		Lower level employees	490	45	524	524	453	98
		Technicians and professional	48	29	309	180	60	46
		TOTAL	636	106	954	794	627	231
		Councillors	-	-	-	-	24	0
		Senior Management level	-	-	-	-	07	0
	Umjindi	Lower level employees	-	-	-	-	92	0
		Technicians and professional	-	-	-	-	14	0
		TOTAL	-	-	-	-	137	0
		Councillors	-	-	36	3	18	16
		Senior Management level	-	-	6	4	9	0
		Lower level employees	-	-	49	35	238	17
		Technicians and professional	-	-	12	19	54	33

DISTRICT	Municipality	Management level	2009/10		2010/11		2011/12	
			Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
	EHLANZENI DISTRICT	TOTAL	-		103	61	319	66
		Councillors	-	-	60	161	28	19
		Senior Management level	-	-	1	3	26	1
		Lower level employees	-	-	0	271	92	0
		Technicians and professional	-	-	0	58	14	0
	GERT SIBANDE DISTRICT	TOTAL	-	-	61	496	160	20
		Councillors	242	241	242	241	49	10
		Senior Management level	24	23	24	23	18	18
		Lower level employees	127	127	111	111	348	44
		Technicians and professional	32	31	32	32	34	5
	Dipaleseng	TOTAL	425	422	409	407	449	77
		Councillors	11	11	11	5	11	09
		Senior Management level	8	6	19	3	08	08
		Lower level employees	81	27	73	23	81	73
		Technicians and professional	0	0	11	8	00	00
	Govan Mbeki	TOTAL	100	44	114	39	100	90
		Councillors	77	0	57	0	60	12
		Senior Management level	18	0	20	5	4	0
		Lower level employees	241	241	280	164	36	60
		Technicians and	141	39	0	13	2	12

DISTRICT	Municipality	Management level	2009/10		2010/11		2011/12	
			Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
Lekwa		professional						
		TOTAL	477	280	357	182	102	84
		Councillors	-	-	32	0	30	04
		Senior Management level	-	-	18	18	23	16
		Lower level employees	-	-	93	71	434	127
		Technicians and professional	-	-	34	34	62	27
		TOTAL	-	-	177	131	549	174
		Councillors	-	-	38	0	37	12
		Senior Management level	-	-	3	0	4	4
		Lower level employees	-	-	330	4	411	151
Msukaligwa		Technicians and professional	-	-	16	0	18	6
		TOTAL	-		387	4	470	173
		Councillors	-	-	1	-	38	38
		Senior Management level	-	-	25	-	27	04
		Lower level employees	-	-	179	-	520	22
		Technicians and professional	-	-	34		26	15
		TOTAL	-	-	239	-	611	79
		Councillors	-	-	21	10	21	23
		Senior Management level	-	-	21	14	21	11
		Lower level employees	-	-	191	58	328	174
Dr. Pixley Ka Isaka Seme		Technicians and professional	-	-	12	13	12	-

DISTRICT	Municipality	Management level	2009/10		2010/11		2011/12	
			Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
NKANGALA DISTRICT	GERT SIBANDE DISTRICT	TOTAL	-	-	245	95	382	208
		Councillors	-	--	258	256	258	256
		Senior Management level	-	-	139	63	139	63
		Lower level employees	-	-	871	427	871	427
		Technicians and professional	-	-	131	100	131	100
	Emalahleni	TOTAL	-	-	1399	846	1399	846
		Councillors	-	-	65	18	64	63
		Senior Management level	-	-	52	12	22	07
		Lower level employees	-	-	119	150	312	43
		Technicians and professional	-	-	117	12	30	07
NKANGALA DISTRICT	Emakhazeni	TOTAL	-	-	353	192	428	120
		Councillors	-	-	13	06	64	63
		Senior Management level	-	-	15	04	22	07
		Lower level employees	-	-	81	18	312	143
		Technicians and professional	-	-	20	04	30	07
	Steve Tshwete	TOTAL	-	-	129	32	428	220
		Councillors	21	18	3	21	12	9
		Senior Management level	21	16	5	21	11	10
		Lower level employees	21	21	0	21	14	7
		Technicians and professional	21	20	1	21	16	5
NKANGALA DISTRICT	Emakhazeni	TOTAL	84	75	09	84	53	31
		Councillors	21	18	3	21	12	9
		Senior Management level	21	16	5	21	11	10
		Lower level employees	21	21	0	21	14	7
		Technicians and professional	21	20	1	21	16	5
	Steve Tshwete	TOTAL	84	75	09	84	53	31
		Councillors	21	18	3	21	12	9
		Senior Management level	21	16	5	21	11	10
		Lower level employees	21	21	0	21	14	7
		Technicians and professional	21	20	1	21	16	5

DISTRICT	Municipality	Management level	2009/10		2010/11		2011/12	
			Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
	Victor Khanye	Councillors	-	-	15	01	16	0
		Senior Management level			15	08	17	02
		Lower level employees	-	-	49	06	56	45
		Technicians and professional	-	-	17	08	47	13
		TOTAL	-	-	96	23	136	60
	Dr. JS Moroka	Councillors	-	-	-	-	62	20
		Senior Management level	-	-	-	-	26	11
		Lower level employees	-	-	-	-	363	99
		Technicians and professional	-	-	-	-	112	42
			-	-	-	-	226	172
Thembisile Hani	Councillors	-	-	69	59	64	63	
	Senior Management level	-	-	14	14	12	05	
	Lower level employees	-	-	122	122	278	207	
	Technicians and professional	-	-	28	28	07	05	
	TOTAL	-	-	233	223	361	280	
NIKANGALA DISTRICT	Councillors	-	-	09	08	68	64	
	Senior Management level	-	-	04	05	43	19	
	Lower level employees	-	-	26	08	127	89	
	Technicians and professional	-	-	27	11	68	68	
		TOTAL	-	-	66	32	306	240

Source: 2011/12 Section 46 reports

Provincial Analysis

- Workplace Skills Plan are very difficult to compile, most municipalities are struggle to compile it.
- Skills audit of officials are not properly conducted
- Most municipalities are not using the organisational framework of occupation code (OFO) when compiling the WSP.
- Most municipalities are using the grant allocation for skills development for other purpose

Challenges

- Workplace Skills Plan are used for compience purpose and not dealing with the real issues to adress scarce and critical skills
- Employment of incompetent personnel /mismatched skills to the position is a challenge
- Sector Department and stakeholders are not planned with Municipalities , they are planning for them
- Capacity development initiatives are often supply driven than demand driven
- Department and Stakeholders are not prioritising skills development (not budgeting for skills development)
- Most Municipalities do not have a dedicated Skills Development Facilitator such as Victor Khanye, Thaba Chweu and Dr JS Moroka(post are adviced but not filled)
- Grant disbursement are used for other purpose not for skills development

Intervention

- All capacity development initiatives will use Cogta as a point of entry to encourage the Single Window of Coordination
- Advice Chief Financial Officer to create a separate vote for skills development
- Implementation of the Provincial Capacity Building Framework wich is inline with the NCBF
- LGSETA has been approached to try to simplify the template of the WSP for easy compilation
- Municipalities are advice to fill the vacant funded post
- Skills Development Facilitator to sit in Management meetings and IDP forums to ensure that capacity building issues are taken in to consideration

Recommendations

- That SDF:s sit in Management meetings and IDP Forums to ensure that capacity building issues are taken in to cinsideration
- That WSP be not tabled on the training committee alone but to all structures such as Council and the MM must owned the document not only signed it at the end of submission to LGSETA.

- That vacant funded position of SDFs must be filled as a high priority.
- That separate vote be created for skills development
- That Municipalities must use Gapskills Tool to conduct Skills Audit

Section 139 interventions

The Provincial Government invoked major interventions as per section 139(1)(b) of the Constitution and placed the following municipalities under administration during the year under review:

Table 11: No of municipalities put under section 139 interventions

Districts	Names of Municipalities	2009/10	2010/11	2011/12
Ehlanzeni	Thaba Chweu	Started October 2009	Ended December 2010	None
Gert Sibande	Mkhondo	Started July 2009	Ended December 2010	None
	Dr.Pixley Ka Isaka Seme	Started March 2009	Ended March 2010	None
	Lekwa	Started October 2009	Ended January 2011	None
Nkangala	Thembisile Hani	Started April 2010	Ended February 2011	None
Total		5	5	0

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- 1) 6 Months not sufficient for intervention to implement turn-around strategies;
- 2) Support from sector departments during the intervention period;
- 3) Ability of municipalities to sustain the turn-around strategies.

Interventions

- 1) Interventions were extended to ensure impact is achieved;
- 2) Sector departments such as the Departments of Finance, Public Works Roads and Transport, Safety, Security and Liason, Office of the Premier and District supports were mobilised;
- 3) After care support programmes developed for municipalities on termination of interventions;
- 4) Assessment of municipalities to categorise them in terms of support needed;
- 5) Development of an integrated support plan for all municipalities.

Recommendations

- 1) Improve performance monitoring and evaluation in municipalities to identify challenges and to mobilise support needed pro-actively to avoid interventions.

Key Performance Area 2: Basic Service Delivery

This KPA will cover the following areas:

- Introduction
- Progress
 - Access to Free Basic Services
 - Water
 - Sanitation
 - Electricity
 - Refuse removal
 - Access to Basic Services
 - Water provision
 - Waste Water
 - Electricity
 - Waste management
 - Housing
 - Bucket System Eradication
 - Indigent Policy implementation
 - Roads and Transport
 - Infrastructure
 - Transport (vehicle registrations
 - Public bus transportation
 -
- Challenges experienced in basic service delivery (indicate specific municipalities)
- Interventions by national and provincial government, SALGA and other government agencies
- Impact of support by stakeholders.

Introduction

This KPA entails the assessment of the ability municipalities to deliver infrastructure and basic services, and also report on the role played by national and provincial departments in the different sectors in the execution of their functions. Local Government works in partnership with the communities to find sustainable ways to meet their needs and improve the quality of lives. As entrenched in the Constitution, the Millennium Development Goals as well as Vision 2014, government has geared itself to achieve targets for universal access to basic services.

Municipalities are at the forefront of attempts to achieve high levels of service delivery. Service delivery has assumed centre stage in South Africa, due to highly publicized events related to wide-spread protests within various communities. This has put even greater pressure on municipalities to deliver on their mandates and to ensure effective service delivery. The role of municipalities is crucial in dealing with many of the challenges that have led to such high levels of discontent. A crucial aspect of this process is the provision of basic services such as water, electricity and sanitation for all communities. The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and extending the infrastructure to eradicate the backlog in service delivery. The COGTA must ensure that Municipalities in the province are fully functional to enable the delivery of infrastructure and municipal services. This chapter attempts to give an indication of the performance of the municipalities during the municipal financial year ending June 2011. Information used throughout this chapter was submitted by municipalities during March 2012 to provinces.

The report will reflect on service delivery trends and progress achieved over a number of years to enable an informed assessment of improvement or underperformance. The analysis will provide information on achievements per targeted services and variance for non-achievement.

The focus areas that measure the performance of municipalities in this KPA are the following:

- Access to basic services
 - Access to portable water to all households
 - Access to adequate sanitation
 - Universal access to electricity
- Municipal Infrastructure Grant (MIG)
- Bucket system eradication
- Free Basic Services (FBS)
 - Indigent policy implementation
 - Free basic water
 - Free basic sanitation
 - Free basic sanitation
 - Refuse removal

Performance Information Analysis and Progress

Provision of basic services

Government is committed to providing access to electricity, water and sanitation as basic services to address the infrastructural backlog. Seventeen (18) years into democracy, government's development programmes are beginning to show tangible results in that access to basic services has improved substantially since 1994. Analysis of progressive trends is provided below on each of the basic services.

Access to potable water to all households

In relation to water services, government's goal is for all people of South Africa to have access to potable water by 2014. The MDG goal is to halve proportion of people without sustainable access to improved water source between 1990 and 2015. The basic level of water service is an RDP standard equivalent to a minimum of 25 litres of potable water per day within 200 metres of a household not interrupted for more than 7 days in any year and a minimum flow of 10 litres per minute for communal water points. The South African service standard is substantially higher than the one defined by the MDGs as 20 litres of potable water per person per day within 1 000 metres of a household.

Table 12: BACKLOGS ON ACCESS TO BASIC SERVICES PER DISTRICT 2009/10 FINANCIAL YEAR

Districts	Names of Municipalities	Water (on site)		Sanitation		Refuse removal		Electricity (in house)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
EHLANZENI	Bushbuckridge	65 000	59 594	70 000	54 594	42 000	82 594	108 360	16 234
	Mbombela	146 909	37 818	146 909	37 818	65 339	119 388	112 210	72 517
	Nkomazi	97 532	3 190	59 321	41 401	54 600	46 122	90 852	9 870
	Thaba Chweu	31 006	2 587	25 060	8 533	16 057	17 536	23 750	9 843
	Umgjindi	18 206	562	17 821	947	15 639	3 129	8 633	10 135
GERT SIBANDE	EHLANZENI DISTRICT	358 653	103 751	319 111	143 293	193 635	268 769	343 805	118 599
	Chief Albert Luthuli	42 959	8 988	35 323	16 624	7 056	44 891	27 096	24 851
	Dipaleseng	9 050	3 185	9 050	3 185	12 235	0	9 404	2 831
	Govan Mbeki	64 735	22 219	82 233	4 721	60 123	26 831	68 070	18 884
	Lekwa	31 280	961	30 838	1 403	18 636	13 605	7 712	24 529
NKANGALA DISTRICT	Mkhondo	24 410	10 471	17 706	17 175	10 737	24 144	24 057	10 824
	Msukaligwa	41 456	2225	32 780	10 901	21 082	22 599	26 087	17 594
	Dr. Pixley Ka Isaka Seme	21 145	1 750	20 395	2 500	13 467	9 428	16 243	6 652
	GERT SIBANDE DISTRICT	235 035	49 799	228 325	56 509	143 336	141 498	178 669	106 165
	Emalahleni	95 878	9 716	87 009	18 585	66 524	39 070	100 103	5 491
PROVINCIAL	Emakhazeni	11 305	823	11 170	958	8 613	3 515	10 506	1 622
	Steve Tshwete	50 449	50 363	50 449	49 489	50 449	47 472	50 449	37 836
	Victor Khanye	12 480	2 649	12 480	2 649	11 985	3 144	11 985	3 144
	Dr. JS Moroka	52 725	5 086	45 764	12 047	5 781	52 030	42 318	15 493
	Thembisile Hani	63 960	27 411	14 592	76 779	10 051	81 320	82 317	9 054
NKANGALA DISTRICT		286 711	45 771	220 504	111 978	150 426	182 056	285 065	47 417
		880 399	199 321	767 940	311 780	487 397	592 323	807 539	272 181

Source: 2011/12 Section 46 reports

Table 13: BACKLOGS ON ACCESS TO BASIC SERVICES PER DISTRICT 2010/11 FINANCIAL YEAR

Districts	Names of Municipalities	Water (on site)		Sanitation		Refuse removal		Electricity (in house)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
EHLANZENI	Bushbuckridge	112 289	12 305	70 896	53 698	68 658	55 936	110 239	14 355
	Mbombela	134 576	2 777	86 798	50 555	81 628	55 725	115 765	21 588
	Nkomazi	76 511	1 743	63 506	14 748	35 530	42 724	62 132	16 122
	Thaba Chweu	25 806	2 435	22 821	5 420	19 959	8 282	18 025	10 216
	Umjindi	17 984	784	14 923	3 845	17 715	1 053	14 657	4 111
	EHLANZENI DISTRICT	367 166	20 044	258 944	128 266	223 490	163 720	320 818	66 392
GERT SIBANDE	Chief Albert Luthuli	43 034	2 047	29 568	16 466	30 108	15 926	39 768	6 266
	Dipaleseng	10 781	1 543	9 167	3 157	9 536	2 788	10 897	1 427
	Govan Mbeki	59 674	7 563	59 718	7 519	65 666	1 571	59 786	7 451
	Lekwa	23 754	2 931	17 656	9 029	19 894	6 791	25 665	1 020
	Mkhondo	23 904	6 023	17 894	12 033	12 572	17 355	22 079	7 848
	Msukaligwa	29 879	1 688	29 695	1 872	26 711	4 856	30 268	1 299
GERT SIBANDE DISTRICT	Dr. Pixley Ka Isaka Seme	18 688	2 916	17 088	4 516	12 301	9 303	18 675	2 929
	GERT SIBANDE DISTRICT	210 677	24 711	180 786	54 592	176 788	58 590	207 138	28 240
NKANGALA DISTRICT	Emalahleni	105 463	3 341	76 745	32 059	80 468	28 336	89 856	18 948
	Emakhazeni	8 124	2 823	9 967	980	9 021	1 926	8 816	2 131
	Steve Tshwete	47 978	2 471	36 992	13 457	39 606	10 843	43 254	7 195

Districts	Names of Municipalities	Water (on site)		Sanitation		Refuse removal		Electricity (in house)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
	Victor Khanye	13 945	1 184	11 730	3 399	13 884	1 245	12 349	2 780
	Dr. JS Moroka	52 497	4 379	32 645	24 231	15 054	41 822	42 546	14 330
	Thembisile Hani	59 819	9 811	43 597	26 033	7 097	62 533	60 458	9 172
	NKANGALA DISTRICT	287 826	24 009	211 676	100 159	165 130	146 705	257 279	54 556
PROVINCIAL		865 659	68 764	651 406	283 017	565 408	369 015	785 235	149 188

Source: 2011/12 Section 46 reports

Table 14: BACKLOGS ON ACCESS TO BASIC SERVICES PER DISTRICT 2011/12 FINANCIAL YEAR

Districts	Names of Municipalities	Water (on site)		Sanitation		Refuse removal		Electricity (in house)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
EHLANZENI	Bushbuckridge	52 projects	14 projects	5 580	3 183	-	-	1 505	1 505
	Mbombela	300	240	2 419	2 320	-	-	428	371
	Nkomazi	103 271	47 175	1 000	42 878	9 288	0	2 555	2 423
	Thaba Chweu	-	-	-	9 205	-	-	-	5 488
	Umjindi	8 123	495	495	9 833	495	9 833	2 488	490
	EHLANZENI DISTRICT	111 694	47 910	9 494	67 419	9 783	9 833	6 976	10 277
GERT SIBANDE	Chief Albert Luthuli	-	18 171	51 916	17 878	-	10 360	623	4 384
	Dipaleseng	-	-	-	-	-	-	-	-
	Govan Mbeki	7 563	11,2%	11 621	17,3%	1 571	2,3%	2 208	1 508
	Lekwa	-	-	-	-	-	-	-	-
	Mkhondo	27 000	23 430	19 000	18 520	0	0	26 000	26 880
	Msukaligwa	-	-	-	-	-	-	-	-
NKANGALA DISTRICT	Dr. Pixley Ka Isaka Seme	1 599	1 708	1 765	2 500	5 362	8 072	3 505	3 805
	GERT SIBANDE DISTRICT	36 162	25 138	32 386	56 777	6 933	28 792	32 959	40 961
	Emalahleni	105 463	108 804	116 888	119 874	115 407	90 989	800	300
	Emakhazeni	200	0	200	0	0	0	93	93
	Steve Tshwete	50 449	50 399	50 449	47 469	50 449	47 822	38 112	38 099
	Victor Khanye	1 200	1 200	1 200	1 200	0	0	1 500	410
	Dr. JS Moroka	-	-	-	-	-	-	-	-
	Thembisile Hani	-	1 827	15 000	412	-	-	-	-
	NKANGALA DISTRICT	157 312	162 230	183 737	168 955	165 856	138 811	40 505	38 902
TOTAL		445 461	308 326	255 876	399 469	197 717	205 701	117 544	135 486

Source: 2011/12 Section 46 reports

PROVINCIAL ANALYSIS:

Water supply backlog

- Ageing bulk infrastructure
- Lack of Operation and Maintenance plans
- Lack of water demand management plans in municipalities
- Contamination of water resources due to poor functionality of waste water treatment works
- None availability of cost recovery plans

Sanitation Backlogs

- Lack of Operation and Maintenance plans
- Ageing bulk infrastructure
- None availability of cost recovery plans
- Limited water resources to expand the bulk infrastructure for sanitation

Refuse removal backlogs

- Lack of formal or licensed waste disposal facilities
- Lack of access to refuse removal services
- Lack of equipment's
- Lack of formal and well-coordinated recycling programmes
- Lack of regional waste disposal sites

Electricity Backlogs

- High level of illegal connections
- None availability of electricity bulk infrastructure plans in municipalities
- Insufficient bulk infrastructure to accelerate electrification programmes
- Insufficient funds to expand the current bulk electricity infrastructure in municipalities

Water:

Table 15: Blue Drop Water Certification per province

Districts	Names of Municipalities	2009/10		2010/11		2011/12	
		Did the municipality receive the Blue Drop	Municipal Blue Drop Score	Did the municipality receive the Blue Drop	Municipal Blue Drop Score	Did the municipality receive the Blue Drop	Municipal Blue Drop Score
EHLANZENI	Bushbuckridge	No	08.40%	No	29.89%	No	30.80%
	Mbombela	No	80.90%	No	74.99%	Yes	87.68%
	Nkomazi	No	17.5%	No	59.48%	No	17.20%
	Thaba Chweu	No	45.10%	No	59.40%	No	19.03%
	Umgindi	No	52.50%	No	60.05%	No	75.54%
GERT SIBANDE	Chief Albert Luthuli	No	08.20%	No	9.78%	No	18.40%
	Dipaleseng	No	0.00%	No	6.95%	No	40.70%
	Govan Mbeki	No	78.90%	No	77.59%	No	77.55%
	Lekwa	No	19.5%	No	10.48%	No	34.74%
	Mkhondo	No	28.60%	No	05.05%	No	11.30%
	Msukaligwa	No	0.00%	No	10.59%	No	21.20%
	Dr. Pixley Ka Isaka Seme	No	0.00%	No	46.09%	No	40.70%
	Emalahleni	No	29.70%	No	46.90%	No	37.5%
	Emakhazeni	No	71.20%	No	83.72%	No	79.83%
	Steve Tshwete	Yes	92.2%	Yes	96.51%	Yes	96.60%
NKANGALA DISTRICT	Victor Khanye	No	0.00%	No	18.26%	No	
	Dr. JS Moroka	Yes	95.70%	No	84.82%	Yes	92.64%
	Thembisile Hani	No	37.80%	No	27.77%	No	78.3%

Source: 2011/12 Section 46 reports

Free Basic Services

The Free Basic Services (FBS) programme policy was adopted in 2000 after Government announced its intention to provide free access to basic services in the fight against poverty. It is required that municipalities adopt indigent policies and draw up registers of indigent people and households that are within their jurisdictions in order to accord those people who had been registered as indigent free basic services. There has been tremendous progress in municipal performance in this regard and the year under review recorded an increase in poor people who have benefitted from the free basic service policy.

MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

Table 16: Total grants, donations and contributions received per province

Districts	Names of municipalities	2009/10			2010/11			2011/12		
		Allocations	Amount spent	% spent	Allocations	Amount spent	% spent	Allocations	Amount spent	% spent
EHLANZENI	Bushbuckridge	4.82	4.82	100%	194.27	180.41	93%	235 833 m	185 460 m	79%
	Mbombela	136.09	52.86	39%	127.09	84.77	67%	155 031 000	110,967,855	71.5%
	Nkomazi	78.28	77.63	99%	91.48	74.85	82%	112.21	106.94	95%
	Thaba Chweu	19.12	19.13	100%	22.19	15.42	69%	26.69	26.59	100%
	Umjindi	16.08	15.81	98%	18.63	14.55	78%	22 407 000	22 407 000	100%
	EHLANZENI DISTRICT	4.82	4.82	100%	5.44	5.44	100%	552. 17	444.62	81%
GERT SIBANDE	Chief Albert Luthuli	45.37	30.94	68%	52.94	51.78	98%	63.67	63.67	100%
	Dipaleseng	12.87	12.43	97%	14.87	13.75	93%	17.88	14.85	83%
	Govan Mbeki	83.44	51.07	61%	95,996,999		100%	75. 75	65.46	86%
	Lekwa	25.64	25.64	100%	29.83	17.25	58%	35.88	25.26	70%
	Mkhondo	34.75	18.62	54%	40.49	15.52	38%	48.70	35.03	72%
	Msukaligwa	23.80	19.87	83%	27.67	12.23	44%	33.28	29.56	89%
	Dr. Pixley Ka Isaka Seme	19.04	13.24	70%	22.10	22.10	100%	26.58	21.56	81%
	GERT SIBANDE DISTRICT	215.43	171.82	79%	250.89	207.17	82%	301.75	255.39	85%

Districts	Names of municipalities	2009/10				2010/11				2011/12			
		Allocations	Amount spent	% spent		Allocations	Amount spent	% spent		Allocations	Amount spent	% spent	
NKANGALA DISTRICT	Emalahleni	14.29	14.29	100%		64.96	64.96	86%		78.12	47.20	60%	
	Emakhazeni									13.13	13.13	97%	
	Steve Tshwete	63.43	26.66	42%		25.74	25.74	100%		29.719	29.719	100%	
	Victor Khanye	14.74	14.74	100%		17.06	17.06	100%		20.52	20.52	100%	
	Dr. JS Moroka	65.01	65.01	100%		75.93	75.93	80%		91.32	57.47	63%	
	Thembisile Hani	22.15	22.15	100%		74.09	74.09	88%		89.11	68.15	76%	
	NKANGALA DISTRICT	230.46	226.63	98%		297.70	228.58	76%		323.17	236.87	73%	
Total		838.91	734.72	79%		978.69	811.19	71%		1 177.08	936.87	80%	

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- Poor planning (projects Identification, Application for project registration)
- Misappropriation of the MIG funds affecting project implementation
- Slow municipal procurement processes delays appointment of service providers for project implementation
- Poor spending on the MIG programme
- Poor quality of implemented infrastructure projects, e.g. roads
- Lack of technical capacity to manage the implementation of infrastructure projects

Intervention

- Deployment of technical experts from the Development Bank of South Africa (DBSA) to municipalities in order to improve the technical capacity through the *Siyenza Manje* Programme
- Regular working sessions with the struggling municipalities
- Municipalities assisted with the development of procurement plans
- All municipalities advised to ring fence their MIG allocations to avoid misappropriation of MIG funds and bank statements to be submitted on a monthly basis

Recommendations

- Municipalities to fast track appointment of service providers to ensure a timeous implementation of projects and improve spending
- The Department to continue support municipalities to ensure projects are registered on time
- The Department to assist municipalities with the development of Infrastructure Development plans

Indigent Policy implementation with regard to provision of free basic services

Table 17: Indigent Policies and Registers

Districts	Names of Municipalities	2009/10			2010/11			2011/12		
		Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place
EHLANZENI	Bushbuckridge	-	-	-	Not updated	Yes	In place	Not updated	Yes	In place
	Mbombela	-	-	-	Updated	Yes	In place	Yearly	2000	Indigent policy in place
	Nkomazi	-	-	-	Not updated	Yes	In place	-	-	-
	Thaba Chweu	-	-	-	Not updated	Yes	In place	-	-	-
	Umgindi	-	-	-	Updated	Yes	In place	Updated	Yes	In place
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	CALM does have an indigent register in place	Updated	Yes	In place	Updated	Yes	In place
	Dipaleseng	-	-	-	Not updated	Yes	In place	-	-	-
	Govan Mbeki	Updated	Yes	Implemented	Updated	Yes	In place	Updated	Yes	In place
	Lekwa	-	-	-	Updated	Yes	In place	Updated	Yes	In place
	Mkhondo	-	-	-	Not updated	Yes	In place	Updated	Yes	In place
	Msukaligwa	-	-	-	Updated	Yes	In place	Updated	Yes	In place
	Dr. Pixley Ka Isaka Seme	-	-	-	Updated	Yes	In place	Updated	Yes	In place
NKANGALA DISTRICT	GERT SIBANDE DISTRICT	-	-	-	Updated	Yes	In place	Updated	Yes	In place
	Emalahleni	-	-	-	Not updated	Yes	In place	Updated	Yes	In place
	Emakhazeni	-	-	-	Updated	Yes	In place	Updated	Yes	In place

Districts	Names of Municipalities	2009/10				2010/11				2011/12			
		Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place	Reviewed /developed indigent policies	Indigent policy implemented	No of municipalities with indigent registers in place
	Steve Tshwete	Yes	Yes	Yes	Updated	Yes	In place	Updated	Yes	In place	Updated	Yes	In place
	Victor Khanye	-	-	-	Updated	Yes	In place	Updated	Yes	In place	Updated	Yes	In place
	Dr. JS Moroka	-	-	-	Not implemented	Yes	In place	Updated	Yes	In place	Updated	Yes	In place
	Thembisile Hani	-	-	-	Not updated	No	Not in place	Updated	Yes	In place	Updated	Yes	In place
	NKANGALA DISTRICT	-	-	-	Updated	Yes	In place	Updated	Yes	In place	Updated	Yes	In place

Source: 2011/12 Section 46 reports

Table 18: Status on the provision of free basic services by municipalities per District 2011/12 Financial Year

Districts	Names of Municipalities	Electricity			Water		Sanitation		Refuse removal	
		No of indigent households receiving free service	Units per household (kwh)	No of indigent households receiving service	Units per house-hold (kl)	No of indigent households receiving free service	Units per house-hold receiving free service	No of indigent households receiving free service	Units/ R value pm per house-hold	Units/ R value pm per house-hold
EHLANZENI	Bushbuckridge	7 660	50kwh	77 477	6kl	11 126	-	7 660	Once per week	Once per week
	Mbombela	9 637	50kwh	9 637	6kl	9 637	-	2 995	Once per week	Once per week
	Nkomazi	11 442	50kwh	11 442	6kl	11 442	-	11 442	Once per week	Once per week
	Thaba Chweu	1 594	50kwh	11 126	6kl	8 302	-	1 594	Once per week	Once per week
	Umgjindi	1 650	50kwh	1 638	6kl	1 707	-	1 773	Once per week	Once per week
EHLANZENI DISTRICT		31 797	50kwh	111 073	6kl	42 159	-	25 431	Once per week	Once per week
GERT SIBANDE	Chief Albert Luthuli	2 909	50kwh	213	6kl	213	-	213	Once per week	Once per week
	Dipaleseng	227	50kwh	227	6kl	227	-	227	Once per week	Once per week
	Govan Mbeki	6 370	50kwh	6 370	6kl	6 370	-	6 370	Once per week	Once per week

Districts	Names of Municipalities	Electricity		Water		Sanitation		Refuse removal	
		No of indigent households receiving free service	Units per household (kwh)	No of indigent households receiving free service	Units per house-hold (kl)	No of indigent households receiving free service	Units/ R value pm per house-hold	No of indigent households receiving free service	Units/ R value pm per house-hold
	Lekwa	4 367	50kwh	4 367	6kl	4 367	-	4 367	Once per week
	Mkhondo	3 237	50kwh	3 237	6kl	0	-	0	Once per week
	Msukaligwa	20 007	50kwh	20 007	6kl	20 007	-	20 007	Once per week
	Dr. Pixley Ka Isaka Seme	2 881	50kwh	2 881	6kl	2 881	-	2 881	Once per week
	GERT SIBANDE DISTRICT	39 151	50kwh	36 455	6kl	33 218	-	33 218	Once per week
	Emalahleni	39 975	50kwh	39 975	6kl	39 975	-	39 975	Once per week
NKANGALA DISTRICT	Emakhazeni	4 738	50kwh	4 738	6kl	4 738	-	4 738	Once per week
	Steve Tshwete	16 102	50kwh	16 102	10kl	16 102	-	16 102	Once per week
	Victor Khanye	2 720	50kwh	2 720	6kl	2 720	-	2 720	Once per week
	Dr. JS Moroka	4 832	50kwh	4 832	6kl	4 832	-	4 832	Once per week
	Thembisile Hani	500	50kwh	500	6kl	500	-	500	Once per week
	NKANGALA DISTRICT	39 846	50kwh	68 867	6kl	68 867	-	68 867	Once per week
Total		110 794	50kwh	216 395	6kl	144 244	-	127 516	Once per week

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- Data collection and reporting is still a major challenge
- Operation and maintenance of infrastructure assets, including the development of accurate and up to date asset registers
- Insufficient funding to implement the programme
- Problems of identifying indigent households

Intervention

- A Provincial workshop conducted to discuss the FBS policy and the reporting requirements

Recommendations

- Municipalities to have FBS Officers to ensure data collection is done on a monthly basis
- Municipalities to review indigent registers twice a year to ensure they are providing to the correct people

Key Performance Area 3:
Local Economic Development

This KPA will cover the following areas:

- **Introduction**
- **Progress**
 - Number of jobs created through infrastructure capital projects (*this should include Previously Disadvantaged Individuals*)
 - Development and implementation of LED strategies and plans
 - Capacity for implementing LED in municipalities
- **Challenges experiences in local economic development**(indicate specific municipalities)
- **Interventions by national and provincial government, SALGA and other government agencies**
- **The impact of support by stakeholders.**

Key Performance Area 3: Local Economic Development

Introduction

This is one of the most important KPA's that the national government intended using to push back the frontiers of poverty and build a developmental state. The analysis should provide information on achievements per targeted services, capacity and variance for non-achievement. It cannot be doubted that an unemployment rate of 28.7 is high and if all spheres of government do not collectively play a meaningful role in creating conducive environments to attract jobs, more people will end up in the social grant lists, which puts a tremendous strain on government. The reports from the various provinces reveal that each sector within the municipalities supports this function and there are a lot more indicators that reflect positive outcome, some of which are outlined below. However, LED is one of those KPA's that most municipalities push to the back burner and not allocate enough attention, planning and resources to it. It is even worse that most municipalities have not reached a level of appreciating the relevance of the principles of the National Spatial Development Perspective, the importance of developing their Spatial Development Frameworks and LED strategies and linking these with their IDPs and the Provincial Growth and Development Strategies.

LED has been recognized as a critical approach to pursue within the context of empowered municipalities, pro-active actions by local communities, and the need to ensure that development is pro-poor in its focus and outcomes. However, even though LED has been encouraged in South Africa for over sixteen years, it is apparent that it is not without its difficulties. The launch of the National Framework for LED by the **COGTA** in August 2006 resulted in its initial implementation.

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

An LED strategy forms part of the IDP for each municipality. In many respects, it is the most crucial aspect of an IDP and plays a determining role in the effectiveness of the overall IDP approach. As such, an LED strategy needs to ensure the following:

- Assimilation of socio-economic conditions and needs;
- Establishment of the economic profile of the region;
- Selection of priorities;
- Development of policy thrusts;
- Formulation of strategic interventions;
- Formation of implementation plans;
- Programme and project development that addresses strategic objectives;
- Key performance areas for projects and programmes, including timeframes, targets and reporting mechanisms; and
- Indication of budget prioritization and allocation to deliver on economic priorities

LED development is also not a once-off process. Municipal LEDs need to be continually revised, with comprehensive reviews taking place at least once every five years. In order for this oversight role to be effective, LED Forums need to be established. The main reason for establishing such a forum is to expand the scale and scope of LED initiatives, by systematically

leveraging support from partners in localities. This will then lead to interactions within local communities, private sector, organised businesses, sector development organisations, educational institutions and other support institutions that are rich in expertise, resources, relational capital and networks. The LED Forum will, in essence, provide the opportunity for regions to achieve enhanced cooperation through the participation of various institutions and contribute towards the economic development of the region in such a way that all parties will benefit.

A District LED Forum needs to meet at least on a quarterly basis, or when required, on a more regular basis. The District Municipality plays an important role in the co-ordination of these meetings and in ensuring proper communication between the various stakeholders. These meetings need to be coordinated according to a set agenda, which will guide the LED Forum meeting. Issues raised and decisions made at the various meetings need to be recorded in order to keep a record of all decisions made regarding economic development in the region. It is also important that implementation of the decisions made in these meetings by the various parties need to be actioned. This implies that an action plan becomes the essential output of an LED forum meeting.

Ultimately, an effective LED strategy has the potential to improve the quality of life of local communities. However, this is dependent upon the genuine prioritization of the LED by all stakeholders and the active pursuit of its effective implementation. This requires significant levels of coordination between all stakeholders, as well as effective oversight.

Development and implementation of LED strategies and plans

Table 19: Percentage of Municipalities with adopted LED strategies per province

Districts	Names of Municipalities	2009/10				2010/11				2011/12				Reasons for no strategy in place
		LED strategy reviewed/d	LED strategy approved	LED strategy implemented	LED strategy reviewed/d	LED strategy approved	LED strategy implemented	LED strategy reviewed/d	LED strategy approved	LED strategy reviewed/d	LED strategy approved	LED strategy implemented	LED strategy implemented	
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mbombela	No	No	No	No	No	No	No	No	Draft LED Strategy	No	No	No	Draft strategy
	Nkomazi	Yes	Yes	Yes / not fully	Yes	Yes	Yes/ not fully	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	No	No	No	No	No	No	No	No	No	No	No	No	
	Umjindi	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	EHLANZENI DISTRICT	Developed in 2008	Approved in 2008	Yes	Developed in 2008	Approved in 2008	Yes							
	Chief Albert Luthuli	yes	Yes	No	No	No	No	No	No	No	No	No	No	
	Dipaleseng	No	No	No	No	Yes	No	Yes	Yes	-	-	-	-	-
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	-	-	-	Developed	Approved	No			Developed	Approved	No	No	
NKANGALA DISTRICT	Mkhondo	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	-
	Msukaligwa	Yes	No	No	No	No	No	No	No	No	Draft	No	No	Draft
	Dr. Pixley Ka Isaka Seme	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	-
	GERT SIBANDE DISTRICT	No	No	No	No	No	No	No	No	No	No	No	No	
	Emalahleni	No	No	No	No	No	No	No	No	No	No	No	No	
NKANGALA DISTRICT	Emakhazeni	No	No	No	No	No	No	No	No	No	No	No	No	
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Victor Khanye	No	No	No	No	No	No	No	No	No	No	No	No	
	Dr. JS Moroka	No	No	No	No	No	No	No	No	No	No	No	No	

Districts	Names of Municipalities	2009/10				2010/11				2011/12				Reasons for no strategy in place
		LED strategy reviewed/d	LED strategy approved	LED strategy implemented		LED strategy reviewed/d	LED strategy approved	LED strategy implemented		LED strategy reviewed/d	LED strategy approved	LED strategy implemented		
	Thembeile Hani	No	No	No		No	No	No		No	No	No		
	NKANGALA DISTRICT	No	No	No		No	No	No		No	No	No		

Source: 2011/12 Section 46 reports

Challenges

- The LED strategy is outdated was developed in 2006 and never reviewed.
- Minimal funding and technical capacity to review the strategy.
- Lack of technical capacity.
- None prioritization of LED as a Key Performance Area

Intervention

- District commitment to support its constituent municipalities with the review of the LED strategy.
- LED officials placed on Skills development

Recommendations

- Municipality to prioritise LED like other KPA is of the municipality
- The municipality to review the LED unit organogram to have a suitable number of officials to perform the function.
- The municipality to increase the budget for the implementation of the LED programme.

Capacity for implementing LED in municipalities

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

Table 20: Capacity of municipalities to implement LED

Districts	Names of Municipalities	2009/10		2010/11		2011/12	
		No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
EHLANZENI	Bushbuckridge	4	4	4	4	4	4
	Mbombela	11	11	11	11	41	11
	Nkomazi	12	10	10	10	10	10
	Thaba Chweu	1	1	1	1	1	1
	Umgindi	2	2	3	3		
	EHLANZENI DISTRICT	7	7	7	7	15	15
GERT SIBANDE	Chief Albert Luthuli	2	3	5	5	08	03
	Dipaleseng	1	1	1	1	1	1
	Govan Mbeki	3	3	3	3	3	3
	Lekwa	2	1	2	1	.1	
	Mkhondo	3	2	3	2	3	2
	Msukaligwa	3	3	3	3	3	3
	Dr. Pixley Ka Isaka Seme	3	2	2	2	2	2
	GERT SIBANDE	3	2	3	3	2	2
	Emalahleni	2	2	2	2	2	2
	Emakhazeni	2	1	2	1	2	2
NKANGALA DISTRICT	Steve Tshwete	2	2	2	2	2	1
	Victor Khanye	2	1	2	1	2	1
	Dr. JS Moroka	3	2	3	2		
	Thembisile Hani	2	1	2	1	2	1
	NKANGALA DISTRICT	9	9	9	9	9	9

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- Lack of technical capacity.
- None prioritization of LED as a Key Performance Area

Intervention

- LED officials placed on Skills development

Recommendations

- The municipality to review the LED unit organogram to have a suitable number of officials to perform the function.
- The municipality to increase the budget for the implementation of the LED programme.

Number of jobs created through municipalities' local economic development initiatives, including capital projects

This focus area is one of the prescribed general key performance indicators provided in terms of Regulation 10(d) of the Municipal Planning and Performance Management Regulations of 2001. The purpose of this indicator is to assess and reveal the extent to which municipalities contribute towards creating jobs through the implementation of capital projects, as well as their own LED initiatives.

Table 21: Number of jobs created per District

Districts	Names of Municipalities	2009/10				2010/11				2011/12			
		No. of jobs created through	No. of jobs created through CWP	No. of jobs created	No. of jobs created through CWP	No. of jobs created through	No. of jobs created through CWP	No. of jobs created	No. of jobs created through EPWP	No. of jobs created through	No. of jobs created through CWP	No. of jobs created	No. of Cooperatives
EHLANZENI	Bushbuckridge	465	2300	-	1617	2300	-	860 WO	2200	388	38 cooperatives registered		
	Mbombela	269	N/A	-	352	N/A	-	900 WO	none				
	Nkomazi	70	N/A	-	273	1000	-	1948 WO	1000				
	Thaba Chweu	127	N/A	-	N/A	-	-	161 WO	1000				
	Umgjindi	63	N/A	-	154	N/A	-	399 WO					
	EHLANZENI DISTRICT							688 WO	4200	65			
GERT SIBANDE	Chief Albert Luthuli	N/A	N/A	N/A	1 516	2 000	0	830 WO	2500	10			
	Dipaleseng	23	N/A	-	162	N/A	-	557 WO					
	Govan Mbeki	134	N/A	-	123	N/A	-	517 WO	1000	480			
	Lekwa	80	N/A	-	211	N/A	-	369 WO					
	Mkhondo	220	N/A	-	26	1000		471 WO	1500				
	Msukaligwa	N/A	N/A	-	-	-	-	347 WO	1000				
	Dr. Pixley Ka Isaka Seme	325	N/A	-	973	N/A	-	1381 WO	1000	440			
	GERT SIBANDE	-	-	-	-	-	-	232 WO	4500	-			
	Emalahleni	N/A	N/A	-	71	N/A	N/A	197 WO	1000				
	Emakhazeni	N/A	20		211	N/A	N/A	211 WO	x	-			
NKANGALA DISTRICT	Steve Tshwete	X	325		123	211	N/A	1104 WO	1000	X			
	Victor Khanye	N/A	N/A	-	162	N/A	N/A	545 WO	-	-			
	Dr. JS Moroka	N/A	325	-	118	N/A	-	497 WO					
	Thembisile Hani	N/A	63	-	193	1000	-	602 WO					
	NKANGALA DISTRICT							720 WO					
Total													

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- No technical capacity to monitor CWP
- CWP structures not functionally
- None availability of indigent registers
- CWP not integrated into municipal IDP

Intervention

- To conduct training all CWP structures
- To provide technical support in integration of CWP into municipal IDP

Recommendations

- Municipalities to appoint dedicated officials to monitor CWP

Table 22: EPWP implementation per municipality in the province

Districts	Names of Municipalities	Person-years of work including training	Person-Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities
EHLANZENI	Bushbuckridge	385	-	Figures as above on job creation	54%	57%	0.002%
	Mbombela	277	-		60%	25%	0
	Nkomazi	546	-		67%	57%	0
	Thaba Chweu	47	-		63%	34%	0
	Umjindi	176	-		59%	31%	0
	EHLANZENI DISTRICT	132	-		66%	11%	0
GERT SIBANDE	Chief Albert Luthuli	150	-		61%	33%	0
	Dipaleseng	98	-		71%	59%	0
	Govan Mbeki	235	-		71%	49%	0
	Lekwa	168	-		62%	36%	0
	Mkhondo	151	-		70%	48%	0
	Msukaligwa	127	-		72%	40%	0
	Dr. Pixley Ka Isaka Seme	459	-		67%	44%	0
	GERT SIBANDE	87	-		65%	23%	0
NKANGALA DISTRICT	Emalahleni	94	-		68%	43%	0
	Emakhazeni	87	-		73%	41%	0
	Steve Tshwete	208	-		63%	23%	0
	Victor Khanye	203	-		53%	42%	0
	Dr. JS Moroka	235	-		58%	43%	0
	Thembisile Hani	254	-		57%	44%	0
	NKANGALA DISTRICT	133	-		65%	30%	0

Source: 2011/12 Section 46 reports

EPWP Provincial Analysis

CHALLENGES

- Under reporting on Social by Municipalities,
- Late progress reports by NDPW
- Late reporting of project data
- Poor reporting pack of information
- Failure to optimize on the Incentive Grant by some reporting bodies to optimize WO
- Inadequate of Budgets to support EPWP Unit
- Poor Turnaround time for appointing data capturers by Public Bodies.
- Lack of EPWP Champions in some municipalities

RECOMMENDATIONS

- All active projects creating jobs must be reported on time
- All projects Information should be submitted with data reports by 20- every monthly
- Incentive Grants to be fully utilized and DoRA reports submitted by 15- every monthly
- Public Bodies should budget for EPWP unit
- Public Bodies to use 5% of Incentive grant to appoint own Data Capturers and register them as a project
- Public Bodies to appoint EPWP Champion

A work opportunity is paid work created for an individual for any period of time. The same individual can be employed on different projects and each period of employment will be counted as a work opportunity. A work opportunity in the Infrastructure sector has an average duration of four (4) months and in the Environmental and Culture sector an average of duration of six (6) months. One Person-Year of work is equal to 230 paid working days including paid training days. The calculated wages paid out to employees on EPWP projects have been calculated by multiplying the minimum wage rate with the person-day's work.

Key Performance Area 4:
Municipal Financial Viability and Management

This KPA consists of the following areas:

- Introduction
- Financial viability
- Capital expenditure by municipalities
- Compliance with the MFMA
- Municipal budgets, expenditure and revenue sources
- Financial viability defined in terms of debt coverage, outstanding debtors to revenue and cost coverage by h municipality
- Challenges experiences in municipal financial viability (indicate specific municipalities)
- Interventions by national and provincial government, SALGA and other government agencies
- Impact of support by stakeholders.

Introduction

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

The financial performance of municipalities is based on the 2011/12 financial statements.

- Financial viability data is based on the 2011/12 financial statements of the municipalities. Municipal financial statements are not all in the same format, there are instances where it is difficult to compare the same items across municipalities. In cases where ambiguity may exist, please refer the municipality's individual financial statement.
- An attempt is made to ensure that the data tables in this report are for the status as at end June 2012.
- Audited financial statements were requested from municipalities and the statements received are considered audited unless unaudited set was received and it wasn't highlighted as such by the municipality.
- Interpretations of the annual financial statements were made based on the statements received from municipalities.

Financial Viability

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

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

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

Capital Expenditure by Province

Table 23: Performance against budget by municipalities

Districts	Names of Municipalities R Thousands	2009/10 R 000				2010/11 R 000				2011/12 R 000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	TOTALS	1 910 314	1 904 261	1 311 153	69	1 335 568	1 391 718	792 775	57	1 552 761	1 259 824	702 170	56
EHLANZENI	Bushbuckridge	337 563	337 563	257 489	76	439 071	441 381	258 833	59	681 258 258 000	474 258	253 078	53
	Mbombela	1 339 190	1 339 190	925 428	69	656 281	700 270	393 760	56	640 400	535 595	253 078	47
	Nkomazi	161 647	161 647	70 075	43	176 675	176 675	84 840	48	155 896	174 764	152 168	87
	Thaba Chweu	24 810	24 810	26 730	108	21 083	21 083	19 169	91	25 356	25 356	2 709	11
	Umjindi	47 104	41 051	31 431	77	42 458	52 309	36 173	69	49 851	49 851	41 137	83
GERT SIBANDE	TOTALS	390 228	390 228	195 177	52	479 204	433 660	294 306	68	523 178	667 785	316 258	47
GERT SIBANDE	Chief Albert Luthuli	67 003	67 003	18 947	28	90 419	58 000	59 795	103	126 765	213 564	13 422	6
	Dipaleseng	38 525	38 525	20 768	54	28 415	16 382	11 075	68	32 517	32 517	24 501	75
	Govan Mbeki	108 670	108 670	60 228	55	130 230	148 226	109 200	74	124 404	150 476	83 132	55
	Lekwa	25 008	25 008	17 625	70	73 848	68 021	29 647	44	44 066	75 747	44 990	59
	Mkhondo	70 948	70 948	43 207	61	61 342	55 597	22 034	40	61 287	61 342	50 865	83
GERT SIBANDE	Msukaligwa	49 298	49 928	15 784	32	39 402	41 509	31 032	75	83 967	83 967	75 070	89
	Dr. Pixley Ka Isaka Seme	30 776	30 776	18 618	60	55 548	45 925	31 523	69	50 172	50 172	24 278	48
NKANGALA DISTRICT	TOTALS	944 854	832 169	425 114	46	809 041	965 466	646 608	67	778 729	928 855	527 131	57

Districts	Names of Municipalities R Thousands	2009/10 R 000				2010/11 R 000				2011/12 R 000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
NKANGALA DISTRICT	Emalahleni	328 378	328 378	75 567	23	226 574	230 704	136 463	59	212 031	213 960	115 445	54
	Emakhazeni	21 904	21 904	4 516	21	13 748	14 417	8 334	58	13 131	13 704	7 728	56
	Steve Tshwete	368 084	355 399	150 518	42	288 428	437 553	257 568	59	208 480	364 067	193 770	53
	Victor Khanye	45 263	45 263	36 959	82	38 203	38 203	26 585	70	36 567	36 567	34 006	93
	Dr. JS Moroka	117 795	117 795	94 539	80	168 000	169 350	148 031	87	214 900	174 070	94 536	54
MPUMALANGA	Thembisile Hani	63 430	63 430	63 015	99	74 088	75 239	69 880	93	93 620	126 487	81 646	65
	TOTALS	3 245 396	3 226 658	1 931 444	60	2 323 813	2 790 844	1 733 689	62	2 854 668	2 856 464	1 545 559	54

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- Municipalities are not performing well with the spending of the capital budgets.
- The biggest challenge remains the ability to plan for projects.
- The delay in the supply chain management process further contributes to the slow spending of the municipal; infrastructure Grants.
- Grant funds utilized for operational expenditure due to cash flow challenges

Intervention

- COGTA to assist municipalities with acceleration plans to spend.
- Municipalities will be supported with regard to capacity challenges in the areas of planning and project management.
- COGTA to co-ordinate capacity development in the areas of Supply Chain Management and through the deployment of staff.
- Deployment of experts in areas of technical and financial management.

Recommendations

- Municipalities to plan in advance for projects to start with implementation by July.
- Municipalities to keep grant funding in dedicated account.
- Municipalities to implement revenue generating strategies to improve cash flow status

Table 24: Total grants, donations and contributions received

Districts	Names of Municipalities R Thousands R 000	2009/10 R 000			2010/ 11 R 000			2011/12 R 000		
		Total donations, grants and contributions available	Total spent	% expenditure	Total donations, grants and contributions available	Total spent	% expenditure	Total donations, grants and contributions available	Total spent	% expenditure
EHLANZENI	Bushbuckridge	247,209	901	0.36%	254,578	174,101	70.9%	303,980	291,704	95.9%
	Mbombela	481,394	708,183	147.11%	307,131	176,030	57.3%	227,638	199,309	83.9%
	Nkomazi	132,158	101,326	76.7%	125,834	91,474	72.7%	163,821	160,530	97.9%
	Thaba Chweu	30,004	750	2.5%	24,395	13,310	54.6%	30,832	23,640	76.67%
	Umgindi	26,651	25,361	95%	28,880	21,869	75.7%	37,231	52,129	140%
	EHLANZENI DM	15,144	21,137	139.6%	9,193	295	3.2%	2,250	2,021	89.8%
EHLANZENI TOTAL		932,560	857,658	91.97%	750,011	477,079	63.6%	765,752	729,333	95.2%
GERT SIBANDE	Chief Albert Luthuli	83,444	2,093	2.5%	74,275	1,291	1.7%	92,130	994,400	107.9%
	Dipaleseng	14,604	1,230	8.4%	16,617	5,495	33.1%	21,424	10,219	47.6%
	Govan Mbeki	87,801	51,335	58.5%	74,737	77,692	103.9%	85,917	71,292	82.9%
	Lekwa	55,315	39,417	71.3%	41,244	2,434	5.9%	39,542	38,608	97.6%
	Mkhondo	50,535	16,555	32.8%	43,849	11,572	26.4%	65,281	28,145	43.1%
	Msukaligwa	31,464	21,340	67.8%	32,034	19,490	60.8%	42,918	30,840	71.8%
Dr Pixley Ka Isaka Seme		20,609	183	0.9%	24,092	161	0.67%	28,616	9,771	34.1%

	GERT SIBANDE	10,388	2,996	28.8%	2,000	1,950	97.5%	2,250	2,113	93.9%
GERT SIBANDE TOTAL		354,160	135,149	38.7%	308,848	120,085	38.9%	378,078	290,388	76.9%
NKANGALA DISTRICT	Emalahleni	89,321	1,015	1.1%	69,675	70,359	100.9%	118,791	28,319	23.8%
	Emakhazeni	16,021	9,716	60.6%	12,668	5,121	40.4%	15,513	14,743	95%
	Steve Tshwete	36,732	32,046	87.2%	48,970	34,296	70%	53,824	43,529	80.9%
	Victor Khanye	19,587	15,407	78.7%	32,870	20,284	61.7%	35,013	22,990	65.7%
	Dr. JS Moroka	125,884	85,194	67.7%	117,551	68,997	58.7%	120,423	80,539	66.9%
	Thembisile Hani	89,242	-	-%	92,977	-	-%	103,398	1,321	1.3%
	NKANGALA DM	4,985	-	-	1,750	1,005	57.43%	2,250	598	26.6%
NKANGALA TOTAL		381,772	143,378	37.6%	376,461	200,062	53.1%	449,212	192,039	42.8%
PROVINCE TOTAL		1,668,492	1,136,185	68.1%	1,435,320	797,226	55.5%	1,593,042	1,211,760	76.1%

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- Grants not utilized for intended purpose
- Reporting on grant spending poor

Intervention

- Open dedicated accounts for municipal infrastructure grants
- Monitor spending of grant spending on monthly basis

Recommendations

- All municipalities to secure grant funds in separate accounts.
- All municipalities to improve on reporting on monthly basis
- COGTA and Treasury to monitor grant spending on monthly basis

Compliance with Municipal Finance Management Act, 2003

The Municipal Finance Management Act, 2003 stipulates that each municipality and municipal entity must timeously prepare and submit to the Auditor General an Annual Report for each financial year. This report consists mainly of the Annual Financial Statements (and their explanations thereof), the Auditor General's Report (including corrective action taken or to be taken based on the audit reports), audit committee recommendations, approved annual budgets and annual performance report (Section 46 Report). The Annual Financial Statements and the annual performance report (Section 46 report) must be submitted to the Auditor General's office by 31 August and the audited financial statement together with the audit reports must be ready by 31 December. The Annual Report must be tabled in council by 31 January. This annual reporting forms the basis for transparent governance and accountability and acts as a measure of performance for each previous financial year. The requirements for this statutory disclosure by municipalities are measured through their demonstration that they comply with the three Key Performance Indicators as follows:

Submission of Municipal Annual Financial Statements by 31 August 2012

Section 126 1 (a) of MFMA provides as follows □ The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor General for auditing□. They are the most important record of the financial status of a municipality and must be prepared and submitted to the Auditor-General no later than 31 August of each

The following audit opinions based on the audit of the financial statements of municipalities can be issued;

- **Unqualified opinion** - The opinion is expressed when the auditor concludes that the financial statements is fairly presented.
- **Qualified opinion** - The opinion is expressed when the auditor concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but concludes that the possible effects on the financial statements of undetected misstatements could be material, but not pervasive.
- **Disclaimer opinion** - The opinion is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion and the undetected misstatements on the financial statements are both material and pervasive.
- **Adverse opinion** - The opinion is expressed when the auditor concludes that misstatements, individually or in the aggregate, are **both material and pervasive** to the financial statements.

Table 25: A-G Opinion per Province

Districts	Names of Municipalities	Audit Opinion 2009/10				Audit Opinion 2010/11				Audit Opinion 2011/12			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge	✓					✓					✓	
	Mbombela	✓				✓				✓			
	Nkomazi		✓				✓					✓	
	Thaba Chweu			✓				✓				✓	
	Umjindi			✓				✓			✓		
	EHLANZENI DISTRICT	✓				✓				✓			
GERT SIBANDE	Chief Albert Luthuli		✓					✓			✓		
	Dipaleseng			✓			✓			✓			
	Govan Mbeki	✓				✓					✓		
	Lekwa	✓											
	Mkhondo			✓				✓				✓	
	Msukaligwa	✓				✓						✓	
	Dr. Pixley Ka Isaka Seme			✓				✓			✓		
	GERT SIBANDE	✓				✓				✓			
NKANGALA DISTRICT	Emalaheni		✓				✓					✓	
	Emakhazeni	✓				✓					✓		
	Steve Tshwete	✓				✓				✓			

Districts	Names of Municipalities	Audit Opinion 2009/10				Audit Opinion 2010/11				Audit Opinion 2011/12			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
	Victor Khanye	✓				✓				✓			
	Dr. JS Moroka			✓				✓			✓		
	Thembisile Hani			✓		✓					✓		
	NKANGALA DISTRICT	✓				✓				✓			

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- ✓ Performance management
- ✓ Competencies of key personnel
- ✓ Compliance with laws and regulations not reviewed
- ✓ Not all staff members' performance was monitored on a regular basis
- ✓ Performance management agreements were not signed by management
- ✓ HR policies and procedures are inadequate to ensure that only skilled and competent personnel were recruited
- ✓ Non-current assets
- ✓ Current assets
- ✓ Current liabilities
- ✓ Revenue
- ✓ Expenditure
- ✓ Unauthorized, irregular and fruitless and wasteful expenditure
- ✓ Key vacant positions
- ✓ Lack of ongoing monitoring and supervision
- ✓ Inadequate controls over daily and monthly processing and reconciliation of transactions
- ✓ Lack of regular, accurate and complete financial reports
- ✓ Lack of commitment

- ✓ Inadequate record keeping
- ✓ Inadequate risk assessment
- ✓ Management failed to implement internal audit recommendations
- ✓ Ineffective audit committees

Intervention

- ✓ COGTA and Provincial Treasury supported municipalities to conduct risk assessments and with development of audit plans.
- ✓ Additional training coordinated by COGTA for MPAC members during 2013.
- ✓ COGTA supported all municipalities with the development of Anti - Corruption Strategies.
- ✓ Steering committee formed to assist with the implementation of clean audit

Recommendations

- ✓ Constant monitoring by the steering committee on clean audit implementation
- ✓ Clean audit be a standing item on Premier's Coordinating forum as well as MPACs

Financial Viability

Table 26: Outstanding debt and debt management

DISTRICT	2009-2010						2010-2011						2011-2012					
	R'000						R'000						R'000					
Names of Municipalities	Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts		Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts		Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts	
Bushbuckridge	70 617	-	-	72 955	143 572		69 103	24 055	-	316 932	410 090		280 685	171 275	2 601	237 352	691 913	
Mbombela	66 397	67 350	84 068	07 461	217 815		67 196	78 216	97 553	115 474	164 749		74 742	88 674	113 805	17 763	277 221	
Nkomazi	6 956	2 549	-	20 413	29 918		10 911	1 980	-	24 172	37 063		10 077	1 897	-	30 351	42 325	
Thaba Chweu	38 386	25 818	-	40 650	104 854		48 087	9 284	-	12 567	69 938		46 555	11 592	-	94 768	152 915	
Umgindi	11 523	6 827	-	23 342	41 692		16 267	4 635	-	33 222	54 124		19 568	14 563	-	30 242	64 373	
Ehlanzeni				45 214	45 214					119 774	119 774					121 521	121 521	
TOTAL	193 879	102 544	84 068	202 574	583 065		211 564	1 980	97 553	506 667	855 738		431 627	288 001	116 406	514 234	1 350 268	
Chief Albert Luthuli	14 336	-	-	156 617	170 953		14 831	-	-	193 650	208 481		18 137	-	-	228 632	246 769	
Dipaleseng	26 832	41 949	-	55 925	124 706		34 393	50 112	-	71 199	155 704		54 637	61 387	-	89 505	205 529	
Govan Mbeki	191 155	130 511	-	108 755	430 421		250 093	64 617		124 377	539 087		269 615	183 386	-	151 644	604 645	
Lekwa	84 917	53 315	-	131 142	269 374		77 199	62 764	-	155 301	295 264		103 127	67 445	-	147 970	318 542	
Mkhondo	18 426	20 278	791 448	14 697	844 849		21 276	21 360	-	17 047	59 683		29 929	25 952	-	32 382	88 263	
Msakaligwa	67 281	-	-	95 651	162 932		98 511	-	-	105 383	203 894		100 864	85 739	-	59 595	246 198	
Dr Pixley Ka Isaka Seme	28 865	21 392		23 870	74 127		39 666	27 885		25 420	92 971		43 125	39 010	27 120	16 260	-	
Gert Sibande	-	-	-	8 401	8 401		-	-	-	13 056	13 056		-	-	-	-	-	
TOTAL	431 812	-	791 448	595 058	2 085 763		535 969	-	-	705 433	1 568 140		576 309	423 909	-	709 728	1 709 946	
Emalahleni	237 241	119 060	99 122	409	455 832		307 779	135 152	105 636	49 083	597 650		446 026	170 686		69 031	685 743	
Emakhazeni	-	-	-	61 127	61 127		-	-	-	77 706	77 706		25 267	23 343	-	38 814	87 424	

DISTRICT	2009-2010 R'000					2010-2011 R'000					2011-2012 R'000					
	Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts	Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts	Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts	
	Steve Tshwete	18 065	5 735	-	30 036	53 836	22 465	63 645	182	33 097	119 389	25 893	7 559	291	36 783	70 526
	Victor Khanye	81 399	21 448	-	110 093	212 940	97 713	23 635	-	131 495	155 130	95 849	21 260	-	43 513	160 622
	Dr. JS Moroka	23 974	20 968	-	32 763	77 705	41 652	22 424	-	33 211	97 287	38 814	23 818	-	41 206	103 838
	Thembisile Hani	42 830	11 431	-	40 662	94 923	-	-	-	126 117	126 117	79 544	19 215	-	74 527	173 286
	Nkangala DM	-	-	-	-	-	-	-	-	-	-	-	-	-	139 153	139 153
TOTAL	403 509	178 642	99 122	275 090	956 363	371 896	244 856	105 818	450 709	1 173 279	711 393	265 881	291	443 027	1 420 592	
Total Debts	1 029 200	102 544	974 638	1 072 722	3 625 191	1 119 429	1 980	203 371	1 662 809	3 597 157	1 719 329	977 791	116 697	1 666 989	4 480 806	

Source: 2011/12 Section 46 reports

Provincial Analysis

- The total debt owed to municipalities in Mpumalanga Province amounted to R3, 6 billion in 2010 and R3, 5 billion in 2011 and R4, 4 billion as at end June, 2012
- Generally there was a 20% increase in debtors for the year under review

Challenges

- Incorrect billing
- Data cleansing
- Illegal connection
- Poor implementation of credit control measures

Intervention

- As part of supporting municipalities to collect debts owed by government departments, Debtors committee was established in accordance with section 64(3)

Table 27: Development of Revenue Enhancement Strategy

Districts	Municipalities	2009/2010			2010/11			2011/12		
		Strategy Reviewed /developed	Strategy implemented	Strategy Reviewed /developed	Strategy implemented	Strategy Reviewed /developed	Strategy implemented	Strategy Reviewed /developed	Strategy implemented	Strategy implemented
EHLANZENI	Bushbuckridge	No strategy Developed	No	Draft developed, not adopted	No	Draft developed, not adopted	No	Draft Developed	No	No
	Mbombela	No strategy Developed	No	Strategy developed	No	Strategy developed	Yes	Reviewed	Yes	Yes
	Nkomazi	No strategy Developed	No	Draft developed	No	Draft developed	No	Developed	Yes partially	Yes partially
	Thaba Chweu	No strategy Developed	No	Draft developed	No	Draft developed	No	Developed	No	No
	Umgjindi	No strategy Developed	No	Draft developed	No	Draft developed	No	Developed	Yes	Yes
	EHLANZENI DM	No strategy Developed	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
GERT SIBANDE	Chief Albert Luthuli	No strategy Developed	No	Strategy developed	No	Strategy developed	Partially implemented	Reviewed	Yes partially	Yes partially
	Dipaleseng	No strategy Developed	No	No strategy Developed	No	No strategy Developed	No	No strategy Developed	No	No
	Govan Mbeki	Yes	Yes	Strategy developed	Yes	Strategy developed	Yes	Reviewed	Yes	Yes
	Lekwa	Comprehensive Revenue Enhancement Strategy not in place, but relevant related budget approved and implemented								
	Mkhondo	Draft developed, not adopted	No	Draft developed, not adopted	No	Draft developed, not adopted	No	Draft developed, not adopted	No	No
	Msulungwa	No strategy Developed	No	Draft developed	No	Draft developed	No	developed	Yes, partially implemented	Yes, partially implemented
NKANGALA	Dr Pixley Ka Isaka Seme	No strategy Developed		Draft developed	No	Draft developed	No	developed	Yes, partially implemented	Yes, partially implemented
	GERT SIBANDE	No strategy Developed	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Emalahleni	No strategy Developed	Not Applicable	No strategy Developed	Not Applicable	No strategy Developed	Not Applicable	developed	50 percent implemented	50 percent implemented

Districts	Municipalities	2009/2010			2010/11		2011/12	
		Strategy Reviewed /developed	Strategy implemented	Strategy Reviewed /developed	Strategy implemented	Strategy Reviewed /developed	Strategy implemented	Strategy implemented
DISTRICT	Emakhazeni	No strategy Developed		Draft developed		developed	Yes partially implemented	
	Steve Tshwete	The municipality has no strategy in place, the municipality has effective credit control and debt collection policy in place to enhance revenue						
	Victor Khanye	No strategy Developed	No	Draft developed	No	Draft developed	No	
	Dr. JS Moroka	No strategy Developed	No	Draft developed	No	Draft developed	No	
	Thembisile Hani	No strategy Developed	No	Draft developed	No	Draft developed	No	
	NKANGALA DISTRICT	No strategy Developed	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	

Source: 2011/12 Section 46 reports

Provincial Analysis

- The strategy document ensures the sustainability as an organisation.
- The strategy will ensure that the municipality's future is not at risk, but viable as matter of choice and not chance. During 2011, 5 municipalities has draft revenue enhancement strategies developed and 11 municipalities have developed and approved their revenue enhancement strategies and partially implemented.
- The revenue base for municipalities increased due to the implementation of municipal property rates Act.

Challenges

- Poor status quo analysis
- Poor planning which is based on inaccurate and incomplete information
- Lack of Strategy implementation

Interventions

- Cogta, Provincial Treasury and SALGA must continue assist struggling municipalities with the development of revenue enhancement plan and a detail status quo analysis to establish the current performance of municipalities

Recommendations

- Successful revenue enhancement program implementation is dependent on a structured planning and management implementation processes.
- The four phases should be followed consecutively, as each phase is dependent on the output of the previous phase. The phases are as following;
 - ✓ Municipal Status quo assesment
 - ✓ Strategy developed
 - ✓ Strategy implementation and
 - ✓ Operational

Key Performance Area 5:
Good Governance and Public Participation

This KPA consists of the following areas:

- Introduction
- Progress
- Ward Committees
- Deployment of Community Development Workers
- Intergovernmental relations
- Anti-corruption
- Traditional leadership
- Presidential, Ministerial and Mayoral's Izimbizo
- Standard operating procedures and delegations
- Challenges experiences in good governance and public participation (indicate specific municipalities)
- Interventions by national and provincial government, SALGA and other government agencies

Key Performance Area 5:

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Introduction

Good governance according to the democratic principles is achieved through effective public participation. Not only does public participation allow constituents to monitor the governance record of its elected officials, but it also encourages the public to take an active interest in the performance of their municipality and region. It is only through broad public participation that citizens will recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society. This allows all citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector. Active ward-based plans and consultative forums are central structures through which public participation and, ultimately, good governance can be achieved.

This necessarily means that municipalities need to be enabled to perform their duties in order to ensure the implementation of good governance practices and public participation. Section 151 of Chapter 7 of the South African Constitution gives each municipality the right to govern the local government affairs of its community on its own initiative, subject to national and provincial legislation. Additionally, the by-laws of municipal councils are legislative acts that are not reviewable in terms of administrative law.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and individual municipalities should ensure that its Finance Committee, Audit Committee, Council and sub-committees are fully functional. This should be done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance. As such, this chapter will analyse various indicators related to good governance and public participation in order to determine the extent to which municipalities in the provinces have succeeded in implementing these strategies.

Ward Committees

The Ward Committees were established in terms of Chapter 4 of the Municipal Structures Act, 1998. The ward committee system was designed to ensure that citizens' inputs are taken into account during planning and decision-making processes at local government level. However different municipalities used different approaches to the establishment of Ward Committees leading the COGTA to gazette guidelines for Establishment and Operation of Ward Committees in 2005 to ensure that there was similar understanding within the municipalities on the establishment and functioning of Ward Committees and also to provide a clear framework for the Ward Committee members, ward councilors, metropolitan, district and local municipalities on the formation and functioning of Ward Committees. The legislation did not make provision for the remuneration of ward committee members as a result it is difficult to find dedicated members of the community who are willing to serve without remuneration.

The structures Act also make it compulsory for the Ward Councillor to be the chairperson of the ward committee. Invariably he has been tasked with the responsibility of calling ward committee meetings. Majority of ward committee have not been sitting due to Ward Councillors not calling meetings. Municipalities do not provide sufficient administrative and human resource support to the ward committees for the effective and efficient operation.

The ward committee system was established and designed to ensure that the grassroots' inputs are considered in planning and decision making processes at the municipal level. This process has been supported by the COGTA, Provincial Departments of Local Government and SALGA through the provision of training and developing manuals for Ward Committee members. Table 16 below shows the progress that has been made by the different provinces in establishing Ward Committees, against all odds the municipalities have to be faced with. Good Governance and Public Participation is made up of the following three (3) KPIs:

- Ward Committees,
- Community Development Workers (CDW) and
- Traditional Leadership.

Municipalities are assessed on progress made in ensuring public participation. This is done through the Ward committees, IGR structures and public participation processes.

Table 28: Functionality of Ward Committees

Districts	Names of Municipalities	2008/09		2009/10		2010/11	
		No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees
Ehlanzeni	Mbombela Municipality	23	64%	24	66%	34	95%
	Umkhondo Municipality	07	100%	06	98%	07	100%
	Nkomazi Municipality	27	92%	29	98%	26	89%
	Bushbuckridge Municipality	30	92%	31	92%	30	92%
	Thaba Chweu Municipality	02	16%	04	33%	09	75%
Nkangala	Emakhazeni Municipality	06	95%	07	97%	07	97%
	Steve Tshwete Municipality	21	91%	22	96%	22	96%
	Dr J S Moroka Municipality	26	89%	28	96%	26	89%
	Emalahleni Municipality	25	82%	27	86%	29	90%
	Thembisile Municipality	26	92%	25	92%	27	94%
Gert Sibande	Victor Khanye Municipality	07	98%	06	96%	06	96%
	Chief Albert Luthuli Municipality	17	93%	18	93%	16	88%
	Msukaligwa Municipality	12	89%	11	89%	10	87%
	Lekwa Municipality	07	50%	08	53%	09	65%
	Govan Mbeki Municipality	19	63%	21	68%	21	68%
	Dipaleseng Municipality	04	92%	03	50%	04	92%
	Mkhondo Municipality	04	27%	06	40%	08	53%
	Dr Pixley Ka Seme Municipality	06	55%	05	45%	07	64%
Total		269	1380%	281	1204%	298	1530%

Source: 2011/12 Section 46 reports

Provincial Analysis

Deployment of Community Development Workers

The Community Development Workers (CDWs) programme is a presidential project announced by President Mbeki in his State of the Nation Address in February 2003 and was launched in 2004. It involves the deployment of CDWs in the wards within the municipalities to assist in strengthening the democratic social contract, advocating an organized voice for the poor and improvement of government community social networks.

Community Development Workers (CDW) serve as a channel for the provision of integrated information on government services and provide a channel for ensuring that community issues are taken forward at all levels of government. Community Development Workers (CDWs) play an important role in providing linkages between local communities and government services. These workers are defined as civil servants who are passionate about serving their local communities. As such, they have vast grassroots knowledge about local conditions and serve as a valuable resource to make service delivery more effective. Communities, especially in impoverished areas, are often unaware of their basic minimum service rights related to grant applications, service cuts and school enrolments. CDWs play a crucial role in this regard, informing local communities about government services and assisting in the clearing of service delivery backlogs. This means that these workers form an important communication link between government and communities in order to mobilize their communities to become active participants in government programmes.

Challenges

- Local supervision of the Community Development Workers
- Lack of monitoring the daily activities of the CDWs

Intervention

- Appointment of 18 supervisors in 18 Local Municipalities
- Capacitation and resourcing of the operation centre

Recommendations

- Funding of the 18 supervisors posts
- Inclusion of the Operation Centre into the departmental structure

Table 29: Shows the total number of deployed CDW's in the province in 2010/11 compared to 2011/12.

Districts	Names of Municipalities	2008/09		2009/10		2010/11	
		No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards
Ehlanzeni	Mbombela	47	47	47	47	46	46
	Umjindi	07	07	06	06	06	06
	Nkomazi	42	42	42	42	42	42
	Bushbuckridge	47	47	47	47	47	47
	Thaba Chweu	15	15	15	15	15	15
Nkangala	Emakhazeni	09	09	08	08	08	08
	Steve Tshwete	28	28	26	26	26	26
	Dr J S Moroka	34	34	32	32	31	31
	Emalahleni	26	26	25	25	25	25
	Thembisile Hani	33	33	33	33	33	33
	Victor Khanye	08	08	08	08	08	08
Gert Sibande	Chief Albert Luthuli	28	28	27	27	27	27
	Msukaligwa	19	19	17	17	14	14
	Lekwa	12	12	12	12	12	12
	Govan Mbeki	27	27	27	27	26	26
	Dipaleseng	06	06	06	06	05	05
	Mkhondo	24	24	21	21	19	19
	Dr Pixley Ka Seme	08	08	08	08	08	08
Total		420	420	407	407	398	398

Source: 2010/11 Section 46 reports

Provincial Analysis

- 85% of Ward Committees were established.
- Workshop on the clarification of roles and responsibilities between CDWs, Ward Councillors and Ward Committees has conducted to strengthen the relationship.
- Training of Ward Committees on Ward Operational Plans in Nkangala and Ehlanzeni Districts were done
- 10 Local Municipalities, out of 18 are already implementing the Framework on the payment of out-of pocket expenses for Ward Committees
- 394 CDWs deployed in the province and supported in improving service delivery and unblocking blockages towards service delivery
- Implementation of the Early Warning system is effectively done by CDWs

Challenges

- Gert Sibande District has appointed a service provider to train their Ward Committees and the provider trained on a different aspect.
- Umjindi Municipality is providing Cell phone allowance to the Ward Committees not the out of Pocket Expense.
- Emakhazeni is providing only transport and catering for Ward Committees meeting and doesn't provide the out of pocket Expenses.
- Nkomazi Municipality was not provided with the grant and therefore unable to provide the Out of pocket expenses.
- Emalahleni does not Provide the out of pocket expenses.
- Steve Tshwete, Mkhondo, Lekwa and Thaba Chweu Municipalities will provide the Out of Pocket Expenses in the next financial year

Intervention

- Training to all ward committees to be the same aspects/fields
- Develop a standardise provisioning of out of pocket system for all ward committee members

Recommendations

- Technical team to be deployed in Gert Sibande District for intervention
- Provision of training on the reporting of the Early Warning System

Table 30: Good governance indicators as at May 2012

Districts	Names of Municipalities	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened						Number of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
					Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee					
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	8	8	7	3	2	None	None	Yes	No	Yes	None	
	Mbombela	Yes	No	Yes	3	4	1	6		None	None	Yes	No	Yes	None	
	Nkomazi	Yes	Yes	Yes	5	9	12	7	2	None	None	Yes	Yes	Yes	None	
	Thaba Chweu	No	No	Yes	5	10		5	3	None	None	Yes	No	Yes	None	
	Umjindi	No	No	Yes						None	None	Yes	No	Yes	None	
	EHLANZENI DISTRICT	No	No	Yes	7	10	9	10	4	None	None	Yes	No	Yes	None	
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	9	12	12	10	4	None	None	Yes	Yes	Yes	None	
	Dipaleseng	No	No	Yes	7	9	0	7	2	None	None	Yes	No	Yes	None	
	Govan Mbeki	No	No	Yes	6	9	6	8	3	None	None	Yes	No	Yes	None	
	Lekwa	No	No	Yes						None	None	Yes	No	Yes	None	
	Mkhondo	Yes	Yes	Yes	9	7	2	12	4	None	None	Yes	No	Yes	None	
	Msukaligwa	No	No	Yes						None	None	Yes	No	Yes	None	
NKANGALA DISTRICT	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	10	6	12	8	3	None	None	Yes	No	Yes	None	
	GERT SIBANDE	No	No	Yes	8	7	11	13	4	None	None	Yes	No	Yes	None	
	Emalaheni	No	No	Yes	7	6	3	9	2	None	None	Yes	No	Yes	None	
	Emakhazeni	Yes	No	Yes	9	11	11	22	2	None	None	Yes	No	Yes	None	

Districts	Names of Municipalities	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					Number of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
					Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee				
	Steve Tshwete	No	No	Yes	10	11	9	12	4	None	None	Yes	No	Yes	None
	Victor Khanye	No	No	Yes						None	None	Yes	No	Yes	None
	Dr. JS Moroka	Yes	Yes	Yes	4	10	4	20	3	None	None	Yes	No	Yes	None
	Thembisile Hani	Yes	Yes	Yes	9	8	4	12	4	None	None	Yes	No	Yes	None
	NKANGALA DISTRICT	Yes	Yes	Yes						None	None	Yes	No	Yes	None
TOTAL		Yes	Yes	Yes	9	11	9	12	4	None	None	Yes	No	Yes	None

Source: 2011/12 Section 46 reports

Provincial Analysis

- All municipalities were advised by the department to establish both Section 79 and Section 80 committees in terms of the Local Government Municipal Structures Act of 1998, for effective oversight on administration and the executive to promote good governance.
- Out of 21 municipalities only fifteen (15) were able to establish Section 80 committees and six (06) did not establish them. In the 15, only one municipality has non -functional Section 80 committees (Dipaleseng), which is as a result of the municipality being small.
- The municipalities without Section 80 Committees are the following: Nkangala, Thembisile Hani, Lekwa, Mbombela, Emalaheni and Mkhondo.
- In Victor Khanye and Govan Mbeki local municipalities, their Section 80 committees are not chaired by Member of the Mayoral Committee as per the legislation
- All 21 municipalities have established their Municipal Public Accounts Committees and all members were given workshops and training on their roles and responsibilities as well as how to analyse the annual report and to develop an Oversight Report.
- All MPACs do submit evidence of their sitting, in other municipalities they refuse to submit minutes of their meetings due to the sensitivity and confidentiality of the information contained but they do provide agenda and attendance registers.
- All municipalities do have council sittings as well as special council sittings.

Challenges

- Non establishment of Section 80 Committees for the 6 municipalities (Nkangala, Thembisile Hani, Lekwa, Mbombela, Emalahleni and Mkhondo)
- Composition of other council committees which leads to non sitting of those committees
- MPAC memers still needs further training on their roless as some memers are new to the committee as a result of having others resigned.

Intervention

- An Adopt an MPAC campaign was established to assist all Municipal Pulic Accounts Committees Although some MPACs are not taking the opportunity of the ☐ Adopt an MPAC campaign ☐ due to the sensitivity and confidentiality of the information they deal with, some municipalities have welcomed the initiative by the Department. This has resulted in a drastic improvement in the performance of those Municipal Public Accounts Committees who are being assisted by the officials from the department.
- Strategic partners have been coordinated to conduct further workshops for MPACs
- SALGA was requested to conduct workshops on Separation of Powers for all councillors which was indeed conduct in all the 3 district municipalities

Recommendations

- Municipalities who do not have Section 80 committees must estalish them
- MPAC Provincial Forum must be established to share experiences from various municipalities
- All MPACs must have administrative staff to assist them in their delegated duties

INTERGOVERNMENTAL RELATIONS (IGR)

BACKGROUND

Intergovernmental Relations Framework Act was promulgated in 2005 to provide a framework for National, Provincial and Local Government to promote and facilitate intergovernmental relations in order to achieve the coherent government, effective service delivery, and monitoring implementation of legislation, policies and realization of national priorities.

It also provides for the facilitation, integration and alignment of planning, budgeting, implementation and reporting across the three spheres of government.

FUNCTIONALITY OF IGR STRUCTURES

- The Unit supported and monitored the establishment of IGR structures in all the (3) Districts, during the 2011/12 financial year in order to adhere to their annual schedules.
- The IGR Unit also facilitated the sittings of Joint Munimecs meetings with the Department of Finance where the MEC for COGTA and Finance are Co-Chairs as per the MoU
- The IGR Unit continued to assist the Office of the Premier in the co-ordination of TPCF and PCF
- Regarding Municipal Demarcation issues, the Unit participated in the Redetermination of Municipal Boundaries and the delimitation of Ward Boundaries where consultations were done at District level.

CHALLENGES

- The challenge is that Municipal cycle of planning is different from that of National and Provincial Government, which possess challenges in terms of the full participation of Sector Departments into affairs of planning in the Municipalities.
- Another challenge is around the effectiveness of IGR Structures to follow schedules and not taking these forums seriously.
- The challenge of improving system amongst role players as well as how to use IGR as a strategic tool of facilitation service delivery and development in municipalities
- The challenge of achieving greater alignment and integration of intergovernmental planning, and specifically the effective participation of sector departments in the Integrated Development Plan
- Clarify the respective roles and responsibilities of various role players in the provincial IGR system, in particular Office of the Premier and the Department (Cogta).

INTERVENTION

- The Unit encouraged the participation of Sector Departments in the planning processes of municipalities to ensure the full involvement in all matters of local government, but also to strengthen cooperative governance.

RECOMMENDATIONS

- That all Sector Departments and Stakeholders be encouraged on the importance of IGR Structures.
- The strong political buy-in, where in the activities are taken serious to strengthen the implementation of resolution taken at the IGR forums sittings.

Anti-corruption

Table 31: Progress on the implementation of anti-corruption strategies by municipalities

District	Names of Municipalities	2009/10				2010/11				2011/12			
		Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented
EHLANZENI	Bushbuckridge	Draft	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mbombela	Draft	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	No	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes
	Thaba Chweu	Draft	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes
	Umjindi	Draft	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes
	EHLANZENI DISTRICT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Draft	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes
	Dipaleseng	Draft	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Draft	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes
	Mkhondo	Draft	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes
	Msukaligwa	Draft	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Draft	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	GERT SIBANDE	Draft	No	No	No	Draft	No	Draft	No	No	Yes	Yes	Yes

District	Names of Municipalities	2009/10			2010/11			2011/12		
		Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented
NKANGALA DISTRICT	Emalaheni	Draft	No	No	Draft	No	No	Yes	Yes	Yes
	Emakhazeni	Draft	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Draft	No	No	Draft	No	No	Yes	Yes	Yes
	Dr. JS Moroka	Draft	No	No	Draft	No	No	Draft	No	No
	Thembisile Hani	Draft	No	No	Draft	No	No	Draft	No	No
TOTAL	NKANGALA DISTRICT	Draft	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	21 Municipalities	3	3	3	10	10	10	19	19	19

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- DCOG and COGTA supported municipalities with Anti-corruption Strategies.
- Although training was provided to several municipal officials and councilors, municipalities still did implement Anti-corruption Strategies through adoption by Council in 2008/09 (3/21 municipalities adopted) and 2009/10 (10/21 municipalities adopted).

Intervention

- COGTA started to support all municipalities by providing them with a generic anti-corruption Policy in the 2010/11 financial year.
- Although all 21 municipalities were supported only 19 adopted Anti-corruption Strategies through Council.
- Dr. JS Moroka- and Thembisile Hani's anti-corruption Strategies were still not adopted by Council and implemented in 2011/12.

Recommendations

- All 21 municipalities still need to be supported, as they must review their Anti-corruption Strategies annually.
- Thembisile Hani and Dr. JS Moroka needs to be monitored continuously to ensure adoption of their strategies by their Council and the subsequent implementation thereof

Traditional Leadership

Status of traditional leadership

- 57 senior traditional leaders and two kings status were confirmed as of 2011/12 period and only 53 traditional councils reconstituted whose 5- year term of office had expired in April 2013

Challenges

- The landlessness and boundary issues continue to plague a number of traditional councils.
- Operation from home or residence due to challenges of lack of administration office accommodation for some is compounded by the issue of landlessness.
- Land invasions and inadequacies and lengthy judicious redress processes had rendered traditional council ineffective in dealing with the problem

Intervention

- Traditional council office renovation was embarked upon and a total of 18 were completed by the end of 2012.
- Consultation on survey maps and clarification of gazetted boundaries were conducted with the traditional councils

Participation of Traditional Leaders in Ward Committees

- Traditional leaders have representations in ward committees and other local governance structures

Cultural development

- All 59 traditional leaders and kings conduct their annual cultural ceremonies and receive support from the province through grants for cultural events.

HIV and AIDS

- Traditional leaders participate both provincial and district based and Adis Councils and participate in awareness campaigns.

Implementation of section 81 committees

- All traditional leaders except two kings were gazetted to participate in respective municipal councils at districts and local municipalities.

Table 32: Presidential and Ministerial Imbizo

Districts	Names of Municipalities	2009/10			2010/11			2011/12		
		No of Imbizos	Challenges	Resolutions	No of Imbizos	Challenges	Resolutions	No of Imbizos	Challenges	Resolutions
EHLANZENI	Bushbuckridge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Mbombela	N/A	N/A	N/A	N/A	N/A	N/A	0	Cash flow challenges	N/A
	Nkomazi	2	Insufficient fund	Lobby for independent finance for Imbizos	3	Insufficient fund	Lobby for independent finance for Imbizos	N/A	N/A	N/A
	Thaba Chweu	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Umjindi	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
GERT SIBANDE	EHLANZENI DISTRICT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Chief Albert Luthuli	3	N/A	N/A	3	Hot line	70%	N/A	HOTLINE	98%
	Dipaleseng	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Govan Mbeki	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Lekwa	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Mkhondo	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Msukaligwa	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dr. Pixley Ka Isaka Seme	N/A	N/A	N/A	N/A	N/A	N/A	6	Housing, sites, unemployment, Youth Development	To engage with the Province.
	GERT SIBANDE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NKANGALA DISTRICT	Emalaheni	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Emakhazeni	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Steve Tshwete	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Victor Khanye	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dr. JS Moroka	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Thembisile Hani	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	NKANGALA DISTRICT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: 2011/12 Section 46 reports

Integrated development planning

- Introduction
- IDP capacity rankings of municipalities
- Spatial Development Frameworks (SDFs)
- Challenges experienced in implementing IDPs
- National and provincial government support for improved municipal planning

Disaster management

- Introduction
- Progress in the implementation of Disaster Management Act
- Challenges experienced in the implementation of the disaster management
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

Realigned municipalities

- Introduction
- Municipalities affected in realignment per province
- Progress of the re-alignment
- Challenges experienced in the implementation of the re-alignment process
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

Spatial Development Framework (SDF)

- Introduction
- Challenges experienced in the urban and rural nodes
- Progress in the implementation of urban and rural nodes
- Challenges experienced in the implementation of the urban and rural nodes

- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

Municipal Performance Excellence (Vuna) awards

- Introduction
- Challenges experienced in the implementation of the Vuna Awards
- Progress in the implementation of Vuna Awards
- Challenges experienced in the implementation of the Vuna Awards
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

CROSS CUTTING INTERVENTIONS

Introduction

Cross-cutting interventions are specific issues that are not addressed directly by the 5 key performance areas. The interventions deal with how municipalities should organize themselves and mobilize human and financial support to discharge their mandate as provided in the Constitution of the Republic of South Africa. Progress in municipal performance in this KPA had been assessed in the following 5 focus areas:

- Integrated development planning;
- Disaster management;
- Realigned municipalities;
- Spatial Development Framework (SDF)
- Municipal Performance (Vuna) Awards

This is to be achieved through:

- Capacitating municipalities to deliver quality services to communities;
- Promoting participative, integrated and sustainable communities;
- Ensuring municipal plans reflect national, provincial and local priorities and resources through sound intergovernmental relations;
- Being the first port of call for municipalities for advice and support;
- Facilitating delivery through sound administration and the engagement of all spheres of government and social partners.

Integrated Development Planning

The White Paper on Local Government envisaged the IDP to be one of the mechanisms to promote and support the process towards developmental local government. The Municipal Systems Act entrenched the integrated development planning process as a legislated requirement for all municipalities to engage in and develop Integrated Development Plans. The IDP is a municipality's 5-year strategic plan that must be reviewed on an annual basis to track progress in implementation of the development programmes and inform future years' development planning. It has become the central pillar for development planning in South Africa, as it seeks to integrate development planning and programmes across all the three spheres of government into one document. During the first years of the implementation of Chapter of the MSA, many municipalities failed to submit their 5-year IDP's and others submitted very late. However, the main deficiency of the IDP's was the lack of integration and credibility in the strategic plans. COGTA developed a credibility framework and facilitated an intergovernmental IDP engagement process that was intended to improve the submission rate and credibility of IDP's.

Table 33: Compliance of municipalities on the analysis, public participation, development, adoption and implementation of the IDP

Districts	Names of Municipalities	2009/10		2010/11		2011/12	
		No of municipalities that reviewed their IDP s	No of stakeholders who participated	No of municipalities that reviewed their IDP s	No of stakeholders who participated	No of municipalities that reviewed their IDP s	No of stakeholders who participated
EHLANZENI	Bushbuckridge	Reviewed		Reviewed		Reviewed	
	Mbombela	Reviewed		Reviewed		Reviewed	
	Nkomazi	Reviewed		Reviewed		Reviewed	
	Thaba Chweu	Reviewed		Reviewed		Reviewed	
	Umjindi	Reviewed		Reviewed		Reviewed	
GERT SIBANDE	EHLANZENI DISTRICT	Reviewed		Reviewed		Reviewed	
	Chief Albert Luthuli	Reviewed		Reviewed		Reviewed	
	Dipaleseng	Reviewed		Reviewed		Reviewed	
	Govan Mbeki	Reviewed		Reviewed		Reviewed	
	Lekwa	Reviewed		Reviewed		Reviewed	
	Mkhondo	Reviewed		Reviewed		Reviewed	
	Msukaligwa	Reviewed		Reviewed		Reviewed	
	Dr. Pixley Ka Isaka Seme	Reviewed		Reviewed		Reviewed	
	GERT SIBANDE	Reviewed		Reviewed		Reviewed	
	Emalahleni	Reviewed		Reviewed		Reviewed	
NKANGALA DISTRICT	Emakhazeni	Reviewed		Reviewed		Reviewed	
	Steve Tshwete	Reviewed		Reviewed		Reviewed	
	Victor Khanye	Reviewed		Reviewed		Reviewed	
	Dr. JS Moroka	Reviewed		Reviewed		Reviewed	
	Thembisile Hani	Reviewed		Reviewed		Reviewed	
	NKANGALA DISTRICT	Reviewed		Reviewed		Reviewed	

Source: 2011/12 section 46 reports

Spatial Development Frameworks (SDFs)

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

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

Table 34: Development, submission and implementation rate of SDF's

Districts	Names of Municipalities	2009/10				2010/11				2011/12			Reasons
		SDFs approved	SDFs submitted	SDFs implemented	SDFs approved	SDFs submitted	SDFs implemented	SDFs approved	SDFs submitted	SDFs implemented			
EHLANZENI	Bushbuckridge												
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	2006/7 SDF	2006/7 SDF	2006/7 SDF	Reviewed and approved December 2012		
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	EHLANZENI DISTRICT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	GERT SIBANDE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
NKANGALA DISTRICT	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Total	NKANGALA DISTRICT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- The dominant challenges are with regards to the misalignment between the IDP projects implemented outside the SDF proposals for the development of the municipality.

Interventions

- All district and local municipalities within the province have developed and adopted Spatial Development Frameworks with support from COGTA. These plans guide future development and investment in municipalities. COGTA assess the implementation of the SDFs annually through the IDP assessments. Support is provided to municipalities based on the recommendations of the assessments.
- The COGTA spatial planning and the IDP unit have embarked on a process to assess sector departmental APPs. This will assist in ensuring that projects implemented through municipal IDPs are in line with the municipal SDF proposals

Recommendations

- It is recommended that the linkages between municipal IDPs and SDFs be strengthened throughout the province. This can be achieved through SDF proposals finding translation in the IDP, in the form of projects.
- Furthermore, the SDF should be utilised as the base strategic plan in all municipalities to ensure the appropriate location of projects, spatially. This process will aid in the positive realisation of the spatial vision of all municipalities in the province.

Disaster management

Introduction

- Progress in the implementation of Disaster Management Act
- Challenges experienced in the implementation of the disaster management
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

Disaster Management

The aim of the Disaster Management Act (Act No.57 of 2002) is to ensure a uniform approach to disaster risk management in each sphere of government. According to the National Disaster Management Centre's (NDMC) The Disaster Management Act focuses on disaster prevention and risk reduction, mitigation of severity and consequences of disasters, emergency and preparedness, and a rapid and effective response to disasters leading to restoration of normal conditions. In terms of the Sections in the Constitution of the Republic of South Africa that provide for disaster management includes the Intergovernmental Relations Framework Act, 2005 (Act number 13 of 2005), the Local Government: Municipal Systems Act, 2000 (Act number 32 of 2000), the Disaster Management Act, 2002 (Act number 57 of 2002) and the National Disaster Risk Management Policy Framework of 2005. These sections provide for:

- the establishment, implementation and maintenance of an integrated rapid and effective disaster response system, post-disaster recovery and rehabilitation;
- the identification, assessment, classification and prioritisation of hazards and vulnerable elements;
- the development, implementation, monitoring and evaluation of disaster risk reduction (prevention, mitigation and preparedness) programmes, projects and measures;
- and the establishment, implementation and maintenance of systems and structures through and across the three spheres of government, the state-owned enterprises (SOEs), the Private Sector, non-governmental organisations (NGOs), communities and individuals.

These policies require the metropolitan and district municipalities to:

- Establish a fully functional disaster management centre
- Appoint a head of the centre
- Establish disaster management forums
- Finalise disaster management plans

The NDMC is located within the COGTA. Its main objective is to contribute to the overall resilience of communities and infrastructure to disaster risk, to strengthen the capacity of provinces and municipalities in pre-empting and responding to disasters, as well as ensuring cross-functional disaster management in all spheres of government.

The effects of global warming and climate change are beginning to be felt in South Africa. Managing disasters such as floods, drought, tornadoes, or veld fires requires government and people working together in a coordinated way through a coherent disaster management system. Municipalities for instance, have an important first response role to disasters, and therefore must always be in a position to combat disasters. Disaster management plans must be included in the municipal IDPs. The success of disaster management at the local level is dependent on the capacity and capabilities to combat disaster at national and provincial levels.

Table 35: State of readiness on Provincial Disaster Implementation per District

Districts	2009/10					2010/11					2011/12				
	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established
EHLANZENI	Bushbuckridge	N/A	1		N/A	NO		YES	1		N/A	YES	Yes	Yes	Part of district forum
	Mbombela	Yes	1		N/A	Yes		Yes	1		N/A	Yes	Yes	Yes	Part of district forum
	Nkomazi	Yes	1		N/A	YES		YES	1		N/A	Yes	Yes	Yes	Part of district forum
	Thaba Chweu	N/A	1		N/A	No		Yes	1		N/A	Yes	No (partial systems)	No (Acting)	Part of district forum
	Umjindi	N/A	1		N/A	No		Yes	1		N/A	Yes	No (partial systems)	No (Added function)	Part of district forum
	EHLANZENI DISTRICT	Yes	1		1	1		Yes	1		1	1	Yes	No (Acting)	Yes
CERT SIBANDE	Chief Albert Luthuli	N/A	Yes		N/A	No		N/A	Yes		N/A	Yes	No (partial systems)	No (Acting)	Yes and Part of district forum
	Dipaleseng	N/A	No		N/A	No		Yes	No		N/A	No	No (partial systems)	No	Part of district forum
	Govan Mbeki	N/A	Yes		N/A	Yes		Yes	Yes		N/A	Yes	Yes	No (Added function)	Part of district forum

Districts	2009/10						2010/11				2011/12			
	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed
NKANGALA DISTRICT	Lekwa	N/A	No	N/A	No	Yes	N/A	No	No	No (Added function)	Part of district forum	Yes	No	No (Added function)
	Mkhondo	N/A	Yes	N/A	Yes	Yes	N/A	Yes	Yes	No (Added function)	Part of district forum	Yes	Yes	No (Added function)
	Msukaligwa	N/A	Yes	N/A	Yes	Yes	N/A	Yes	Yes	No (Added function)	Yes and Part of district forum	Yes	Yes	No (Added function)
	Dr. Pixley Ka Isaka Seme	N/A	No	N/A	No	Yes	N/A	Yes	No	No (Added function)	Part of district forum	Yes	Yes	No (Added function)
	GERT SIBANDE	Yes	Yes	No	Yes	Yes	Yes	Yes	No (satellites being used)	No acting	Yes	Yes	Yes	No acting
	Emalahleni	Yes (Fire Station)	Yes	N/A	Yes	Yes (Fire Station)	N/A	Yes	No	No acting	Part of district forum	Yes	Yes	No acting
	Emakhazeni	No	No	No	Yes	No	Yes	No	Yes	Yes	Part of district forum	Yes	Yes	Yes
	Steve Tshwete	Yes (Fire Station)	Yes	N/A	Yes	Yes (Fire Station)	N/A	Yes	Yes	Yes	Part of district forum	Yes	Yes	Yes
	Victor Khanye	N/A	Yes	N/A	Yes	N/A	N/A	Yes	Yes	Yes	Part of district forum	Yes	Yes	Yes
	Dr. JS Moroka	N/A	Yes	N/A	Yes	N/A	N/A	Yes	No (partial)	No acting	Part of	Yes	Yes	No acting

Districts	2009/10						2010/11						2011/12					
	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans	Functional disaster management centre	No. of municipalities with Heads appointed	No. of disaster management forums established	No. of municipalities with disaster management plans		
	Thembisile Hani	N/A	Yes	N/A	Yes	Yes	N/A	Yes	N/A	Yes	N/A	Yes	No	No	Part of district forum	Yes		
	NKANGALA DISTRICT	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No acting	Yes	Yes	No acting	Yes	Yes		
TOTAL	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21		

Source: 2011/12 Section 46 reports

Provincial Analysis

Ehlanzeni District

- a) The District has insufficient reliefs and funding will have to be made available for acquisition during the adjustment period or in 2014/15 financial year.
- b) The District has functional centres with satellite centres in the local municipalities.
- c) The Municipalities does not meet the minimum requirements on fire and rescue vehicles and funding to acquire this equipment should be made available in the next financial year.
- d) With regards to human resource the Municipalities must appoint dedicated Disaster Management officials in order to deal with the function effectively in terms of the key performance areas.

Gert Sibande District

- a) The District does not meet the minimum requirements on relief materials. Funding should be made available during the adjustment period.
- b) Although the District does not have a functional disaster management centre, 3 satellite centres have been built. The municipality will have to build the main centre and funding must be made available in the next financial year.
- c) The District must acquire fire fighting vehicles and personnel to meet the minimum requirements.

Nkangala District

- a) The District does not meet the minimum requirements on relief materials. Funding should be made available during the adjustment period.
- b) The District must acquire fire fighting vehicles and personnel to meet the minimum requirements.
- c) The Municipality must appoint dedicated Disaster Management personnel to effectively deal with the management of disasters.

Table 36: Functionality of Provincial Disaster Management in municipalities

Districts	Names of Municipalities	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
EHLANZENI	Bushbuckridge	Yes	Not a statutory obligation	Yes
	Mbombela	Yes	Not a statutory obligation	Yes
	Nkomazi	Yes	Not a statutory obligation	Yes
	Thaba Chweu	No (partial systems)	Not a statutory obligation	Yes
	Umgindi	No (partial systems)	Not a statutory obligation	Yes
	EHLANZENI DISTRICT	Yes	Yes (not aligned)	Yes
GERT SIBANDE	Chief Albert Luthuli	No (partial systems)	Not a statutory obligation	Yes
	Dipaleseng	No (partial systems)	Not a statutory obligation	Yes
	Govan Mbeki	Yes	Not a statutory obligation	Yes
	Lekwa	No	Not a statutory obligation	Yes
	Mkhondo	Yes	Not a statutory obligation	Yes
	Msukaligwa	Yes	Not a statutory obligation	Yes
	Dr. Pixley Ka Isaka Seme	No	Not a statutory obligation	Yes
	GERT SIBANDE	No (satellites being used)	Yes	Yes
	Emalahleni	No	Not a statutory obligation	Yes
NKANGALA DISTRICT	Emakhazeni	Yes	Not a statutory obligation	Yes
	Steve Tshwete	Yes	Not a statutory obligation	Yes
	Victor Khanye	Yes	Not a statutory obligation	Yes
	Dr. JS Moroka	No (partial systems)	Not a statutory obligation	Yes
	Thembisile Hani	No	Not a statutory obligation	Yes
	NKANGALA DISTRICT	Yes	Yes not aligned	Yes
Total		11/ 21	3/3	21/21

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

- The Districts does not meet the minimum requirements on relief materials.
- Not sufficient dedicated staff to the function.
- A lack of Emergency equipment and maintenance budgets.
- Disaster plans not well planned and funded in IDP's.

Interventions

- PDMC assisting municipalities with analysis of DM plans for inclusion and prioritization into IDP's with funding for projects and programs to adress the challenges.

Recommendations

- That Municipalities with the assistance of CoGTA (PDMC) prioritize the function by appointing dedecated staff and ensuring that funding is made available through the inclusion in IDP's

Spatial Development Frameworks (SDF's)

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

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

Table 37: Development, submission and implementation rate of SDFs

Districts	Names of Municipalities	2009/10			2010/11			2011/12			Reasons
		SDFs approved	SDFs submitted	SDFs implemented	SDFs approved	SDFs submitted	SDFs implemented	SDFs approved	SDFs submitted	SDFs implemented	
EHLANZENI	Bushbuckridge										
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	2006/7 SDF	2006/7 SDF	2006/7 SDF	Reviewed and approved December 2012
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	EHLANZENI DISTRICT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	GERT SIBANDE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA DISTRICT	Emalaheni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	NKANGALA DISTRICT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: 2011/12 Section 46 reports

Provincial Analysis

Challenges

The dominant challenges are with regards to the misalignment between the IDP projects implemented outside the SDF proposals for the development of the municipality.

Interventions

All district and local municipalities within the province have developed and adopted Spatial Development Frameworks with support from COGTA. These plans guide future development and investment in municipalities. COGTA assess the implementation of the SDFs annually through the IDP assessments. Support is provided to municipalities based on the recommendations of the assessments.

The COGTA spatial planning and the IDP unit have unit have embarked on a process to assess sector departmental APPs. This will assist in ensuring that projects implemented through municipal IDPs are in line with the the municipal SDF proposals

Recommendations

It is recommended that the linkages between municipal IDPs and SDFs be strengthened throughout the province. This can be achieved through SDF proposals finding translation in the IDP, in the form of projects.

Furthermore, the SDF should be utilised as the base strategic plan in all municipalities to ensure the appropriate location of projects, spatially. This process will aid in the positive realisation of the spatial vision of all municipalities in the province.

Urban and Rural nodes

Introduction

- Challenges experienced in the urban and rural nodes
- Progress in the implementation of urban and rural nodes
- Challenges experienced in the implementation of the urban and rural nodes
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

Urban and rural nodes

The main developmental outcomes of the Urban Renewal Programme (URP) and the Integrated Sustainable Rural Development Programme are to eradicate urban and rural poverty in the poorest areas within South Africa as well as to attain social cohesion and equity. The rural nodes and 8 urban nodes are the following:

Table 38: Functionality of rural nodes and 8 urban nodes

Districts	Names of Municipalities	2009/10	2010/11	2011/12
Not performed	Not performed	Not performed	Not performed	Not performed

The Vuna Awards were initiated in 2003 with the main objective of motivating municipalities to enhance their performance and productivity, with the net effect being an improvement in municipal service delivery. The Vuna awards are a component of a much larger system as envisaged in the legislated policy framework for monitoring local government which is aimed at enhancing municipal accountability and efficiency. The awards are a response to the responsibilities of the Minister to encourage, but also recognize municipal performance excellence.

The aims of the Vuna Awards are the following:

- Promote creative and innovative municipal service delivery;
- Promote efficiency of expanded development programs, such as, the Consolidated Municipal Infrastructure Programme (CMIP), Local Economic Development (LED), Integrated Development Plans (IDP's) and Integrated Sustainable Rural Development Programme (ISRDP)
- Recognize the effectiveness and efficiency of municipal institutions;
- Promote good local governance;
- Provide a benchmark for performance;
- Identify and provide support to "poor performing municipalities";
- Improve the profile / image of local government;
- Build community and stakeholders' confidence in municipalities; and
- Enhance systems of developmental local government

Table 39: Vuna Awards participation

Districts	Names of Municipalities	2009/10			2010/11			2011/12		
		Planned for the Vuna Awards	Budgeted for the provincial Vuna Awards	No of municipalities that participated in the Vuna Awards	Planned for the Vuna Awards	Budgeted for the provincial Vuna Awards	No of municipalities that participated in the Vuna Awards	Planned for the Vuna Awards	Budgeted for the provincial Vuna Awards	No of municipalities that participated in the Vuna Awards
Not performed	Not performed	Not performed	Not performed	Not performed						

Source: 2010/11 Section 46 reports

Provincial Analysis

Challenges:

- ✓ The Municipal Performance Awards could not be held due to resources/budget allocates had to be used for municipal intervention/support.

PERFORMANCE ASSESSMENT AND EVALUATION

Summary of assessment results per KPA in the province

Table 40: Other Highlights of Municipal Performance per KPA

MUNICIPALITY	Key Performance Area	Highlight area of performance	Findings
Ehlanzeni District Gert Sibande District Chief Albert Municipality Msukaligwa Municipality Pixley Ka Isaka Seme Steve Tswete	KPA 1: Municipal Transformation and Organisational Development	Assurance of information in the Annual Report	Level of assurance provided; All role players Oversight Committee Audit Committee Executive mayor Exec. Mayor and Senior Managers All role players
All 21 municipalities	KPA 1: Municipal Transformation and Organisational Development	Meeting of the minimum competency requirement	By 30 June 2012 (six months from the effective date of the municipal regulations on minimum competency levels), all of the appointed municipal managers in the province had met the minimum competency levels defined in the regulations.
Ehlanzeni District, Nkangala District Municipality and Steve Tswete Local Municipality	KPA 1: Municipal Transformation and Organisational Development	Non-compliance with laws and regulations	The 2 municipalities were able to sustain their status of having no non-compliance findings. Nkangala District Municipality was able to steer clear of material non-compliance findings in the year under review
Steve Tswete Local Municipality	KPA 1: Municipal Transformation and Organisational Development	IT governance processes	Adequate IT governance processes had been designed and implemented, and these processes were operating. The effective operation of IT governance processes at this municipality can be attributed to the leadership demonstrated by municipal management in ensuring that an IT governance framework was adopted and implemented, service level agreements were in place, IT risks were managed, and an IT steering committee was established effectively
Thaba Chweu, Umjindi Victor Khanye and Steve Tswete	KPA 2: Basic Service Delivery KPA 3: Local Economic Development	100% spending of MIG	100% spending of MIG

MUNICIPALITY	Key Performance Area	Highlight area of performance	Findings
Ehlanzeni District Municipality and Steve Tshwete Local Municipality	KPA 4: Municipal Financial Viability and Management	Sustained clean audit status	The 2 municipalities have been able to sustain their clean audit status for the past three years
Ehlanzeni District Nkangala District Mbombela LM and Steve Tshwete Local Municipalities		Credible and reliable financial statements	Submitted Annual Financial Statements without material misstatements
Ehlanzeni District Municipality and Steve Tshwete Local Municipality	KPA 5: Good Governance and Public Participation	Interaction with Mayors	Interactions extend to provincial legislative oversight to share insights and enable improved oversight of local government
Mbombela Local Municipality	KPA 6: Cross Cutting	Predetermined objectives	Mbombela Local Municipality improved to having no Predetermined Objectives findings

Source: 2011/12 Section 46 reports and AG's Audit outcome 2011/12

Underperforming areas per municipality per KPA in the province

Table 41: Underperforming KPA's per municipality

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 1: Municipal Transformation and Organizational Development	Lekwa- 100%	Vacancy rate
	Thembisile Hani	
	Govan Mbeki	
	Dr Pixley Ka Isaka Seme	
	Umjindi	
	Dr. JS Moroka	Signing of performance agreements for the MM's and Senior Managers
	Dr Pixley Ka Isaka Seme	
	Gert Sibande District	Non-compliance with law and regulations
	Victor Khanye Local Municipality	
	Bushbuckridge Local Municipality	Minimal assurance on performance information
	Nkomazi Local Municipality	By councils
	Lekwa Local Municipality	

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 2: Basic Service Delivery	Ehlanzeni District Municipalities:	79% Under spending on conditional grants
	Gert District Municipalities:	86% Non- existence of infrastructure plans
	Nkangala District Municipalities:	83% Poor planning (projects Identification, Application for project registration)
	Bushbuckridge, Emakhazeni, Dr. JS Moroka, Mbombela, Nkomazi, Umjindi, Thaba Chweu, Gert Sibande District, Msukaligwa, Govan, Chief Albert, Pixley Ka Isaka Seme and Mkhondo	Operation and maintenance not planned for

Auditor's Opinion 2011/12 and IDP Analysis 2011/12

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 3: Local Economic Development	Bushbuckridge	Non development or reviewal of LED strategies
	Thaba Chweu	
	Mbombela	
	Govan Mbeki	Non-functional LED forums
	Nkomazi	No indication of CRDP projects in IDPs
	Mkhondo	
	Umjindi	No linkage between LED and SDFs
	Dipaleseng	
	Msukaligwa	No clearly defined LED projects contained in the IDP
	Chief Albert Luthuli	

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 4: Municipal Financial Viability and Management	Bushbuckridge	Unauthorised, irregular as well as fruitless and wasteful expenditure
	Dipaleseng	
	Lekwa	
	Mbombela	
	Nkomazi	
	Pixley Ka Isaka Seme	
	Umjindi	
	15 municipalities	Submitted financial statements contained material misstatements
	Bushbuckridge	Supply Chain Management
	Dr JS Moroka	
	Govan Mbeki	
	Lekwa	
	Mbombela	
	Msukaligwa	
	Nkomazi	
	Thembisile Hani and Umjindi	
	Nkangala	Information Technology Management
	Ehlanzeni District	Audits system of internal control
	Steve Tshwete, Govan Mbeki	Internal Controls that failed to detect misstatements or non-compliance
	Mbombela Local Municipalities	

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 5: Good Governance and Public Participation	18 municipalities	No community participation strategy
	Dr. Pixley Ka Isaka Seme	Contribution of ward committees and ward based plans are not included in the IDP
	Thembisile Hani	No ward based plan
	Regressed in all municipalities from; 40% - 2010/11 to 26% - 2011/12	Exercise oversight responsibility regarding financial and performance reporting and compliance with laws and regulations and related internal controls

Source: 2011/12 Section 46 reports

FOCUS AREA	MUNICIPALITY	UNDER-PERFORMING AREA
KPA 6: Cross-Cutting Issues	Gert Sibande District	Predetermined Objectives: - The usefulness and reliability of reported performance in the Annual Report - Meeting the planned targets - Annual Performance reports that contained material misstatements
	Nkangala District	
	Emakhazeni Local Municipality	
	Umjindi Local Municipality	
IDP Analysis 2011/12	Victor Khanye Local Municipality	Non-Credibility of IDPs
	Thaba Chweu Dr. JS Moroka	Non-compliant with laws and legislations
	Gert Sibande District Victor Khanye Local Municipality	

High level challenges as identified by province and per KPA

- Vacancy rate
- Non-compliance with applicable laws and regulations
- Lack of willingness on the part of the political leadership
- Lack of consequences for poor performance and transgressions
- Lack of risk assessments and risk management strategies
- IT risk plans and fraud prevention plans were not adequately implemented.
- Poor planning and ineffective SCM processes, resulting in delays in appointing service providers.
- Lack of action to address delayed projects.
- A lack of capacity to deliver on capital projects
- Inadequate monitoring and oversight of key projects.
- Inadequate monitoring as per the requirements of the Division of Revenue Act and the MFMA.
- Non development or reviewal of LED strategies
- A lack of basic financial discipline
- Poor and deteriorating controls that had a negative impact on the audit outcomes
- Lack of risk assessments and risk management strategies
- A lack of basic financial discipline
- Internal controls that failed to prevent or detect the misstatement or non-compliance.
- Slow response to the AGSA's message and not taking ownership of key controls.

Introduction

Addressing the key challenges per KPA: Outlook for 2011-2016 including timeframes

Table 42: Future Outlook

KPA 1: Municipal Transformation and Organisational Development

KPA 1	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016	2013/14	2014/15	2015/16
KPA 1: Municipal Transformation and Organisational Development	Management of vacancies and acting positions	Ensure that there is a properly approved organisational structure that is responsive to the service delivery requirements of municipalities	Ensure that the approved organisational structure is filled with competent staff	Ensure that the approved organisational structure is filled with competent staff	Ensure that the approved organisational structure is filled with competent staff
		Ensure that properly approved recruitment and retention policies and performance management policies are in place	Provide technical assistance relating to the development of appropriate recruitment, retention and performance management policies.	Provide technical assistance relating to the development of appropriate recruitment, retention and performance management policies.	Provide technical assistance relating to the development of appropriate recruitment, retention and performance management policies.
		Ensure that the budget is sufficient to fund the required structure.	Sourcing funding for the approved organisational structures	Ensure that the budget is sufficient to fund the required structure	Ensure that the budget is sufficient to fund the required structure
	Non-compliance with applicable laws and regulations	Management should perform regular monitoring to ensure that appropriate controls are in place	Focus on the regular monitoring of common areas of non-compliance and the effective	Management should perform regular monitoring to ensure that appropriate controls are in place	Focus on the regular monitoring of common areas of non-compliance and the effective

KPA 1	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
		place to consistently comply with all applicable laws and regulations,	implementation of checklists to ensure compliance	are in place to consistently comply with all applicable laws and regulations,	implementation of checklists to ensure compliance
	Most municipalities experienced challenges with the design of IT	Municipalities to adopt the IT governance framework developed by the Department of Public Service and Administration	Monitor the implementation and functionality of IT in municipalities	Monitor the implementation and functionality of IT in municipalities	Monitor the implementation and functionality of IT in municipalities

KPA2: Basic Service Delivery

KPA 2	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
KPA 2: Basic Service Delivery	Under spending of conditional grants	Appointment of suitably skilled engineers and technicians to implement capital projects	Development of action plan to address delayed projects	Development of action plan to address delayed projects	Development of action plan to address delayed projects
		Proper planning and effective SCM processes	Proper planning and effective SCM processes	Proper planning and effective SCM processes	Proper planning and effective SCM processes
		Adequate monitoring and oversight of key projects.	Adequate monitoring and oversight of key projects.	Adequate monitoring and oversight of key projects.	Adequate monitoring and oversight of key projects.
	Non availability of Infrastructure and O&M plans	Support to be provided on the development of the plans	Support to be provided on the development of the plans	Support to be provided on the development of the plans	Support to be provided on the development of the plans

KPA 3: Local Economic Development

KPA3	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
KPA 3: Local Economic Development	Non development or reviewal of LED strategies	Development and annual reviewal of LED strategies	Development and annual reviewal of LED strategies	Development and annual reviewal of LED strategies	Development and annual reviewal of LED strategies
	Non-functional of LED forums	Establish LED Forums	Monitor functionality of LED Forums	Monitor functionality of LED Forums	Monitor functionality of LED Forums
	No indication of CRDP projects in IDPs	LED implementation plan to be included and projects incorporated into IDP including CRDP projects	LED implementation plan to be included and projects incorporated into IDP including CRDP projects	LED implementation plan to be included and projects incorporated into IDP including CRDP projects	LED implementation plan to be included and projects incorporated into IDP including CRDP projects
	No linkage between LED strategy and SDF	To indicate the spatial correlation between the LED strategy and SDF	To indicate the spatial correlation between the LED strategy and SDF	To indicate the spatial correlation between the LED strategy and SDF	To indicate the spatial correlation between the LED strategy and SDF

KPA 4: Municipal Financial Viability and Management

KPA 4	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
KPA 4: Municipal Financial Viability and Management	A lack of basic financial discipline	Ensure that all financial, service delivery and compliance reports presented to the council have been tested for credibility.	Implement systems and processes to ensure that credible monthly reports are produced within a reasonable period after the end of every month.	Ensure that proper accounting records are kept, that all transactions are timeously processed throughout the financial year, that key reconciliations are periodically prepared,	Ensure that all financial, service delivery and compliance reports presented to the council have been tested for credibility.

KPA 4	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
	Poor and deteriorating controls that had a negative impact on the audit outcomes	Oversee the reports of the audit committee and internal audit unit.	Make sufficient financial and human resources available to ensure that the governance structures are effective.	Ensure that the governance structures are supported and are capacitated to add value.	Oversee the reports of the audit committee and internal audit unit.
	Lack of risk assessments and risk management strategies	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and provides oversight of the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and provides oversight of the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and provides oversight of the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and provides oversight of the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

KPA 5: Good Governance and Public Participation

KPA 5	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
Good Governance and Public Participation	Ward committees dominated by political activists	Capacity building programme commenced. Ensure Council respond to issues raised in the ward committee reports Workshop ward committee on National Development Plan	Capacity building programme to be intensified, Ensure that performance reports are tabled to ward committees on regular basis, Ensure ward committee operate in accordance with the ward committee functionality indicators, Link ward committees to existing portfolios within the municipality	Capacity building programme to be intensified,	In 2016 new ward committees to be elected in terms of the amendments to be enacted in the MSA with regard increasing the no. of ward committees to cater for ward diversity. Administrative structure to review to ensure adequate administrative support, New governance model to be reviewed to provide for delegated powers to ward committees
	CDWs/Clrs/TA working relationship	Arrange regular workshops with the governing structures	Improve on the submission of reports by the CDWs	Improve on the submission of reports by the CDWs	Improve on the submission of reports by the CDWs
	Traditional Council participation in Municipal affairs	Speaker, outreach programme to Traditional Leaders and engagement in dialogue. Ensure Traditional Leaders out of pocket expense is paid according to cover travelling costs incurred when they attend to Council activities	Engagement with COGTA with a view to consolidate Traditional Leaders year programme, Public platform to share between Councillors and Traditional Council in line with the principle of Co-operative governance to ensure developmental	Engagement with local houses and speakers with a view to enhance participation Traditional Leaders year in municipal councils. Public platform to be shared between Councillors and Traditional Council in line with the principle	Monitor participation of Traditional leaders in municipal councils. Public platform to share between Councillors and Traditional Council in line with the principle of Co-operative governance to ensure developmental.

KPA 5	KEY CHALLENGES	KPA OUTLOOK FOR 2012-2016			
		2012/13	2013/14	2014/15	2015/16
			state	of Co-corporative governance to ensure developmental.	

KPA 6: CROSS CUTTING ISSUES:

KPA 6 Cross-cutting	KEY CHALLENGES	KPA OUTLOOK FOR 2011-2016			
		2012/13	2013/14	2014/15	2015/16
	Predetermined objectives	COGTA to conduct training targeting development of objectives, indicators and targets	COGTA to conduct training targeting development of objectives, indicators and targets	COGTA to conduct training targeting development of objectives, indicators and targets	COGTA to conduct training targeting development of objectives, indicators and targets
	SDF&LUM linkages to the IDPs	COGTA to assist local municipalities to translate their SDFs into their IDPs	Support to be provided to struggling municipalities in reviewing their SDFs and LUMS	Support to be provided to struggling municipalities in reviewing their SDFs and LUMS	Support to be provided to struggling municipalities in reviewing their SDFs and LUMS
	SDFs do not have capital investment framework	Ensure inclusion of capital investment framework to all municipal SDFs	Ensure inclusion of capital investment framework to all municipal SDFs	Ensure inclusion of capital investment framework to all municipal SDFs	Ensure inclusion of capital investment framework to all municipal SDFs

CONCLUSION

Vacancies in key positions and instability in leadership positions affect the pace of sustainable audit improvements

The complexities in local government, the challenges experienced and the high expectations of the public demand that key personnel at municipalities have the skills, experience and capacity to fulfil their responsibilities and exercise their functions and powers

the implementation of the municipal regulations on minimum competency levels and the amendments to the Municipal Systems Act provide an opportunity to improve the situation

The **impact** of the inadequate competencies is as follows:

- The overall regression in the audit outcomes, failures in service delivery, high demand for consultants and continuous support from provincial government point to an environment where the persons appointed in positions do not have the required competencies.

it is concerning that, as is

the case with the underspending of capital budgets, the underspending of specific-purpose conditional grants had a negative impact on municipalities' service delivery objectives.

Poor project planning

Financial management in municipalities as a thorny issue

ACRONYMS

5YLGSA Five-year Local Government strategic agenda

AFS	Annual Financial Statements
CBM	Cross-boundary municipality
CDW	Community Development Worker
CMIP	Consolidated Municipal Infrastructure Programme
DBSA	Development Bank of Southern Africa
DIF	District Mayors Intergovernmental Forum
DIM	District information management system
DM	District municipality
DORA	Division of Revenue Act
COGTA	Department of Cooperative Governance and Traditional Affairs
DPISA	Department of Public Service and Administration
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
FBE	Free Basic Electricity
FBS	Free Basic Services
FBW	Free Basic Water
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
IGR	Intergovernmental Relations

IGRFA	Intergovernmental Relations Framework Act
ISRDP	Integrated sustainable rural development programme
KPA	Key performance area
KPI	Key performance indicator
LED	Local economic development
LGSETA	Local Government Sector Education and Training Authority
MEC	Member of executive committee
MFMA	Municipal Finance Management Act
MIG	Municipal infrastructure grant
MIIP	Municipal infrastructure investment plans
MIIU	Municipal infrastructure investment unit
MSA	Municipal Systems Act
NCBF	National Capacity Building Framework
NSDP	National Spatial Development Perspective
PDIs	Previously Disadvantaged Individuals
PGDS	Provincial growth and development strategy
PIF	Premiers' intergovernmental Relations Forum
PMS	Performance Management Systems
PMU	Project Management Unit
RDP	Reconstruction and Development Programme
SAICA	SA Institute for Chartered Accountants
SALGA	South African Local Government Association

SAPI	South African Planning Institute
SDF	Spatial Development Framework
SEDA	Small Entrepreneurship Development Agencies
SMME	Small, medium and micro-enterprises
SSP	Sector Skills Plan
URP	Urban Renewal Programme

NOTES

[illegible]

NOTES

