



co-operative governance
& traditional affairs

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA

SECTION 47 REPORT

CONSOLIDATED ANNUAL MUNICIPAL
PERFORMANCE REPORT
2012/13 FINANCIAL
YEAR

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ABBREVIATIONS

5YLGSA	Five-year Local Government Strategic Agenda
AFS	Annual Financial Statements
CDW	Community Development Worker
CMIP	Consolidated Municipal Infrastructure Programme
DBSA	Development Bank of Southern Africa
DIF	District Mayors Intergovernmental Forum
DIM	District information management system
DM	District municipality
DORA	Division of Revenue Act
COGTA	Department of Cooperative Governance and Traditional Affairs
DWAF	Department of Water Affairs and Forestry
FBE	Free Basic Electricity
FBS	Free Basic Services
FBW	Free Basic Water
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
LLF	Local Labour Forum
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
PMS	Performance Management Systems
PMU	Project Management Unit
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

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MEC'S FOREWORD



HON. REFILWE MTSHWENI (MPL)
MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

This 2012/13 Consolidated Annual Municipal Performance report contains the intense analysis and assessments of municipalities in the province demonstrating areas in which progress has been achieved and remaining areas for improvement. Furthermore, it gives an overview of the second financial year after the Local Government Elections and gives an assessment on the development of the Municipal Turn Around Strategies done in Mpumalanga.

Numerous challenges were identified which related to political and administrative tensions in various municipalities. These tainted and had adverse effects on accountability, political management and procurement processes, and as a result, contributed to instability and poor service delivery. This political stand-off contributed to service delivery and governance stalemate in some municipalities to the extent that provincial government had to intervene in terms of Section 139 of the Constitution, e.g. Emalahleni and Bushbuckridge municipalities and provided support through Section 105 of the Municipal Systems Act (No. 32 of 2000) which deals with municipal monitoring and support to Thaba Chweu and Msukaligwa Municipalities. In addition Section 106 (1) of the said Municipal Systems Act which deals with Non-performance and maladministration was invoked to institute investigation in Mbombela municipality.

Reported challenges on the relationship between the municipalities and the organised labour due to the non-functionality of Local Labour Forums also led to Labour unrest and spontaneous demonstrations by union members that, destructed smooth operations of municipalities.

After the development and implementation of the municipal specific Turn Around Strategies, interventions by the Province assisted in stabilising the governance challenges in affected municipalities, to the extent that the relationship

between political and administration echelons improved remarkably including the relationship with labour unions.

The delay in filling critical vacant posts affected the performance of municipalities in almost all five key performance areas (e.g. Financial Viability and Management, LED, Basic Service Delivery and infrastructure). Five (5) municipalities, viz, Mbombela, Msukaligwa, Victor Khanye, Emalahleni and Thaba Chweu were without Municipal Managers for the better part of the 2012/13 financial year. The Department seconded municipal managers in Mbombela, Thaba Chweu and Victor Khanye, as well as 2 Administrators in Bushbuckridge and Emalahleni. The Lekwa, Bushbuckridge, Thaba Chweu and Govan Mbeki municipalities were affected by a high rate of vacancies.

At least 3 Senior Managers were suspended in Thembisile Hani, 1 acquitted 1 dismissed and 1 case is still pending.

In as much as municipalities are striving to fill in all vacant positions, staff retention still remains a major challenge. COGTA is pulling all efforts to ensure that staff retention strategies are developed and implemented.

A number of community protests were recorded and public participation has been raised on of the root causes. These are areas that have earmarked for focused attention and implementation.

a) Financial Management

Most municipalities in the province have a limited revenue base and could not implement approved revenue enhancement. This situation has further contributed to poor financial viability resulting in grant reliance. The strategy has also contributed to the increasing consumer debt and inability to collect revenue. There is no slight improvement in this area of work and revenue collection has proved to be one of the most teething challenges in municipalities

Most municipalities were also struggling with the implementation of the Municipal Property Rates Act, non-adherence to supply chain management processes. Difficulties were experienced by Emalahleni, Mkhondo, Dipaleseng, Lekwa and Thembisile Hani. Government departments contributed to the number of institutions failing to pay for services. In response to this, a Task Team was set-up comprising of COGTA and Provincial Treasury to follow-up on all outstanding debts by government departments. This has yielded positive results.

b) Service Delivery and Infrastructure

This is a perception that service delivery protests are triggered by political interests while using genuine basic service delivery challenges to incite communities. The following issues have been used to instigate the protests:

- High number of basic service delivery backlog and insufficient funding impeding development in municipalities. Most municipalities totally depend on MIG for limited funding of their capital projects.

- Incomplete infrastructure projects ranging from housing, roads, electricity, water and public facilities.
- Contamination of water due to mining activities contributing to poor quality of drinking water.
- Lack of budgeting for O&M leading to non-maintenance and deficient planning for the refurbishment of the aging infrastructure.
- Non alignment of IDPs with sector plans.
- Waste management not prioritised resulting in lack of poor violation of collection standards and norms, illegal dumping sites and operations of unlicensed landfill sites.
- The unplanned development occurring in Local Municipalities owing to by land invasions continuously increase basic service backlogs such as water, sanitation, refuse removal and electricity.
- Culture of non-payment of services in communities created challenges in responding to community needs.
- 11 Municipalities (Umjindi, Nkomazi, Chief Albert Luthuli, Govan Mbeki, Lekwa, Dipaleseng, Dr Pixley Ka Isaka Seme, Dr JS Moroka, Emakhazeni, Victor Khanye and Thembisile Hani) – Qualified with findings and
- 5 Municipalities (Bushbuckridge, Thaba Chweu, Msukaligwa, Mkhondo and Emalahleni) - Disclaimers with findings.

While determining the root causes for the municipal performance regress, the Department in partnership with Provincial Treasury will provide extensive support to municipalities ensuring that key role players provide quality performance assurance.

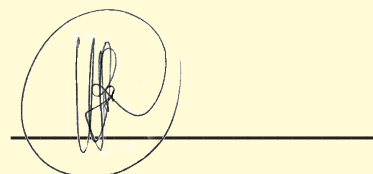
A Support Plan is already in place wherein role players such as Provincial Treasury, SALGA, and the Districts are hard at work to turn the situation around for the better.

In conclusion, we would like to express confidence that the efforts by our partners in Local Government would make us achieve even much better. For the subsequent years to come let's make Local Government everybody's Business.

We are aware of the challenges that are currently faced by municipalities in terms of participation of traditional leaders as envisaged in terms of Section 81 of the Municipal Structures Act, 1998 (No 117 of 1998). This matter has already been tabled with the House of Traditional Leaders and the chairperson, honourable Kgosi Mokoena has expressed keen interest to work together with local government in addressing this key issue. I have full confidence that this matter shall fully be addressed in the years to come.

My greatest gratitude goes to all executive mayors, councillors and their accounting officers, and most especially Team COGTA led by the Head of Department, MR CM Chunda.

I therefore take pleasure in tabling the 2012/13 Consolidated Municipal Performance report of Mpumalanga Local Governments to the House in terms of Section 47 of the Municipal System Act, 2000 (Act No. 32 of 2000).



HON. REFILWE MTSHWENI (MPL)
MEC: CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS

DATE: 12/01/2015

This situation has now improved in most municipalities. According to Statistics SA (Census Report: 2011), progress was made with access to basic services such as sanitation 93, 7%, electricity 89, 6%, water 87, 4% and refuse removal 50, 5% being at the top of the list in order of percentage access. However, the Province was still experiencing isolated incidents of community protests during 2012 and 2013 in municipalities where the Department in collaboration with the Department of Community Safety Security and Liaison as well as all other line function sector departments formed Task Teams that dealt with issues raised by communities.

Most of the community issues were then profiled in a dashboard and were provided the necessary attention in terms of actions in the short- to medium terms. Other issues for long-term attention were incorporated in the IDP's of the relevant municipalities. COGTA has assessed the IDP's to check if the community issues have been incorporated and financial resources allocated. Most municipalities have been able to integrate these issues in their IDP's and as a result have helped restore calm within communities.

c) Labour Relations

Local Labour Forums (LLF's) were not functional and in some instances not effectively utilised. The issue of role clarification still needs to be addressed for the effectiveness of these forums.

d) Audit Outcomes 2012/13 Financial year

This is an area of concern as the municipalities in the province are regressing on audit outcomes over the past three (3) years, (2010-2013 financial years). Audit outcomes for 2012/13 can be summarized as follows:

- 2 Municipalities (Ehlanzeni District and Steve Tshwete) – Unqualified with no findings
- 3 Municipalities (Mbombela, Gert Sibande and Nkangala Districts) – Unqualified with findings

HEAD OF DEPARTMENT'S EXECUTIVE SUMMARY OF PERFORMANCE

This 2012/13 Municipal Financial year has had its share of successes and failures in the year under review. The focus on Key Performance Areas and strategic interventions to ensure that municipalities are brought back to a path towards a developmental local government capable of restoring community confidence by being responsive, efficient, effective and accountable to the people of Mpumalanga cannot be overemphasized.

As mandated by S83 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998) the regional planning by District Municipalities through the Integrated Development Planning process has seen a significant paradigm shift from compliance planning to priority responsive planning in each ward. Our municipal IDP's reflect a trend of conformity to legislative requirements as the first prize. However, the most important area has been the success in catering for the most urgent community priorities such as water and sanitation needs of our people.

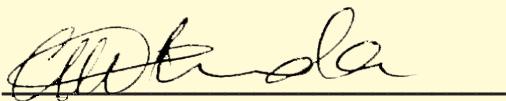
The provision of basic services to communities remains an area of attention and focused interventions in all our municipalities as we endeavor to create decent living conditions for all our people in the province. The Statistics SA census data for 2011 indicate a comforting picture of continued improvement in terms of households gaining access to water, sanitation, electricity and refuse removal services provided in the province. Whilst these figures comparatively reflect improvement from the previous financial years, other structural and inherent factors such as ageing infrastructure, lack of operations and maintenance, poor skills for asset management, inadequate planning to extend infrastructure provision to other new settlements and deficient financial planning to respond to community needs are some of limitations that were encountered.

We further have noted with concern the lack of effective public participation aimed at involving communities in matters of local government, which contributes to unstable community-council relations. Similarly there is a general lack of vibrant local economic development programmes at local municipal level, which does not assist the fight against poverty and unemployment. There is a need to strengthen the administrative and institutional capacity of all our municipalities to accelerate the provision of basic services as well as improve financial management of our municipalities.

To this end we are concerned in the manner in which Local Government has consistently missed the targets for achieving Clean Audit outcomes for the 2012/13 financial year. The rate at which the deterioration from good results has occurred in the year under review indicates a complete lack of financial controls, which calls for close monitoring and support working together with the Provincial Treasury, Municipal Public Accounts Committees (MPAC's), Internal and External Audit Committees as well as the Office of the Auditor General. We should all work together as stakeholders to make Operation Clean Audit work and therefore turn the tide on the unwelcome disclaimers and poor audit outcomes in our municipalities. We should work to ensure that competent financial managers with the requisite skills and expertise are appointed when S56 Manager's directly accountable to the Municipal Manager are recruited in our municipalities.

Other concerns relates to the continuous under-spending of Grant Funds meant to accelerate service delivery such as the Municipal Infrastructure Grant, and the Integrated National Electrification Programme (INEP) to name just a few. We have noted with concern that the under-spending of grant funds and rollovers have in the main become a perennial predicament without periphery. This exercise cannot be let to become a normal occurrence at local government as it has adverse outcomes for service delivery. We will ensure that both the National and Provincial government focus more supervision and monitoring in the oncoming years to arrest this undesirable situation.

Lastly we have noted the unsatisfactory quality of the section 46 reports submitted by the municipalities. We will work closely with our municipalities to support them to improve the reporting mechanisms for section 46 reporting. As administrators, we are all entrusted with the responsibility to serve. We would like to again re-commit, dedicate and pledge our efforts to the responsibility of making local government a responsive, effective, efficient and accountable system of government that has the confidence of all our people.



MR. CAIN MFANA CHUNDA

HEAD OF DEPARTMENT: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 12/0102015

PART A

1 INTRODUCTION

1.1 Legislative Background

The performance and assessment of municipalities is informed by the following legislative mandates:

1.1.1 Chapter 7 Section 152 of the Constitution sets out an objective that mandates Local Government with developmental role. These objectives are outlined as follows:

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

1.1.2 Section 153 of the Constitution confers development duties of Local Government that every municipality must:

- a) Structure and manage its administration and budgeting and planning The national and provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions; and
- b) Participate in national and provincial development programmes.

1.1.3 Section 154 of the Constitution reiterates the co-operative government that:

- a) The national and provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions; and
- b) Draft national or provincial legislation that affects the status, institutions, powers or functions of local Government must be published for public comment before it is in Parliament or provincial Legislature, in a manner that allows organised Local Government, municipalities and other interested persons an opportunity to make representations with regard to the draft legislation.

1.1.4 The White Paper on Local Government

The White Paper on Local Government is regarded as the basis of foundation of South African local governments. 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 that 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.

1.1.5 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.

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

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. The report must:

- a) Identify municipalities that under-performed during the year;
- b) Propose remedial action to be taken;
- c) Be published in the Provincial Gazette; and
- d) The MEC for local government must submit a copy of the report to the National Council of Provinces.

Mechanisms were further developed to improve performance of municipalities by developing the following interventions, strategies and programmes:

1. Local Government Ten Point Plan;
2. Municipal Turnaround Strategy;
3. Adoption of 12 Outcomes by Cabinet in 2010, reflecting on government priorities and mandate;
4. Operation Clean Audit 2014; and
5. Development and signing of Service Delivery Agreements by The President, Ministers, Premier', MEC's and the MEC's of Local Government signing with Executive Mayors in the province intensifying the level of commitment to service delivery through monitoring of performance

The MEC of Local Government signed a performance agreement based on the achievement of Outcome 9: A responsive, accountable, effective and efficient Local government, informed by the following outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improve 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

1.2 Methodology

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 which deals with 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.

1.3 Limitations of the report

- The template that is normally issued by National DCOG that guides the compilation of Municipal Section 46 reports was amended way after the end of the municipal financial year. This meant that new reporting areas that were not catered for at the beginning of the financial year were introduced afterwards causing risks for possible distortions in reporting.
- The National Treasury MFMA Circular No 63, Act No. 56 of 2003 on the compilation of the Annual Report for municipalities is, at times confused by municipalities as it is mistaken for the S46 reporting requirement.
- Demographics and socio-economic profile information is not always consistent with the previous reports and the official information made available through Stats SA. This has to be verified with a number of services available.
- Sequence of reporting by other municipalities on Key Performance Areas
- Limitations by municipalities regarding expertise in verifying technical information used in S46 reports.
- Late submission of S46 reports by municipalities had an impact on the punctuality for the compilation of the S47 Analysis and provincial consolidated report.

1.4 Demographics of Mpumalanga

1.4.1 Ehlanzeni District Municipalities

Bushbuckridge Municipality

Table 1: Socio-Economic Profile of Bushbuckridge (Source: SERO, November 2013)

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		10 256	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%.

Mbombela Municipality

Table 2: Socio-Economic Profile of Mbombela (Source: SERO, November 2013)

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.
- Female's 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.

Nkomazi Municipality

Table 3: Socio-Economic Profile of Nkomazi (Source: SERO, November 2013)

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.

Thaba Chweu Municipality

Table 4: Socio-Economic Profile of Thaba Chweu (Source: SERO, November 2013)

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		5720	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%.

Umjindi Municipality

Table 5: Socio-Economic Profile of Umjindi (Source: SERO, November 2013)

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.

Ehlanzeni District

Table 6: Socio-Economic Profile of Ehlanzeni District (Source: SERO, November 2013)

DEMOGRAPHIC INDICATORS	Stats SA Census (2011 Demarcation)	Stats SA Census	Share of Mpumalanga figure	Ranking: Highest 1- Lowest 3
	2001	2011	2011	
Population Number	1 447 125	1 688 615	41.8%	1
Number of Households	328 377	445 087	41.4%	1
Area size (km)2		27 908	36.5%	2
Population per km2		55		

- According to Stats SA (2011 Census), 1 688 615 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, 0.4% Asians and 0.2% Other.
- 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.
- Female headed households 44.1% and child headed (0-17 years) households 1.2 % in 2011.

1.4.2 Gert Sibande District Municipalities

Chief Albert Luthuli Municipality

Table 7: Socio-Economic Profile of Chief Albert Luthuli (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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 are 49.3% in 2011.

Dipaleseng Municipality

Table 8: Socio-Economic Profile of Dipaleseng (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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.

Govan Mbeki municipality

Table 9: Socio-Economic Profile of Govan Mbeki (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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			

- According to (StatsSA – 2011 Census), 294 538 people were recorded in Govan Mbeki – 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.
- Female headed households 30.8% and child headed (0-17 years) households 0.4% in 2011.

Lekwa Municipality

Table 10: Socio-Economic Profile of Lekwa (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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.

Mkhondo Municipality

Table 11: Socio-Economic Profile of Mkhondo (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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			

- According to (StatsSA – 2011 Census), 171 982 people 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.

Msukaligwa Municipality

Table 12: Socio-Economic Profile of Msukaligwa (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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			

- According to (Stats SA – Census 2001), 149 378 people were recorded in Msukaligwa – 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.

Table 13: Socio-Economic Profile of Dr. Pixley Ka Isaka Seme (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Gert Sibande'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.

Gert Sibande District

Table 14: Socio-Economic Profile of Gert Sibande (Source: SERO, November 2013)

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	211 618	273 490	25.4%	3
Area size (km)2		31 844	42.0%	1
Population per km2		28		

- Population figure of 1 043 094 (StatsSA – 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 under-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.
- Female headed households 38.8% and child headed (0-17 years) households 0.7 % in 2011.

1.4.3 Nkangala District Municipalities

Victor Khanye Municipality

Table 15: Socio-Economic Profile of Victor Khanye (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Nkangala'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.

Emalahleni Municipality

Table 16: Socio-Economic Profile of Emalahleni (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Nkangala'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% Coloureds, 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.

Emakhazeni Municipality

Table 17: Socio-Economic Profile of Emakhazeni (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Nkangala'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.

Dr JS Moroka Municipality

Table 18: Socio-Economic Profile of Dr. JS Moroka (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Nkangala'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.
- Females 52.9% and males 47.1% of the population – 99.4% Africans, 0.1% Whites, 0.1% Coloureds, 0.3% Asians and Others 0.1%.
- 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.

Steve Tshwete Municipality

Table 19: Socio-Economic Profile of Steve Tshwete (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Nkangala'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 in Community Survey in 2007 was under-estimated at 182 513.
- 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.

Thembisile Hani Municipality

Table 20: Socio-Economic Profile of Thembisile Hani (Source: SERO, November 2013)

Demographic Indicators	StatsSA Census	StatsSA Census	Shares of Nkangala'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.

Table 21: Socio-Economic Profile of Nkangala (Source: SERO, November 2013)

DEMOGRAPHIC INDICATORS	Stats SA Census (2011 Demarcation)	Stats SA Census	Share of Mpumalanga figure	Ranking: Highest 1- Lowest 3
	2001	2011	2011	
Population Number	1 018 422	1 308 129	32.4%	2
Number of Households	245 429	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 28.4% between 2001 & 2011 -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, 9.9%Whites, 1.1% Coloured, 0.7 Asians and 0.3 others.
- Youth up to 34 years - 67.1% of Nkangala's population.
- Number of households 356 911 (3.7 people per household) – 33.2% of Mpumalanga's households.
- Female headed households 36.2% and child headed (0-17 years) households 0.6 % in 2011.

1.5 Socio-Economic Profile

1.5.1 Overall Key Findings at provincial level

- Mpumalanga's percentage share of the national population of 51.77 was 7.8%, or 4.04 million in 2011
- In total in 2012 Mpumalanga recorded 105 000 new jobs and the province registered an increase of 30 000 jobs in the third quarter of 2013.
- Mpumalanga (26.6per cent), recorded the fourth highest strict unemployment rate among the nine provinces. The expanded unemployment rate was 40.5 per cent in the third quarter of 2013.
- The male unemployment rate was 21.2 per cent, the female unemployment was 33.4 per cent and the youth (15-34years) unemployment rate was 36.9 per cent
- By 2011, 14.1 per cent of the people 20 years and older had not received any schooling
- In 2012, the Mpumalanga's Grade 12 pass rate (70.0 per) was the third lowest
- In 2011, the HIV prevalence rate of the female population aged 15-49 in Mpumalanga was 36.7 per cent- the second highest after KwaZulu-Natal.
- In 2012, Mpumalanga recorded a HDI score of 0.64, an improvement from the relatively low level achieved in 1996.
- The provincial income distribution became more unequal between 1996 and 2012, however, the Gini-coefficient improved (decreased) somewhat from 0.66 in 2004 to 0.60 in 2012
- In 2012, Mpumalanga's poverty rate was 36.9 per cent or some 1.52 million of its citizens that lived in households with an income less than the poverty income
- A major share of households (90.2 per cent) in Mpumalanga reported expenditure of less than R10 000 per month in 2012
- Mpumalanga's contributions to the national economy was the fifth largest with a share of 6.3 per cent in 2012
- The provincial GDP growth of 3.6 per cent forecasted for the period 2012-2017 is slightly lower than the expected national growth rate of 3.7 per cent.
- The October 2013 inflation measurement in Mpumalanga of 5.1 per cent was lower than the national level of 5.5 per cent for the eight consecutive months and lower that the upper band of the inflation target zone.

PART B

2 ANALYSIS OF MUNICIPAL KEY PERFORMANCE AREAS

2.1 Institutional Development and Transformation

The Department supports and monitors municipalities with respect to human resource issues with a particular focus on recruitment, selection, performance and retention of suitably qualified personnel. The Department also monitors and supports municipalities to adhere with employment equity targets for women, youth and people with disabilities. Municipalities are also expected to develop and approve organisational structures that are relevant to their service delivery projections, align them to their powers and functions and manage their performance on a regular basis.

Objectives of the KPA

The objectives of the KPA are to render HR support to municipalities on recruitment, capacity building, selection, retention, performance management and organisational designs.

2.1.1 Performance of Municipalities on Institutional Development

a) % vacancy rate in respect of senior management approved posts as of June 2013

The table below indicate the vacancy rate on all approved posts per district.

Table 22: Percentage of vacancy rate in each district (Source: Section 46 reports from municipalities)

District	Total no. posts	Post filled	Males	Females	Post vacant	% Vacancy rate
Ehlanzeni	40	32	28	4	7	20%
Gert Sibande	47	40	33	7	7	15%
Nkangala	36	29	17	12	7	19%
Total	123	97	73	23	26	21%

The total vacancy rate of 21% in the province was recorder for senior managers' position in 2012/13 financial year. Ehlanzeni recorded the highest vacancy rate of 20% in the province contributed to by high vacancies in Thaba Chweu.

b) % filling of Section 56/57 positions per district

Ehlanzeni District

Table 23: % of Section 56/57 posts filled in Ehlanzeni District (Source: Section 46 reports from municipalities)

Posts	2012/13		
	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	6	5	1
Chief Financial Officer	6	3	3
Technical	7	6	1
Corporate Services	6	5	1
Community Services	7	6	1
Development and Planning	5	5	0
Chief Operations Officer	3	2	1
Total	40	32	8

The table above depicts that out of 40 approved Section 56/57 posts 32 were filled and 8 were vacant (3 of CFO, 1 Municipal Manager, Technical, Corporate Services, Community Services and COO).

Gert Sibande District

Table 24: % of Section 56/57 posts filled in Gert Sibande District (Source: Section 46 reports from municipalities)

Posts	2012/13		
	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	8	8	0
Chief Financial Officer	8	8	0
Technical	8	6	2
Corporate Services	8	6	2
Community Services	10	8	2
Development and Planning	5	4	1
TOTAL	47	40	7

In Gert Sibande District out of 47 approved posts, 40 were filled and 7 were vacant as shown in the table above. The vacant posts were 2 Technical Services, Corporate Services and Community Services and 1 Development Planning.

Nkangala District

Table 25: % of Section 56/57 posts filled in Nkangala District (Source: Section 46 reports from municipalities)

Posts	2012/13		
	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	7	4	3
Chief Financial Officer	7	5	2
Technical	7	7	0
Corporate Services	7	6	1
Development Planning	1	1	0
Community Services	7	6	1
TOTAL	36	29	7

Out of 36 approved Section 56/57 posts in Nkangala, 29 were filled and only 7 were vacant as at June 2013.

2.1.2 Analysis of Performance on Institutional Development

Analysis on vacancy rate and performance on the filling of vacant posts

In the province the following were the vacant positions as at June 2013 (refer to table tables 23, 24 and 25 above):

- 4 Municipal Managers positions in Thaba Chweu, Nkangala, Emakhazeni and Dr JS Moroka municipalities.
- 5 CFO positions in Bushbuckridge, Mbombela, Thaba Chweu, Emakhazeni and Victor Khanye municipalities and 1 suspended CFO at Lekwa.
- 4 Community Services position in Bushbuckridge, Lekwa, Msukaligwa and Emalahleni municipalities.
- 4 Corporate Services vacant position in Bushbuckridge, Gert Sibande, Lekwa and Emalahleni municipalities and 1 suspension in Dr JS Moroka.
- 3 vacant Technical Services positions in Umjindi, Lekwa and Msukaligwa municipalities.

Analysis of senior management positions and responsibilities (refer to tables 23, 24 and 25 above):

- Umjindi municipality had 2 senior positions for Technical services, one (1) on Civil Engineering Services and the other on Electrical Services.
- Municipalities such as Ehlanzeni District, Chief Albert Luthuli and Msukaligwa had 2 positions on Community Services (1 responsible for Public Safety and the other responsible for Social Services including Health, Transversal Services etc.).
- There were only 10 out of 21 municipalities that had senior managers responsible for development and planning on their organizational structure. Eleven municipalities (11) had not senior managers for the same function. Mbombela municipality is the only one that had 2 senior managers where one is responsible for LED, Human Settlement, Urban and Rural Development and the other responsible for Planning, Performance Monitoring and Evaluation under Development and Planning.
- Mbombela, Umjindi and Bushbuckridge municipalities had senior managers in the offices of Municipal Managers responsible for administration which is a duplication of functions and responsibilities of the municipal manager and director responsible for corporate services. Bushbuckridge senior manager in the office of the municipal manager is responsible for audit and risk management.

Challenges on the filling of vacant positions

- The 5 Municipalities in Nkangala with an exception of Steve Tswete relied on the district municipality for the performance of town planning services. The Nkangala district municipality on the other hand could not provide this service as there were no professional registered town planners to provide meaningful support. Consultants were used instead;
- The staff establishment (organizational structure) were not aligned with the needs and priorities of municipalities;
- Inconsistences between municipalities in the establishment and allocation of Section 56/57 positions and responsibilities;
- The vacancy rate is attributed to by poor proper planning for succession;
- Internal process for the filling of vacancies was not carried out on time; and
- Where interviews were conducted, the final step to take recommendations to council for appointment was not completed.

Recommendation

- COGTA to tighten procedures for municipality to comply with the requirements as per Section 54, 55, & 57 of Municipal Systems Act, 2000 as amended on the conditions for vacant positions.

c) % implementation of Performance Management Systems Framework

EHLANZENI

Table 26: Indicate implementation of PMS in Ehlanzeni District (Source: Section 46 reports from municipalities)

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 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
Bushbuckridge	Yes	Yes	Yes	3	3	Yes	Yes	No	Yes	No	None
Mbombela	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	Yes	None
Nkomazi	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	None
Thaba Chweu	No	Yes	No	3	3	No	No	Yes	No	No	Non-functional PMS
Umgjindi	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	None
Ehlanzeni District	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	Yes	None

GERT SIBANDE

Table 27: Indicate implementation of PMS in Gert Sibande District (Source: Section 46 reports from municipalities)

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 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
Chief Albert Luthuli	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	Yes	None
Dipaleseng	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	None
Govan Mbeki	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
Lekwa	Yes	Yes	Yes	3	3	Yes	Yes	Yes	Yes	No	None
Mkhondo	No	Yes	Yes	4	4	Yes	Yes	No	No	No	Non-functionality of PMS
Msukaligwa	Yes	Yes	Yes	4	4	No	Yes	Yes	Yes	No	None
Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	5	1	No	Yes	No	No	No	Non-functional PMS
Gert Sibande District	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	No

NKANGALA

Table 28: Indicate implementation of PMS in Nkangala District (Source: Section 46 reports from municipalities)

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 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
Emalahleni	Yes	Yes	Yes	4	4	Yes	Yes	No	Yes	No	None
Emakhazeni	Yes	Yes	Yes	3	3	Yes	No	Yes	Yes	No	None
Steve Tshwete	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	Yes	None
Victor Khanye	Yes	Yes	Yes	4	4	No	No	Yes	Yes	No	None
Dr. JS Moroka	Yes	Yes	Yes	3	3	Yes	Yes	No	Yes	No	None
Thembisile Hani	No	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	No PMS framework
Nkangala District	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	Yes	None

Analysis on the implementation of PMS

- All municipalities in the province except Thaba Chweu, Mkhondo and Thembisile Hani have PMS frameworks;
- All municipal Section 57 managers signed performance contracts except those that were on acting capacity;
- Municipalities that were under administration, administrators were assessed by the MEC COGTA and the Executive Council; and
- The following municipalities (Nkomazi, Umjindi, Thaba Chweu, Bushbuckridge, Dipaleseng, Lekwa, Msukaligwa, Mkhondo, Dr Pixley Ka Isaka Seme, Emalahleni, Emakhazeni, Victor Khanye and Thembisile Hani) did not cascade individual PMS to lower levels but only confined it to S57 managers as at June 2013.

Challenges

- No dedicated PMS units in the municipalities;
- No regular assessment conducted for Section 57 managers;
- Officials lower than Section 57 do not have job descriptions which have an impact on the institutional performance; and
- Performance assessment and appraisal not included in the performance agreements of the MMs.

Recommendations

- Reviewing the organisational structures of the municipalities to include PMS units that are directly accounting at the MMs office;
- Scheduling of regular performance reviews;
- Provisioning of monetary and non-monetary rewards for recognition of excellent performance; and
- Incorporating performance management system as part of the MMs performance agreement.

d) % Municipalities meeting employment equity targets

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

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

Table 29: Women appointments – Section 57 Managers (Source: Section 46 reports from municipalities)

Districts	Municipality	2010/11			2011/12			2012/13		
		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 vacancies for women Section 57 Managers
EHLANZENI	Bushbuckridge	08	02	None	08	01	None	07	01	0
	Mbombela	06	01	None	06	01	None	08	01	0
	Nkomazi	06	02	None	06	0	None	06	01	0
	Thaba Chweu	05	01	None	05	0	None	05	0	0
	Umgindi	06	01	None	07	0	None	07	0	0
	Ehlanzeni	06	01	None	07	01	None	07	02	0
	TOTAL	37	08	None	39	03	None	40	05	0
GERT SIBANDE	Chief Albert Luthuli	08	0	None	07	02	None	07	0	0
	Dipaleseng	05	02	None	06	0	None	06	02	0
	Govan Mbeki	07	02	None	07	02	None	06	02	0
	Lekwa	06	02	None	06	01	None	06	0	0
	Mkhondo	06	0	None	05	0	None	05	0	0
	Msukaligwa	05	01	None	06	0	None	06	01	0
	Dr. Pixley Ka Isaka Seme	06	02	None	06	01	None	05	01	0
	Gert Sibande	05	0	None	05	01	None	06	01	0
	TOTAL	48	09	None	48	07	None	47	07	0
NKANGALA	Emalahleni	06	0	None	06	01	None	06	01	0
	Emakhazeni	05	02	None	05	01	None	05	02	0
	Steve Tshwete	05	01	None	05	02	None	05	03	0
	Victor Khanye	05	0	None	05	0	None	05	03	0
	Dr. JS Moroka	05	01	None	05	02	None	05	01	0
	Thembisile Hani	06	0	None	05	0	None	05	0	0
	Nkangala	05	01	None	05	01	None	05	02	0
	TOTAL	37	05	None	36	07	None	36	12	0

Analysis of municipalities meeting employment equity target

- There has been a slight improvement in the appointment of female senior managers as compared to the two (2) previous financial years; and
- Nkangala District has the highest (12) female senior managers appointed.

Challenges

- Municipalities not complying with their employment equity targets as with relation of women appointment.

Recommendation

- The performance area will be attached to the performance agreement of the Municipal Managers for effective implementation in the province.

e) Employment of people with disabilities

Table 30: Indicate employment of people with disabilities (Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	2010/11			2011/12			2012/13		
		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 vacancies for people with disabilities
EHLANZENI	Bushbuckridge	05	05	0	05	05	0	03	03	0
	Mbombela	05	05	0	08	08	0	08	08	0
	Nkomazi	03	03	0	06	06	0	06	06	0
	Thaba Chweu	05	05	0	04	04	0	04	04	0
	Umjindi	02	02	0	03	03	0	03	03	0
	Ehlanzeni	0	0	0	0	0	0	0	0	03
	TOTAL	20	20	0	26	26	0	24	42	3
GERT SIBANDE	Chief Albert Luthuli	0	0	0	01	01	0	01	01	0
	Dipaleseng	01	01	0	03	03	0	04	04	0
	Govan Mbeki	10	10	0	10	10	0	12	12	0
	Lekwa	05	05	0	04	04	0	03	03	0
	Mkhondo	01	01	0	02	02	0	04	04	0
	Msukaligwa	07	07	0	07	07	0	07	07	10
	Dr. Pixley Ka Isaka Seme	04	04	0	04	04	0	04	04	0
	Gert Sibande	0	0	0	02	02	0	02	02	01
	TOTAL	28	28	0	33	33	0	20	20	11
NKANGALA	Emalahleni	0	0	0	3	3	0	13	13	0.9
	Emakhazeni	01	01	04	01	01	04	N/A	01	N/A
	Steve Tshwete	22	22	0	24	24	2	23	23	0
	Victor Khanye	05	05	0	05	05	0	05	05	1.3
	Dr. JS Moroka	04	04	0	07	07	0	07	07	0
	Thembisile Hani	03	03	0	03	03	0	03	03	0
	Nkangala	0	0	0	0	0	0	0	0	

Analysis on employment of people with disability

- At Ehlanzeni, only Nkomazi and Mbombela Municipalities are doing well regarding the appointment of people with disabilities;
- At Gert Sibande, only Msukaligwa and Govan Mbeki that are doing well regarding appointment of people with disabilities;
- At Nkangala, only Emalahleni and Steve Tshwete that are doing well regarding the appointment of people with disabilities; and
- The rest of the other municipalities, are far from reaching their required targets.

Challenges

- Assertion of indicating that they are encouraging people with disabilities to apply; and
- Non-implementation of recruitment strategies as contained in their Employment Equity Plans.

Recommendations

- COGTA and SALGA to lobby all municipalities to work or partner with disability organisations in an endeavour to address the disability targets as set; and
- COGTA to monitor that municipalities issue out external bursaries to attract people with disabilities.

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

Table 31: Employees aged between 35 or younger (Source: Section 46 reports from municipalities)

Districts	Municipality	2010/11			2011/12			2012/13		
		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	Bushbuckridge	1192	680	57%	988	210	21%	928	352	38%
	Mbombela	1714	445	26%	1855	563	30%	1855	460	25%
	Nkomazi	1000	405	41%	945	288	30%	960	345	36%
	Thaba Chweu	447	67	15%	447	89	20%	447	94	21%
	Umjindi	315	182	58%	342	88	26%	343	91	27%
	Ehlanzeni	132	46	35%	130	43	33%	132	28	21%
	TOTAL	4800	1825	38%	4707	1281	27%	2363	1276	54%
GERT SIBANDE	Chief Albert Luthuli	406	201	50%	470	116	25%	470	156	33%
	Dipaleseng	114	77	68%	424	76	18%	487	87	18%
	Govan Mbeki	1439	368	26%	1330	335	25%	1 319	322	24%
	Lekwa	593	114	19%	682	106	16%	874	105	12%
	Mkhondo	754	144	19%	754	213	28%	754	213	28%
	Msukaligwa	858	168	20%	808	178	22%	837	139	17%
	Dr. Pixley Ka Isaka Seme	361	21	6%	361	111	31%	347	23	7%
	Gert Sibande	171	115	67%	242	101	42%	322	120	37%
	TOTAL	4696	1208	26%	5071	1236	24%	5410	1165	22%
NKANGALA	Emalahleni	1550	254	16%	1550	223	14%	1625	284	17%
	Emakhazeni	399	127	32%	399	129	32%	529	134	25%
	Steve Tshwete	1354	408	30%	1354	320	24%	1415	444	31%
	Victor Khanye	322	135	42%	366	95	26%	359	99	28%
	Dr. JS Moroka	643	186	29%	842	161	19%	842	180	21%
	Thembisile Hani	533	33	6%	533	78	15%	533	86	16%
	Nkangala	235	38	16%	243	40	16%	243	46	19%
	TOTAL	5036	1181	23%	5287	1046	20%	4171	1007	24%
GRAND TOTAL		14532	4214	29%	15065	3563	24%	11944	3448	29%

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

Percentage of youth employees in the province as depicted by the table above is less than 30% over the past 3 years whilst youth unemployment in the province as per Census 2011 is 36.9%.

Challenges

Municipalities had set targets to employ people between 35 and younger as part of the employment equity targets, however there are no specific posts reserved for youth employment.

Recommendations

- COGTA to direct municipalities to adopt Policies for Youth Employment
- Councils to take Resolutions on the minimum quotas allocated for Youth in terms of Employment Equity.
- Internship and Learnership Programmes be promoted in partnership with Local Government SETA and other trade SETA's
- A Youth Desk be promoted and the Office of the Premier be drawn in with its support programmes for the youth to intervene.

2.1.3 Support Interventions by National and Provincial Government

- Development and implementation of recruitment acceleration plans by the department; and
- Development of provincial generic organization structure framework to guide alignment of municipal organizational structure with needs and priorities.

2.2 Service Delivery and Infrastructure Development

The objectives of the KPA and reflect performance of the 23 District municipalities which were identified by Cabinet Lekgotla in July 2011 distinct priority areas having less than 30% access to basic services . An additional three (3) district priority areas have been identified, but the focus is on ensuring that the areas evolve economically based on the current and potential mining activities

2.2.1 Performance of municipalities on Service Delivery and Infrastructure Development

a) Households with access to Potable Water

Ehlanzeni District

Table 32: Number of households with access to potable water in Ehlanzeni (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Water		To date	Sanitation		To date
Mbombela	161 772	126 051	77.9%	86%	150 150	92.8%	94%
Bushbuckridge	134 199	106 072	79.0%	95.7%	117 230	87.4%	91%
Nkomazi	96 201	77 829	80.9%	95%	80 777	84.0%	87.5
Umjindi	19 563	18 467	94.4%	98%	19 269	98.5%	98.5
Thaba Chweu	33 352	31 623	94.8%	97.7%	32 372	97.1%	100%
EHLANZENI	445 087	360 042	80.9%	94.34%	399 798	89.8%	94.2%

Ehlanzeni district has 445 087 households and 360 042 (80.9%) of the households had access to potable water as at June 2013. In terms of current year progress this has increased to 94.34% with Umjindi municipality having the highest number of households with access to potable water followed by Thaba Chweu.

A total of 399 798 (89.8%) households had access to sanitation as at June 2013, which has increase to 94.2% to date. Thaba Chweu and Umjindi municipalities are also leading with access to sanitation in Ehlanzeni district.

Gert Sibande District

Table 33: Number of households with access to potable water in Gert Sibande (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Water	To date	Sanitation	To date	Municipality	Total No of Households
Govan Mbeki	83 874	82 989	98.9%	99%	82 355	98.2%	98.2%
Chief Albert Luthuli	47 705	39 016	81.8%	91%	45 229	94.8%	98.3%
Msukaligwa	40 932	37 090	90.6%	93%	38 944	95.1%	95.99%
Lekwa	31 071	30 340	97.6%	100%	29 791	95.9%	97.3%
Mkhondo	37 433	29 394	78.5%	92%	32 610	87.1%	72.8%
Dipaleseng	12 637	11 949	94.6%	95%	11 870	93.9%	95.5%
Dr Pixley Ka Isaka Seme	19 838	18 428	92.9%	98%	18 931	95.4%	99.8%
GERT SIBANDE	273 490	249 206	91.1%	95%	259 730	95.5%	93.9%

A total number of 249 206 (91.1%) households had access to potable water as at June 2013 and to date it has increased to 95% of households with access to water. Access to sanitation in Gert Sibande District is was at 95.5% in 2012/2013 and at present it is at 93.9% with Dr Pixley Ka Isaka Seme, Chief Albert Luthuli and Govan Mbeki having the highest number of households with access.

Nkangala District

Table 34: Number of households with access to potable water in Nkangala (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Water		To date		Sanitation	To date
Emalahleni	119 874	113 602	94.8%	94.8%	116 888	97.5%	97.5%
Thembisile Hani	75 635	72 175	95.4%	97.5%	73 671	97.4%	97.9%
Dr JS Moroka	62 162	48 411	77.9%	88.25%	60 947	98.0%	98%
Steve Tshwete	64 971	63 778	98.2%	98.2%	63 591	97.9%	97.9%
Emakhazeni	13 721	13 080	95.3%	97%	12 827	93.5%	93.5
Victor Khanye	20 548	19 665	95.7%	97%	20 083	97.7%	99%
NKANGALA	356 911	330 711	92.7%	95.5%	348 007	97%	97.3
PROVINCIAL TOTAL	1 075 488	939 959	87.4%	94.9%	1 007 535	93.7%	95%

In Nkangala 92.7% of households had access to water in 2012/13, to date households access to water has increased to 95.5%.

In terms of sanitation 97% of households had access and this has increased by 0.3% to 97.3% of households with access to sanitation.

In the province a total of 939 959 households had access to water and 1 007 535 of households had access to sanitation in 2012/2013.

b) Households with access to Free Basic Water

Status Quo on Free Basic Water Ehlanzeni District

Table 35: Status Quo on Free Basic Water in Ehlanzeni District (Source: Section 46 reports from municipalities)

Local Municipality	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Mbombela	161 772	9 637	9637	100%
Bushbuckridge	134 199	83 020	77 477	93.3%
Nkomazi	96 201	11 442	11 442	100%
Umjindi	19 563	1 973	1 391	70.5%
Thaba Chweu	33 352	13 466	11 126	82.6%
TOTAL	445 087	119 538	111 073	92.9%

Mbombela and Nkomazi are the only municipalities in Ehlanzeni District that served 100% of indigents with free basic water.

Status Quo on Free Basic Water Gert Sibande District

Table 36: Status Quo on Free Basic Water in Gert Sibande District (Source: Section 46 reports from municipalities)

Local Municipality	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Govan Mbeki	83 874	6 370	6 370	100%
Chief Albert Luthuli	47 705	4 076	213	5.2%
Lekwa	31 071	4 367	4 367	100%
Mkhondo	37 433	3 237	12 654	381.7%
Dipaleseng	12 637	227	227	100%
Dr Pixley Ka Isaka Seme	19 838	2 646	2 034	76.9%
Msukaligwa	40 932	20 007	20 007	100%
TOTAL	273 490	40 930	45 572	111.3%

4 out of 7 municipalities in Gert Sibande District served 100% of indigent households with free basic water as per the table above.

Status Quo on Free Basic Water Nkangala District

Table 37: Status Quo on Free Basic Water in Nkangala District (Source: Section 46 reports from municipalities)

Local Municipality	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Thembisile Hani	75 635	5 394	500	9.27%
Dr. JS Moroka	62 162	4 832	4832	100%
Steve Tshwete	64 971	16 432	16 102	98%
Victor Khanye	15 129	2 720	2 720	100%
Emalahleni	75 635	39 975	39 975	100%
Emakhazeni	13 721	4 911	4 738	96.5%
Total	356 911	74 264	68 867	92.7%

c) Households with access to Sanitation

Table 38: Households with access to sanitation (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Sanitation	
Mbombela	161 772	150 150	92.8%
Bushbuckridge	134 199	117 230	87.4%
Nkomazi	96 201	80 777	84.0%
Umjindi	19 563	19 269	98.5%
Thaba Chweu	33 352	32 372	97.1%
EHLANZENI	445 087	399 798	89.8%
Emalahleni	119 874	116 888	97.5%
Thembisile Hani	75 635	73 671	97.4%
Dr JS Moroka	62 162	60 947	98.0%
Steve Tshwete	64 971	63 591	97.9%
Emakhazeni	13 721	12 827	93.5%
Victor Khanye	20 548	20 083	97.7%
NKANGALA	356 911	348 007	97.5%
Govan Mbeki	83 874	82 355	98.2%
Chief Albert Luthuli	47 705	45 229	94.8%
Msukaligwa	40 932	38 944	95.1%
Lekwa	31 071	29 791	95.9%
Mkhondo	37 433	32 610	87.1%
Dipaleseng	12 637	11 870	93.9%
Dr Pixley Ka Isaka Seme	19 838	18 931	95.4%
GERT SIBANDE	273 490	259 730	95.0%
PROVINCIAL TOTAL	1 075 488	1 007 535	93.7%

In the province there were 93.7% of households with access to sanitation as at June 2013.

d) Households with access to Free Basic Sanitation

Status Quo on Free Basic Sanitation Ehlanzeni District

Table 39: Status Quo on Free Basic Sanitation in Ehlanzeni (Source: Section 46 reports from municipalities)

Local Municipality	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Mbombela	161 772	9 637	9637	100%
Bushbuckridge	134 199	83 020	11 126	13.4%
Nkomazi	96 201	11 442	11 442	100%
Umjindi	19 563	1 973	1 652	83.7%
Thaba Chweu	33 352	13 466	8 302	61.7%
TOTAL	445 087	119 538	42 159	35.3%

Status Quo on Free Basic Sanitation Gert Sibande District

Table 40: Status Quo on Free Basic Sanitation in Gert Sibande (Source: Section 46 reports from municipalities)

Local Municipality	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Govan Mbeki	83 874	6 370	6 370	100%
Chief Albert Luthuli	47 705	4 076	2 909	5.2%
Lekwa	31 071	4 367	4 367	100%
Mkhondo	37 433	3 237	0	0%
Dipaleseng	12 637	227	227	100%
Dr Pixley Ka Isaka Seme	19 838	2 646	2 034	77%
Msukaligwa	40 932	20 007	20 007	100%
TOTAL	273 490	40 930	33 218	81.2%

Status Quo on Free Basic Sanitation Nkangala District

Table 41: Status Quo on Free Basic Sanitation in Nkangala (Source: Section 46 reports from municipalities)

Local Municipality	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Thembisile Hani	75 635	5 394	500	9.27%
Dr JS Moroka	62 162	4 832	4832	100%
Steve Tshwete	64 971	16 432	16 102	98%
Victor Khanye	15 129	2 720	2 720	100%
Emalahleni	75 635	39 975	39 975	100%
Emakhazeni	13 721	4 911	4 738	96.5%
Total	356 911	74 264	68 867	92.7%

Bucket System Eradication

Table 42: Indicate Bucket System (Source: Section 46 reports from municipalities)

Municipality	Village/ Town	Number of Buckets	Project Value	Comments
Victor Khanye	Ma-waag, Mandela and Nkanini	1849	R 31 123 000	Water and sanitation infrastructure complete and Houses still outstanding
Dipaleseng	Nthorwane	38	R 286 000	Municipalities currently installing Proper toilets

There were only 2 municipalities with bucket system in the province namely Victor Khanye and Dipaleseng and there is a programme in place for eradication of the bucket system.

e) Households with access to Electricity Services

Ehlanzeni District

Table 43: Households with access to electricity in Ehlanzeni (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Electricity		To date
Mbombela	161 772	146 716	90.7%	91.26%
Bushbuckridge	134 199	129 902	96.8%	97.65%
Nkomazi	96 201	90 416	94.0%	96.81%
Umgindi	19 563	17 006	86.9%	87.78%
Thaba Chweu	33 352	32 551	97.6%	97.67%
EHLANZENI	445 087	416 591	93.6%	94.23%

The percentage of households that had access to electricity in 2012/13 was at 93.6% and to date this has increased to 94.23% of households with access to electricity in Ehlanzeni district.

Gert Sibande District

Table 44: Households with access to electricity in Gert Sibande (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Electricity		To date
Govan Mbeki	83 874	76 332	91.0%	91.01%
Chief Albert Luthuli	47 705	42 920	90.0%	91.37%
Msukaligwa	40 932	31 947	78.1%	81.87%
Lekwa	31 071	27 585	88.8%	90.01%
Mkhondo	37 433	25 058	66.9%	68.83%
Dipaleseng	12 637	10 719	84.8%	85.08%
Dr Pixley Ka Isaka Seme	19 838	16 907	85.2%	85.43%
GERT SIBANDE	273 490	231 468	84.6%	84.80%
PROVINCIAL TOTAL	1 075 488	956 488	88.9%	89%

Gert Sibande district had 88.9% of households with access to electricity in 2012/13 which to date has increased to 89%.

Nkangala District

Table 45: Households with access to electricity in Nkangala (Source: Section 46 reports from municipalities)

Municipality	Total No of Households	Electricity		To date
Emalahleni	119 874	88 732	74.0%	75.15%
Thembisile Hani	75 635	71 154	94.1%	95.01%
Dr JS Moroka	62 162	60 091	96.7%	99.21%
Steve Tshwete	64 971	59 477	91.5%	92.08%
Emakhazeni	13 721	11 474	83.6%	86.18%
Victor Khanye	20 548	17 501	85.2%	85.22%
NKANGALA	356 911	308 429	86.4%	88.81%

Household with access to electricity were 308 429 (86.4%) in Nkangala and to date it has increased to 88.81%.

f) Households with access to Free Basic Electricity

Table 46: Households with access to Free Basic electricity (Source: Section 46 reports from municipalities)

HOUSEHOLDS WITH ACCESS TO FREE BASIC SERVICES				
Municipality	Total H/H	Total indigents	Total served energy	%
Govan Mbeki	83 874	6 370	6 370	100%
Chief Albert Luthuli	47 705	4 076	2 909	71.4%
Msukaligwa	40 932	20 007	20 007	100%
Lekwa	31 071	4 367	4 367	100%
Mkhondo	37 433	3 237	3 237	100%
Dipaleseng	13 637	227	227	100%
Dr Pixley Ka Isaka Seme	19 838	2 646	2 034	76.9%
Gert Sibande District	274 490	40 930	39 151	95.7%
Emalahleni	119 874	39 975	10 954	27.4%
Thembisile Hani	75 634	5 394	500	9.3%
Dr JS Moroka	62 162	4 832	4 832	100%
Steve Tshwete	64 971	16 432	16 102	98.0%
Municipality	13 722	4 911	4 738	96.5%
Victor Khanye	20 548	2 720	2 720	100%
Nkangala District	356 911	74 264	39 846	53.7%
Mbombela	161 773	9 637	9 637	100%
Bushbuckridge	134 197	83 020	7 660	9.2%
Nkomazi	95 509	11 442	11 442	100%
Umgjindi	20 255	1 973	1 464	74.2%
Thaba Chweu	33 352	13 466	1 594	11.8%
Ehlanzeni District	445 086	119 538	31 797	26.6%

9 out of 18 municipalities in the province provide 100% free basic electricity to indigents.

g) Households with access to Roads

Ehlanzeni District

Table 47: Total KM of tarred and gravel roads in Ehlanzeni (Source: Section 46 reports from municipalities)

Municipality	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Graveled
Mbombela	2559.4	510	2049.7
Bushbuckridge	4314.2	287.2	4027
Nkomazi	2268	132	2136
Umgjindi	396	120	176
Thaba Chweu	469	228.4	240.6

Gert Sibande District

Table 48: Total KM of tarred and gravel roads in Gert Sibande (Source: Section 46 reports from municipalities)

Municipality	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Graveled
Govan Mbeki	898	505	393
Chief Albert Luthuli	511	77	434
Msukaligwa	446	229	217
Lekwa	354	167	187
Mkhondo	761	156	605
Dipaleseng	325	87	238
Dr. Pixley Ka Isaka Seme	283	89	194

Nkangala District

Table 49: Total KM of tarred and gravel roads in Nkangala (Source: Section 46 reports from municipalities)

Municipality	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Graveled
Emalahleni	1282	799	483
Thembisile Hani	902	31	871
Dr. JS Moroka	2251	2431	181
Steve Tshwete	702	593	109
Emakhazeni	210	158	52
Victor Khanye	310	109	201

2.2.2 Analysis of performance on Service Delivery and Infrastructure Development

Challenges on access to water

- Only 5 municipalities had adequate bulk water: Victor Khanye, Bushbuckridge, Nkomazi, Thaba Chweu and Emakhazeni.
- There is also acute shortage of storage facilities in all municipalities except in Steve Tshwete which poses serious challenges on the provision of uninterrupted water supply.
- Projects were reprioritization to begin to address bulk water supply and storage facilities challenges.
- Planning for infrastructure projects is still a challenge as there is continuous prioritization of reticulation in areas where there is no bulk infrastructure.
- There are acute challenges in budgeting for O&M and upgrading of aging infrastructure.
- Lack of Technical Capacity such as Engineers, Technicians, Operators and Project Managers is still pending.

Challenges on access to Sanitation

- All municipalities do not have sufficient Bulk Infrastructure for sanitation services.
- Poor planning on infrastructure projects is still a major set-back in increasing access to basic services.
- Over-loaded WWTW's and spillages are in a continuous rise in municipalities.
- The eradication of bucket system in Victor Khanye was not yet finalized as at end June 2013.

Challenges on access to Electricity

- Maintenance of Sub-stations and proper operations not done due to poor O&M Plans.
- All municipalities have insufficient sub-stations whilst there is a need for additional capacity.
- Theft of transformers, cables and other electricity infrastructure/ equipment poses a huge challenge on provision of electricity.
- There is aging infrastructure which hinders increase of access to more households.
- Weak electricity Grid both in urban and rural areas affects increase of households with access to electricity.

Challenges on access to refuse removal

- Waste Management Plans are being developed through the assistance of MISA at least for the remaining 11 municipalities that have no plans
- Lack of prioritization of waste tools and implements such as refuse removal trucks, upgrading of landfill sites etc.
- COGTA has assisted at least 9 municipalities with its continued Youth Waste Management Programme and CWP's; however this Programme needs to be sustained.

2.2.3 Support interventions by National and Provincial government

Plans for interventions on access to water

- All municipalities are redirecting resources to resolve bulk water infrastructure and storage facilities and large proportion of MIG, MWIG, RBIG and district funding will be utilized for this purpose;
- Agencies such as Rand Water and MEGA were brought in to speed up delivery of water in the province;
- There will be comprehensive provincial infrastructure functional assessment to properly direct scarce resources to areas of critical need; and
- COGTA will finalize projects for 2ML storage capacities by August 2014 in the 9 areas of Mbombela, Bushbuckridge and Nkomazi municipalities.

Plans for interventions on access to Sanitation

- All municipalities have committed to invest on bulk infrastructure for sanitation.
- COGTA, DWA and OTP need to find alternatives to address the planning and roll-out of decent sanitation in the province; and
- There is a need to attract, train, retain and mentor professionals in the area of sanitation infrastructure provision and operation.

Plans for interventions access to Electricity

- DOE and ESKOM to assist with proper bulk electricity infrastructure planning;
- Additional funds should be requested through a Provincial Business Plan to solicit additional funding or bulk electricity infrastructure such as sub-stations, transformers etc;
- INEP be utilized to extend access to further households and support plans should be in place to ensure that there would not be any under-spending on INEP funding;
- Intensify Project Khanyisa to reduce illegal connections, improve revenue collections and empower the communities and organizations with knowledge regarding the danger of electricity theft;
- Each municipality to develop a focused plan on how to stabilize the current electricity grid in areas of electricity disruptions; and
- Investment on electricity saving measures.

Plans for interventions on access to refuse removal

- Improved municipal waste management and licensed disposal sites; and
- Link CWP, EPWP and YWMP initiatives with Clean Cities and Towns Programme.

2.3 Local Economic Development

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

LED strategies are at the centre of efforts by municipalities to create economic growth and development. It is one of vital strategies at the disposal of all municipalities to increase the potential to radically improve the lives of all municipal constituents by enabling growth and reducing poverty. However, the strategies associated with LED are not to be viewed as a quick-fix solution to 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.

2.3.1 Performance of municipalities on the Local Economic Development

a) % Capacity for planning and implementing LED functions in municipalities through an effective LED Unit

The institutional capacity to lead and manage LED is a crucial element that is fundamental to the success 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 50: % Capacity of planning and implementing LED functions in municipalities through effective LED Unit
(Source: Section 46 reports from municipalities)

Districts	Municipality	2010/11		2011/12		2012/13	
		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	7	4
	Mbombela	11	11	41	11	41	11
	Nkomazi	10	10	10	10	4	9
	Thaba Chweu	1	1	1	1	1	1
	Umgindi	3	3	3	2	3	3
	EHLANZENI	7	7	15	15	15	15
GERT SIBANDE	Chief Albert Luthuli	5	5	08	03	8	3
	Dipaleseng	1	1	1	1	7	1
	Govan Mbeki	3	3	3	3	1	1
	Lekwa	2	1	.1		1	1
	Mkhondo	3	2	3	2	3	2
	Msukaligwa	3	3	3	3	3	3
	Dr. Pixley Ka Isaka Seme	2	2	2	2	3	2
	GERT SIBANDE	3	3	2	2	2	2
NKANGALA	Emalahleni	2	2	2	2	4	4
	Emakhazeni	2	1	2	2		
	Steve Tshwete	2	2	2	1	2	2
	Victor Khanye	2	1	2	1	2	1
	Dr. JS Moroka	3	2	-			
	Thembisile Hani	2	1	2	1	-	-
	NKANGALA	9	9	9	9	9	9

b) % of budget spent on LED related activities

The information is not available as it was not a municipal requirement to populate their Section 46 with, in the next financial year 2013/14 financial year, will be dealt with.

c) Existence of LED strategies and plans

Table 51: Indicate municipalities with LED strategies and plans (Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	2010/11			2011/12			2012/13			Reasons for no strategy in place
		LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mbombela	No	No	No	No	No	No	No	No	No	Strategy is only a draft
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	Yes	Yes	No	No	No	No	No	No	No	Function lies with the LED Agency
	Umjindi	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Financial constraints
	Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	No	No	No	No	No	No	Yes	No	Yes	Inadequate funding
	Dipaleseng	No	No	No	No	No	No	No	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	Yes	Yes	No	Yes	Yes	No	No	Yes	No	None
	Mkhondo	No	No	No	Yes	Yes	Yes	No	No	No	Service provider withdrawn on site
	Msukaligwa	Yes	Yes	No	No	Yes	No	No	Yes	No	Financial constraints
	Dr. Pixley Ka Isaka Seme	No	No	No	Yes	Yes	Yes	No	No	No	GSDM has stopped the project due to financial constraints.
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emalahleni	No	No	No	No	No	No	No	No	No	Shortage of staff and budget constraints
NKANGALA	Emakhazeni	No	No	No	No	No	No	No	No	No	None
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No staff compliment
	Victor Khanye	No	No	No	No	No	No	Yes	Yes	Yes	None
	Dr. JS Moroka	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	None
	Thembisile Hani	No	No	No	No	No	No	No	No	No	Financial constraints.
	Nkangala	No	No	No	No	No	No	Yes	Yes	Yes	None

8 out of 21 municipalities did not have approved LED strategies and thus were not implementing LED. Reasons that are mostly provided are financial constraints. There is inadequate allocation of funding towards the development, review and implementation of LED strategies and plans.

d) Functionality of LED stakeholder forum

Table 52: municipalities with functional LED stakeholder forum (Source: Section 46 reports from municipalities)

Districts	Municipality	2010/11	2011/12	2012/13
EHLANZENI	Bushbuckridge	Yes	Yes	Yes
	Mbombela	Yes	No	No
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Umgjindi	Yes	Yes	Yes
	Ehlanzeni	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	No	Yes	Yes
	Dipaleseng	No	Yes	Yes
	Govan Mbeki	No	Yes	Yes
	Lekwa	No	No	Yes
	Mkhondo	No	Yes	Yes
	Msukaligwa	No	No	No
	Dr. Pixley Ka Isaka Seme	No	Yes	Yes
	Gert Sibande	No	No	No
NKANGALA DISTRICT	Emalahleni	No	No	No
	Emakhazeni	No	Yes	No
	Steve Tshwete	No	Yes	No
	Victor Khanye	No	Yes	Yes
	Dr. JS Moroka	No	No	No
	Thembisile Hani	No	No	No
	Nkangala	Yes	Yes	Yes

e) Plans to stimulate second economy

% of SMMEs supported

The following activities were undertaken to create opportunities for Small, Medium and Micro Enterprise by the unit in the 2012 / 2013 financial year:

Table 53: Indicate activities in support of SMME (Source: Section 46 reports from municipalities)

Activity	Outcome
Capacity building to SMME on basic business skills	40 SMME to be trained in Partnership with Small business Development Agency.
Mentoring	Signed MOU with SEDA to mentor a cooperative to run a bakery and confectionery.
Provision of a bakery facility to a cooperatives through SLP programme	The facility is 90% finished.
Provision of market stalls to informal trading	Signed commitment from private to build the market stalls.
funding for Cooperatives to establish a feedlot plant	Commitment from DTI to mobilise all its agents to fund and work with the cooperative.(SEDA)
Provide access for guards/washers administrators to use parking bays of the Municipality.	Signed contracts between the municipality and the administrators as per the carwash/car watchers by-law.

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

Table 54: Indicate No of employment opportunities created through EPWP and PPP (Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	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	-	-	1163	37%	25%	0,4%
	Mbombela	-	-	277	60%	25%	0
	Nkomazi	-	-	546	67%	57%	0
	Thaba Chweu	-	-	47	63%	34%	0
	Umjindi	-	-	243	59%	31%	0
	Ehlanzeni	-	-	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	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

2.3.2 Analysis of performance on LED and EPWP

a) Challenges in LED

- 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
- Municipalities do not have staff compliment to develop LED strategies
- None functioning of the Local Economic Development Forum
- Stakeholders not contributing financially to community projects as part of the Social Labour Plan

b) Challenges on EPWP

- 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

c) Recommendations

- All active projects creating jobs must be reported on time
- All Information on projects should be submitted with data reports by 20th every monthly

d) Support Interventions by National and Provincial government

- District commitment to support its constituent municipalities with the review of the LED strategy.
- LED officials placed on Skills development
- Appointment of relevant qualified personnel
- Incentive Grants to be fully utilized and DoRA reports submitted by 15th 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

2.4 Public Participation and Good Governance

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.

Objectives of the Public Participation and Good Governance

The strategic imperative is to support municipalities to strengthen their capacity for deliberative public participation through improved consultation, communication and feedback mechanisms.

Performance of municipalities on Public Participation and Good Governance

e) Functional of Ward Committees

Table 55: Indicate municipalities' functional ward committees (Source: Section 46 reports from municipalities)

DISTRICT	Municipality	2010/11		2011/12		2012/13	
		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	24	66%	34	95%	37	100%
	Umjindi	06	98%	07	100%	9	100%
	Nkomazi	29	98%	26	89%	31	94%
	Bushbuckridge	31	92%	30	92%	37	100%
	Thaba Chweu	04	33%	09	75%	09	75%
NKANGALA	Emakhazeni	07	97%	07	97%	8	100%
	Steve Tshwete	22	96%	22	96%	29	100%
	Dr J S Moroka	28	96%	26	89%	28	96%
	Emalahleni	27	86%	29	90%	15	44%
	Thembisile Hani	27	94%	25	92%	27	94%
	Victor Khanye	06	96%	06	96%	06	96%
GERT SIBANDE	Chief Albert Luthuli	16	88%	18	93%	16	88%
	Msukaligwa	10	87%	11	89%	10	87%
	Lekwa	09	65%	08	53%	09	65%
	Govan Mbeki	21	68%	21	68%	21	68%
	Dipaleseng	04	92%	03	50%	04	92%
	Mkhondo	08	53%	06	40%	08	53%
	Dr Pixley Ka Isaka Seme	07	64%	05	45%	07	64%
TOTAL		286	71%	293	73%	311	77%

f) Existence of an effective system of monitoring Community Development Workers (CDWs)

The Community Development Workers (CDWs) programme is a presidential project announced by President Mbeki in his State of the Nation Address in February 2003 and was launched in 2004. It involves the deployment of CDWs in 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.

g) Existence of an effective IGR strategy

Intergovernmental Relations Framework Act was promulgated in 2005 to provide a framework for National, Provincial and Local Government to promote and facilitate intergovernmental relations in order to achieve 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.

h) Effectiveness IGR structural meetings

Table 56: Indicate effectiveness of IGR structural meetings (Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					No. of meetings where quorum was not achieved		Code of conduct adopted (Council & 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 Forum	Council	Executive mayoral committee				
EHLANZENI	Bushbuckridge	No	No	Yes	8	8	7	3	2	None	None	Yes	No	Yes	None
	Mbombela	No	No	Yes	3	4	1	6	1	None	None	Yes	No	Yes	None
	Nkomazi	Yes	Yes	Yes	5	9	12	7	2	None	None	Yes	Yes	Yes	None
	Thaba Chweu	No	No	Yes	5	10	5	5	3	None	None	Yes	No	Yes	None
	Umgjindi	No	No	Yes	8	8	12	12	2	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	No	No	Yes	9	7	2	12	4	None	None	Yes	No	Yes	None
	Msukaligwa	No	No	Yes						None	None	Yes	No	Yes	None
	Dr Pixley Ka Isaka Seme	No	No	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
NKANGALA	Emalahleni	Yes	Yes	Yes	7	6	3	9	2	None	None	Yes	No	Yes	None
	Emakhazeni	No	No	Yes	9	11	11	22	2	None	None	Yes	No	Yes	None
	Steve Tshwete	Yes	Yes	Yes	10	11	9	12	4	None	None	Yes	No	Yes	None
	Victor Khanye	Yes	Yes	Yes	7	7	5	20	4	None	None	Yes	No	Yes	None
	Dr JS Moroka	No	No	Yes	4	10	4	20	3	None	None	Yes	No	Yes	None
	Thembisile Hani	No	No	Yes	9	8	4	12	4	None	None	Yes	No	Yes	None
	Nkangala District	Yes	Yes	Yes	12	10	5	12	4	None	None	Yes	No	Yes	None

2.4.1 Analysis of Performance on IGR Structure Meetings

Provincial analysis

- Six (06) out of 21 municipalities have reviewed and adopted their delegations register.
- All municipalities have defined the roles of committees and political office bearers.
- In all municipalities councils convene quarterly and special sittings as per legislative requirements.
- Mayoral, Section 79 and 80 Committees are sitting as per their schedule.

Challenges

- 15 municipalities had not reviewed the delegation registers as at June 2013.
- Though roles have been defined there are still challenges of committees and political bearers to effectively perform their duties.
- 7 out of 21 municipalities do not Section 80 Committees Frequent changing of Section 79 C chairpersons, especially MPAC chairperson

Recommendations

- To assist municipalities outstanding with reviewal of delegation registers.
- To advise municipalities on the importance of establishing Section 80 Committees as per the legislation.

i) FUNCTIONALITY OF IGR STRUCTURES

- The three (3) districts Ehlanzeni, Gert Sibande and Nkangala during the 2012/13 financial year had the following functional IGR Forums:
 - Mayors and Municipal Managers Forums;
 - IDP Representative Forums; and
 - IDP Technical, Clusters and Working Groups.
- Local municipalities also convene IGR structures in a form of IDP Representative Forums.

CHALLENGES

- There is non-adherence to meeting schedules and continuous postponement affects stakeholder participation.
- Functionality of the abovementioned IGR structures is affected by poor definition of the terms of reference for each structure.
- Inconsistent participation by all stakeholders (i.e. councillors, administration, sector departments and other external stakeholders) affects effectiveness of the structures.
- Too much delegation by stakeholders has an effect on decision making in these forums.

INTERVENTION

- Review of IGR structures Terms of References to ensure effective functioning of the structures.

RECOMMENDATIONS

- Development of a Provincial IGR Framework to encourage all stakeholder participation including national, provincial and local government structures including business forums, civic organization and so forth.
- Enforcement of code of conduct for internal to participate in IGR structures.

j) Communication strategy implemented

The Communication strategy is intended to address a lack of planning in the roll-out and intensification of information flow amongst stakeholders within the communication cycle, to improve consultation with relevant sector departments in the intergovernmental arena, ensuring that there is sufficient buy-in through the involvement of non-governmental organisations and civil society in municipal programme planning, evaluation and implementation and that there is constant collaboration with the private sector in injecting much needed technical and financial support to realize the vision of a responsive and accountable developmental local government system.

It focusses on identifying the most influential and important stakeholders whose powers and functions as well as influences are critical for improving the delivery of basic services to communities, changing the public image and mood with respect to the manner in which municipalities engage with, involve and respond to community needs and priorities, assist and contribute to the financial stability, playing oversight on and prudent management of public accounts, assisting municipalities in implementing differentiated systems on integrated planning, governance and administration as well as contribute to improving the internal and external municipal environments for economic growth and job creation.

In order to ensure that municipal programme and projects planning, evaluation and implementation becomes a success, the Department informs, consults, involves and collaborates with the Office of the Premier, SALGA, Provincial Treasury, Provincial House of Traditional Leaders and other provincial and national sector departments like Economic Development, Human Settlements, Water and Sanitation, Agriculture, Rural Development and Environmental Affairs, Public Works, Roads and Transport, Health, Safety and Security, Sports and Recreation, Social Development and Education. The Department also prioritizes the involvement of state-owned entities like ESKOM, NERSA, Kruger National Parks, MEGA and MTPA as well as private sector companies like the Chambers of Commerce, TSB, SAPPI, SASOL and Columbus in municipal integrated planning processes.

The success of any communication strategy is reliant on municipalities developing their own communication plans based on the provincial communication framework and policy that will focus on identifying, mobilizing and maintaining stakeholder engagement at a lower level. The municipal communication plan is meant to build and maintain good relations with stakeholders and ensuring that a healthy environment is created in which concerns of communities and other partners are responded to on time and sufficiently. In order to realize this strategic goal, municipalities are always encouraged to develop, maintain and update their own dedicated Websites, create other social media platforms and networks for continuous communication and allocate human and financial resources to facilitate and coordinate all communication efforts.

k) Internal Audit and Audit Committees within Municipalities 2012/13

Table 57: Indicate effectiveness of IGR structural meetings (Source: *Municipal status quo report 2012/13*)

Municipality	Internal Audit Unit: Own staff or outsourced? If own staff, how many? If outsourced, to whom?	Audit Committee: Own or shared with district? How many members?
Nkangala District	5	4 Members
Victor Khanye	1	4 Shared service
Emalahleni	4	5 members
Steve Tshwete	Outsourced PWC	Shared service
Emakhazeni	2	4 Shared service
Thembisile Hani	3	4 members
Dr JS Moroka	4	4 members
Gert Sibande District	3	4 members
Chief Albert Luthuli	3 + 1 Intern	4 members
Msukaligwa	3	4 members
Mkhondo	3	4 members
Dr. Pixley Ka Isaka Seme	2	3 members
Lekwa	3 + 2 interns	4 members
Dipaleseng	Outsourced – Sizwe Ntsaluba	3 members
Govan Mbeki	4	5 members
Ehlanzeni District	3 + 1 Intern	6 members
Thaba Chweu	2	6 Shared service
Mbombela	5	4 members
Umgjindi	2	4 members
Nkomazi	3	5 members
Bushbuckridge	5	3 members

l) Functional Audit Committees on performance information

Table 58: Indicate functional Audit Committees (Source: *Consolidated Municipal Report, April 2014: Provincial Treasury*)

Name of Municipality	Presentation of performance information to the Audit Committee	
	Y	N
Chief Albert Luthuli	Yes	
Msukaligwa	Yes	
Mkhondo	Yes	
Dr Pixley Ka Isaka Seme	Yes	
Lekwa	Yes	
Dipaleseng	Yes	
Govan Mbeki	Yes	
Gert Sibande District	Yes	
Victor Khanye	Yes	
Emalahleni	Yes	
Steve Tshwete	Yes	
Emakhazeni	Yes	
Thembisile Hani	Yes	
Dr JS Moroka	Yes	
Nkangala District	Yes	
Bushbuckridge	Yes	
Thaba Chweu	Yes	
Mbombela	Yes	
Umgjindi	Yes	
Nkomazi	Yes	
Ehlanzeni District	Yes	
Total	21	0

Challenges with Internal Audit Units and Audit Committees

Most municipalities Internal Units are not functional due to the following reasons:

- Internal Audit Units are being used to do Special Investigations and therefore does not have time to perform their Internal Audits;
- Internal Audit Units are under staffed;
- Some municipalities have Internal Audit Units with all positions filled, but still appoint service providers to perform their Internal Audits.
- Those Internal Audit units who are producing reports, recommendations are not getting implemented by management.

Most municipalities Audit Committees are not functional due to the following reasons:

- Audit committees are not reporting to Councils on a regular basis; and
- Audit committees do not oversee the implementation of Internal Audit recommendations.

Intervention

- Municipalities should do away with service providers if they do have fully staffed Internal Audit Units. If Internal Audit staff are not performing disciplinary processes should be followed;
- Internal Audit position should be filled timeously;
- Municipal Managers should refrain from giving Internal Audit Units Investigations to do if the main function of doing Internal Audits are not done;
- Audit Committees must report to Council at least once per quarter and report to Council whereas Internal Audit recommendations are not implemented.

m) Anti-Corruption prevention mechanisms implemented

Table 59: Anti-Corruption prevention plans implemented (Source: Section 46 reports from municipalities)

District	Municipality	2010/11			2011/12			2012/13		
		Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Have council adopted the Anti-corruption Plan	Anti-corruption Plan implemented
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	No	No	No	No	No	No	Yes	Yes	Yes
	Thaba Chweu	No	No	No	No	No	No	No	No	No
	Umjindi	No	No	No	No	No	No	Yes	No	No
	Ehlanzeni district	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	No	No	No	No	No	No	Yes	No	No
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	No	No	No	No	No	No	Yes	Yes	Yes
	Mkhondo	No	No	No	No	No	No	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	Gert Sibande	No	No	No	No	No	No	Yes	Yes	Yes
NKANGALA	Emalahleni	No	No	No	No	No	No	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	No	No	No	No	No	No	Yes	Yes	Yes
	Dr. JS Moroka	No	No	No	No	No	No	No	No	No
	Thembeisile Hani	No	No	No	No	No	No	Yes	Yes	Yes
	Nkangala district	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

2.4.2 Analysis of Performance on Public Participation and Good Governance

a) Challenges

- Lack of feedback mechanisms on issues raised by ward committees through ward councillors.
- Ward Councillors not convening ward meetings.
- Lack of community feedback by ward committees led by ward councillors.

b) Intervention

- Provincial monitoring of the implementation ward operational plans and the complaints management system.
- Support municipalities on the development of complaints management system to enhance community feedback.

2.4.3 Challenges on the development of Anti-Corruption Strategy

- All municipalities, except for Dr JS Moroka, have adopted their Anti-corruption Strategies;
- Municipalities are not reviewing their Anti-corruption Strategies annually to incorporate changes in the legislative framework within Local Government.

a) Intervention

- Continuous support to Dr JS Moroka to get their Anti-corruption Strategy adopted through Council and implemented;
- COGTA to support municipalities to review their Anti-corruption Policy annually.

b) Recommendations

- Dr. JS Moroka needs to be monitored continuously to ensure adoption of their strategy by their Council and the subsequent implementation thereof;
- Municipalities to review their Anti-corruption Policies annually to incorporate changes in the legislative framework within Local Government.

2.4.4 Traditional Leadership

a) Status of traditional leadership

In Mpumalanga there are 57 recognised senior traditional leaders and 2 kings whose new status were confirmed as of 2011/12 period and only 53 traditional councils were reconstituted whose 5- year term of office will expire in April 2013.

b) Challenges

Land invasion and inadequacies and lengthy judicious redress processes had rendered traditional council ineffective in dealing with the problem. The landlessness and boundary issues continue to plague a number of traditional councils and have also an impact on the spatial development of municipalities that share the same areas with traditional areas. There are traditional councils that operate without offices and this challenge is further compounded by the issue of landlessness.

c) Intervention

The Traditional council offices of Mpumalanga have found to be in a dilapidating state and a programme of renovation was embarked upon. By 2012 a total of 18 offices were renovated. The traditional areas were forming part of the un-surveyed areas and therefore traditional leaders were consulted on the process of surveying and were also clarified on the jurisdiction areas.

d) Participation of Traditional Leaders in Ward Committees

The Traditional leaders delegate people within the traditional community to participate in ward committee which serve to strengthen the governance in traditional communities and further enhance the good working relations between traditional councils and municipalities. In all the wards that fall within traditional areas there has been a noticeable representation of traditional leaders representation.

Traditional leaders from Gert Sibande and Ehlanzeni participate in municipal councils though its not satisfactory, in Nkangala participation has not taken place due to concerns raised by traditional leaders that they dont see themselves adding value to the municipal council processes, ie the majority party caucus before the meeting and their caucus decision stand in the council sitting.

e) Cultural development

All 59 traditional leaders and kings conduct their annual cultural ceremonies and receive support from the province through grants for cultural events. These events serve as an annual meeting of the senior traditional leader and the entire traditional community.

2.5 Municipal Financial viability and Management

The objectives of the KPA and reflect performance of the 23 District municipalities which were identified by Cabinet Lekgotla in July 2011.

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 20012/13 financial statements.

- Financial viability data is based on the 20011/12 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 2013.
- 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.

2.5.1 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.

2.5.2 Performance of municipalities on financial viability and management

f) Status of the audit outcome

Table 60: indicate municipalities audit outcomes (Source: Section 46 reports from municipalities)

Districts	Municipality	Audit Opinion 2010/11				Audit Opinion 2011/12				Audit Opinion 2012/13			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge		Yes					Yes				Yes	
	Mbombela	Yes				Yes				Yes			
	Nkomazi		Yes					Yes			Yes		
	Thaba Chweu			Yes				Yes				Yes	
	Umjindi			Yes			Yes				Yes		
	Ehlanzeni district	Yes				Yes				Yes			
GERT SIBANDE	Chief Albert Luthuli			Yes			Yes					Yes	
	Dipaleseng		Yes			Yes					Yes		
	Govan Mbeki	Yes					Yes				Yes		
	Lekwa			Yes				Yes			Yes		
	Mkhondo			Yes				Yes				Yes	
	Msukaligwa	Yes						Yes				Yes	
	Dr. Pixley Ka Isaka Seme			Yes			Yes				Yes		
	Gert Sibande	Yes				Yes					Yes		
NKANGALA	Emalahleni		Yes					Yes				Yes	
	Emakhazeni	Yes					Yes				Yes		
	Steve Tshwete	Yes				Yes				Yes			
	Victor Khanye	Yes				Yes					Yes		
	Dr. JS Moroka			Yes			Yes				Yes		
	Thembisile Hani	Yes					Yes				Yes		
	Nkangala district	Yes				Yes				Yes			

Analysis on the Audit Outcome

The status of compliance with legislation in municipalities has regressed as from 2010/11, 81% (17 municipalities) that were with findings of non-compliance.

- Six (6) municipalities received a disclaimer (Emalahleni, Msukaligwa, Chief Albert Luthuli, Mkhondo, Bushbuckridge and Thaba Chweu);
- Two (2) municipalities regressed from qualifications to disclaimers (Chief Albert Luthuli and Mkhondo) and Two (2) municipalities regressed from unqualified with matters to a qualified audit (Victor Khanye and Dipaleseng);
- Eleven (11) municipalities received a qualification;
- Two (2) municipalities received unqualified with matters (Mbombela municipality and Nkangala District); and
- Two (2) municipalities received a clean audit (Ehlanzeni District and Steve Tshwete municipality).

Challenges identified affecting the audit outcomes:

- Availability of Performance Management System and lack of ongoing monitoring and supervision;
- Competencies of key personnel (CFO) and vacant key positions (Municipal Managers and CFOs);
- Compliance with laws and regulations not reviewed;
- HR policies and procedures were inadequate to ensure that only skilled and competent personnel were recruited;
- Non-current assets not fully accounted for in terms of GRAP 17;
- Unauthorized, irregular and fruitless and wasteful expenditure;
- Inadequate controls over daily and monthly processing and reconciliation of transactions;
- Lack of regular, accurate and complete financial reports;
- Inadequate record keeping and risk assessment; and
- Ineffective audit committees and management failed to implement internal audit recommendations.

Intervention

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

Recommendations

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

g) Percentage of Capital budget expenditure

Table 61: indicate % of municipal Capital Budget Expenditure (Source: Section 46 reports from municipalities)

Districts	Municipality	2010/11 R'000				2011/12 R'000				2012/13 R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	439 071	441 381	258 833	59	681 258 258 00	474 258	253 078	53	510 808	443 668	167 243	55
	Mbombela	656 281	700 270	393 760	56	640 400	535 595	253 078	47	541 568	523 096	70 610	13
	Nkomazi	176 675	176 675	84 840	48	155 896	174 764	152 168	87	185 547	188 896	128 712	68
	Thaba Chweu	21 083	21 083	19 169	91	25 356	25 356	2 709	11	32 477	32 477	20 789	64
	Umgindi	42 458	52 309	36 173	69	49 851	49 851	41 137	83	43 117	43 117	35 082	81
	EHLANZENI	1 335 568	1 391 718	792 775	57	155 761	1 259 824	702 170	56	1 313 517	1 231 253	422 436	34
GERT SIBANDE	Chief Albert Luthuli	126 765	213 564	13 422	6	126 765	213 564	13 422	6	132 916	101 719	126 540	124
	Dipaleseng	32 517	32 517	24 501	75	32 517	32 517	24 501	75	43 091	43 091	10 873	25
	Govan Mbeki	124 404	150 476	83 132	55	124 404	150 476	83 132	55	261 809	249 932	126 898	51
	Lekwa	44 066	75 747	44 990	59	44 066	75 747	44 990	59	56 847	51 558	36 066	70
	Mkhondo	61 287	61 342	50 865	83	61 287	61 342	50 865	83	96 747	96 213	61 533	64
	Msukaligwa	83 967	83 967	75 070	89	83 967	83 967	75 070	89	81 863	91 442	35 344	39
	Dr. Pixley Ka Isaka Seme	50 172	50 172	24 278	48	50 172	50 172	24 278	48	32 237	38 966	27 715	71
	GERT SIBANDE	479 204	433 660	294 306	68	523 178	667 785	316 258	47	705 510	672 921	424 969	63
NKANGALA	Emalahleni	226 574	230 704	136 463	59	212 031	213 960	115 445	54	175 921	252 812	97 295	38
	Emakhazeni	13 748	14 417	8 334	58	13 131	13 704	7 728	56	17 582	18 742	13 385	71
	Steve Tshwete	288 428	437 553	257 568	59	208 480	364 067	193 770	53	195 689	292 734	184 301	63
	Victor Khanye	38 203	38 203	26 585	70	36 567	36 567	34 006	93	58 444	58 444	27 269	47
	Dr. JS Moroka	168 000	169 350	148 031	87	214 900	174 070	94 536	54	143 487	169 131	74 314	44
	Thembisile Hani	74 088	75 239	69 880	93	93 620	126 487	81 646	65	124 822	147 231	139 252	95
	NKANGALA	809 041	965 466	646 861	67	778 729	928 855	527 131	57	715 944	939 094	535 816	60
Provincial	TOTALS	2 323 813	2 790 844	1 733 689	62	2 854 668	2 856 464	1 545 559	54	2 734 971	2 843 268	1 383 220	52

Provincial Analysis

Challenges identified on municipal capital budget expenditure are:

- There is poor municipal performance on capital budget spending.
- The ability to plan for projects remains the critical challenge that affect capital budget under spending.
- The delay in the supply chain management process further contributes to the slow spending of the Municipal Infrastructure Grants.
- Utilization of grant funding 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.

h) Total municipal own revenue as a percentage of the actual budget

Table 62: indicate total municipal own revenue as % of actual budget (Source: Section 46 reports from municipalities)

Districts	Municipality	2010-2011					2011-2012 R'000					2012-2013 R'000				
		Budget	Adjustment Budget	Actual Expenditure	%		Budget	Adjustment Budget	Actual Expenditure	%		Budget	Adjustment Budget	Actual Expenditure	%	
Tlhanzeni	Bushbuckridge	81 015 600	933 166 892	765 362 718	82%		1 154 548	970 030	404 145	42%		605179	778855	823799	106%	
	Mbombela	1 206 360 601	1 505 890 215	1 257 531 059	84%		1 607 257	1 599 731	1 419 960	89%		1759289	1816945	1652339	91%	
	Nkomazi	340 519 123	340 519 123	324 029 000	95%		376 114	374 556	343 748	92%		461647	438436	416747	95%	
	Thaba Chweu	269 288 107	156 628 165	229 963 618	147%		276 668	276 668	194 283	70%		253607	315296	297198	94%	
	Umjindi	156 628 165	156 628 165	156 988 029	100%		210 967	210 967	148 035	70%		234076	211422	185047	88%	
Total	Ehlanzeni DM	192 781 000	192 781 000	185 900 000	96%		176 572	176 572	128 619	73%		184684	186884	180380	97%	
		2 246 592 596	285 613 560	2 919 774 424	89%		3 802 126	3 608 524	2 638 790	73%		3498482	3747838	3555510	95%	
Gert Sibande	Chief Albert Luthuli	211 120 317	195 841 000	190 421 369	97%		222 471	228 935		0%		246744	234647	294281	125%	
	Dipaleseng	88 527 000	101 148 000	116 457 290	115%		114 960	114 960	110 868	96%		156720	156720	201617	129%	
	Govan Mbeki	945 878 000	951 130 000	973 960 000	102%		1 065 098	1 055 979	1 191 319	113%		1179014	1219829	1340854	110%	
	Lekwa	391 487 000	391 487 000	292 745 000	75%		378 440	377 127	321 002	85%		417686	417686	380606	91%	
	Mkhondo	20 726 000	20 726 000	19 253 000	93%		236 289	250 369	211 232	84%		278309	268456	248381	93%	
	Msukaligwa	340 244 205	340 244 205	317 741 258	93%		369 988	447 516	411 388	92%		459076	422018	421911	100%	
	Dr Pixley Ka Isaka Seme	166 423 920	162 046 078	144 605 953	89%		202 564	182 543	162 778	89%		196481	187462	199047	106%	
	Gert Sibande	28 671 000	290 019 000	283 500 000	98%		300 226	304 986	285 524	94%		359503	328127	285328	87%	
		2 193 077 442	2 452 641 283	2 338 683 870	95%		2 890 036	2 962 415	2 694 111	91%		3293533	3234945	3372025	104%	
	Total	1 235 325 783	1 235 325 783	1 239 881 593	100%		1 440 188	1 440 485	1 358 731	94%		1595762	1595762	1433631	90%	
Nkangala	Emalahleni	128 494 000	128 494 000	95 006 000	74%		161 638	171 447	133 811	78%		157720	164013	160664	98%	
	Steve Tshwete	711 671 236	709 684 491	722 328 617	102%		851 780	847 347	844 921	100%		967102	975646	975448	100%	
	Victor Khanye	187 541 770	199 867 684	224 589 683	112%		218 829	218 829	224 436	103%		260114	266098	249621	94%	
	Dr. JS Moroka	273 004 156	275 365 960	365 318 137	133%		299 876	410 627	372 725	91%		402387	462720	392778	85%	
	Thembisile Hani	230 149 000	204 941 500	241 322 403	118%		222 887	381 798	214 394	56%		325552	389169	276970	71%	
Total	Nkangala DM	305 420 000	305 759 000	303 940 000	99%		325 207	325 434	315 456	97%		328204	324963	346338	107%	
		3 071 605 945	3 059 438 418	3 192 386 433	104%		3 520 405	3 795 967	3 464 474	91%		4036841	4178371	3835450	92%	
TOTAL INCOME AGAINST BUDGET		7 511 275 983	8 797 693 261	8 450 844 727	96%		10 212 567	10 366 906	8 797 375	85%		10828856	11161154	10762985	96%	

Provincial Analysis

- The overall cumulative revenue generated by municipalities within the province as at June 2013 amounted to R10,762 billion (96%) against the adjustment budget of R11,161billion respectively for the period under review
- In June 2012: The overall cumulative revenue recovered by municipalities within the province amounted to R 8,797billion or 85 against the adjustment budget of R 10.3billion respectively. In general there are indications when compared July 2012 and 2013 the spending rate is positive. But the operating revenue was under pressure at Gert Sibande District in three local municipalities which indicates an over expenditure of 104%in average.

Challenges

- Slow procurement process and poor planning.

Recommendations

The Provincial Supply Chain unit to provide support on contract management and SCM matters.

Interventions

- Constant monitoring by COGTA and PT.

i) % Rate of municipal debt reduction

Table 63: indicate % rate of municipal debt reduction (Source: Section 46 reports from municipalities)

Districts	Municipality	2010-2011 R'000						2011-2012 R'000						2012-2013 R'000						Increase in debts
		Water & Electricity	Sewerage & Refuse	Housing	Rates & Other	Total debts	Reduction or increase in debts	Water & Electricity	Sewerage & Refuse	Housing	Rates&Other	Total debts	Reduction or increase in debts	Water & Electricity	Sewerage & Refuse	Rates & Other	Total debts			
Ehlanzeni	Bushbuckridge	69 103	24 055	-	316 932	410 090	65%	280 685	171 275	2 601	237 352	691 913	41%	119021	37480	841132	997 633	31%		
	Mbombela	67 196	78 216	97 553	115 474	164 749	-32%	74 742	88 674	113 805	117 763	277 221	41%	82044	79625	270104	431 773	36%		
	Nkomazi	10 911	1 980	-	24 172	37 063	19%	10 077	1 897	-	30 351	42 325	12%	10130	10370	50795	71 295	41%		
	Thaba Chweu	48 087	9 284	-	12 567	69 938	-50%	46 555	11 592		94 768	152 915	54%	45048		41510	86 558	-77%		
	Umgindi	16 267	4 635		33 222	54 124	23%	19 568	14 563		30 242	64 373	16%	24665	19719	31404	75 788	15%		
	Ehlanzeni				119 774	119 774	62%				121 521	121 521	1%	0	0	0		0%		
Total		211 564	1 980	97 553	506 667	855 738	32%	431 627	288 001	116 406	514 234	1 350 268	37%	280 908	147 194	1 234 945	1 663 047	19%		
Gert Sibande	Chief Albert Luthuli	14 831	-		193 650	208 481	18%	18 137			228 632	246 769	16%	21091	68944	197904	287 939	14%		
	Dipaleseng	34 393	50 112		71 199	155 704	20%	54 637	61 387		89 505	205 529	24%			237583	237 583	13%		
	Govan Mbeki	250 093	164 617		124 377	539 087	20%	269 615	183 386		151 644	604 645	11%	321355	212769	154778	688 902	12%		
	Lekwa	77 199	62 764		155 301	295 264	9%	103 127	67 445		147 970	318 542	7%	98062	58740	167125	323 927	2%		
	Mkhondo	21 276	21 360		17 047	59 683	1316%	29 929	25 952		32 382	88 263	32%		107976		107 976	18%		
	Msukaligwa	98 511			105 383	203 894	20%	100 864	85 739		59 595	246 198	17%	97330	69329	118804	285 463	14%		
Total	Dr Pixley Ka Isaka Seme	39 666	27 885		25 420	92 971	20%	43 125	39 010	27 120	16 260	125 515	26%	57852		87928	145 780	14%		
	Gert Sibande				13 056	13 056	36%	-					0%			3263	3263	100%		
Nkangala	Emalahleni	307 779	135 152	105 636	49 083	597 650	24%	446 026	170 686		69 031	685 743	13%	540779	198182	222539	961 500	29%		
	Emakhazeni	-	-	-	77 706	77 706	21%	25 267	23 343	-	38 814	87 424	11%	26090	24237	49018	99 345	12%		
	Steve Tshwete	22 465	63 645	182	33 097	119 389	55%	25 893	7 559	291	36 783	70 526	-69%	24665	8010	35590	68 265	-3%		
	Victor Khanye	97 713	23 635	-	131 495	155 130	-37%	95 849	21 260	-	43 513	160 622	3%	99976	22651	140958	263 585	39%		
	Dr. JS Moroka	41 652	22 424	-	33 211	97 287	20%	38 814	23 818	-	41 206	103 838	6%	47024	29480	77682	154 186	33%		
	Thembisile Hani	-	-	-	126 117	126 117	25%	79 544	19 215	-	74 527	173 286	27%	103807	22863	97081	223 751	23%		
Total	Nkangala DM										139 153	139 153	100%	-		18713	18 713	644%		
		371 896	244 856	105 818	450 709	1 173 279	18%	711 393	265 881	291	443 027	1 420 592	17%	842341	305423		1 789 345	21%		
Total Debts		1 119 429	1 980	203 371	1 662 809	3 597 157	-1%	1 762 454	1 016 801	143 817	1 683 249	4 606 321	22%	1 718 939	862 399	2 951 887	5 533 225	17%		

Provincial Analysis

- The total outstanding debt for municipalities in Mpumalanga province amounted to R5.5Billion as at June 2013 and R4.6Billion as at June 2012 which indicates a total increase of R926Million or 17%. In generally there in no reduction in Municipal Debts.
- In terms of the Debt Per Income Source for 2013 against 2012 financial year, the highest contributor is Property Rates and other at R2.9billion increase by R1,3billion or 43% followed by Water and Electricity at R1.7billion Decrease by R43Million or -3% , Sewer and Refuse Removal at R862M Decrease by R-154M -15%
- The highest contributor to the total outstanding debt was Gert Sibande at R2, billion increase by R245Mor 12% followed by Nkangala R.1.7billion increased by R368Mor 21% and Ehlanzeni at 1.7billion increased by 312Million or 19%.

Challenges

- Incorrect data and inaccurate billing;
- Data cleansing;
- Lack credit control and debt collection policies and by-laws;
- Unregistered properties;
- Customer affordability;
- Non-compliance with law; and
- Illegal connections/tampering.

Recommendation

1. Accurate billing, timeous and understandable;
2. Linkage of valuation roll with billing system;
3. Update property database;
4. Community consultations; and
5. Physical inspection of properties where services are terminated.

Intervention

- COGTA Support Municipalities to review and implement the revenue enhancement strategies.

j) Coordinated payment made to Municipalities by sector departments as at Jan 2011- March 2014

Table 64: Coordinated payments made to municipalities by sector departments

Municipalities	2011-2012	2012-2013	2013-2014
	Jan-March 2012	April-March 2013	April 2013- March 2014
Gert Sibande DC	21 171 697.66	43 809 360	62 890 892
Chief Albert Luthuli	2 546 240.56	6 667 749	6 137 894
Msukaligwa	3 036 162.95	8 639 750	13 161 417
Mkhondo	2 635 867.76	1 720 692	9 606 114
Pixley Isaka Seme	1 904 420.41	3 867 965	3 655 101
Lekwa	6 925 058.52	8 131 564	8 120 743
Dipaleseng	530 755.32	124 325	2 905 250
Govan Mbeki	3 593 192.14	14 657 316	18 136 031
Nkangala DC	21 914 545.52	35 366 469	57 895 531
Steve Tshwete	7 226 078.89	10 255 025	25 105 033
Victor Khanye	5 348 521.85	7 241 578	2 254 541
Emalahleni	6 620 620.43	8 449 706	19 450 437
Thembisile Hani	385 374.52	1 270 491	1 770 390
Dr JS Moroka	187 953.81	662 813	1 792 648
Emakhazeni	2 145 996.02	7 486 857	7 522 481
Ehlanzeni DC	66 405 667.31	85 885 816	119 248 737
Bushbuckridge	18 322 592.00	10 506 384	33 071 322
Mbombela	37 020 518.56	54 655 593	59 610 431
Nkomazi	4 754 958.59	5 304 746	9 706 144
Umgjindi	5 421 352.05	10 250 890	10 375 175
Thaba Chweu	886 246.11	5 168 202	6 485 664
TOTAL	109 491 910.49	165 061 645	240 035 160

Payments recorded by municipalities for the 2013/14 financial period amounts to R240 million for the period under review. This reflects an increase of R164 821 610 from the previous financial year – 31, 4% increase.

The total outstanding debt for municipalities in Mpumalanga Province amounts to R6.5 billion as at March 2014 which indicates a total decrease of **R300 million (5%)**.

- In terms of the debtor type the highest contributor is residential at R4, 2 billion or 68% followed by Government debts at R869 million or 14%, businesses at R691 million or 11%, and their debtors at R476 million or 8%.
- The highest contributor to the total outstanding debt was Gert Sibande at R2, 3 billion or 37% followed by Nkangala R2.2 billion or 35% and Ehlanzeni at 1.7billion or 28%.
- It should be noted that the highest contributor for Govt. debts is Bushbuckridge municipality due to unverified debts.

Challenges

The following are the contributing factor to outstanding government debt:

- Municipalities send invoices to incorrect responsible departments.
- The bulk of the outstanding amount is in relation to schools, which are receiving an operational budget to this effect.
- Payments done to municipalities end up in unallocated revenue accounts as result of bulk payments, which made it difficult for municipalities to allocate revenue to individual accounts.
- Unverified state properties results to bulk outstanding property rates debt.
- Unverified opening balances remain unpaid.

Intervention

- The Department collected outstanding invoices from municipalities and submits to relevant department. Further engagements are done with sector departments for payments of outstanding accounts on a monthly basis.
- Assist municipalities to allocate payments to correct individual accounts.
- Assisted municipalities with tariff policies and tariff setting to avoid incorrect billing.

k) % Municipal Infrastructure Grant budget approximately spent

Table 65: indicate total municipal own revenue as % of actual budget (Source: Section 46 reports from municipalities)

Districts	Municipality	2010/11			2011/12			2012/13		
		Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent
EHLANZENI	Bushbuckridge	194.27	180.41	93%	235.8	185.46	79%	286.08	190.45	67%
	Mbombela	127.09	84.77	67%	155.03	110.96	71.5%	188.06	150.09	79%
	Nkomazi	91.48	74.85	82%	112.21	106.94	95%	136.12	67.99	50%
	Thaba Chweu	22.19	15.42	69%	26.69	26.59	100%			
	Umjindi	18.63	14.55	78%	22.40	22.40	100%	28.0	23.6	84.3%
	Ehlanzeni	5.44	5.44	100%	552.17	444.62	81%			
GERT SIBANDE	Chief Albert Luthuli	52.94	51.78	98%	63.67	63.67	100%	77.23	77.23	100%
	Dipaleseng	14.87	13.75	93%	17.88	14.85	83%	21.69	9.93	46%
	Govan Mbeki	95.99	-	100%	75.75	65.46	86%	91.89	100%	100%
	Lekwa	29.83	17.25	58%	35.88	25.26	70%	43.52	31.85	59%
	Mkhondo	40.49	15.52	38%	48.70	35.03	72%	-	-	-
	Msukaligwa	27.67	12.23	44%	33.28	29.56	89%	57,377	40,33	70%
	Dr. Pixley Ka Isaka Seme	22.10	22.10	100%	26.58	21.56	81%	38.86	32.60	84%
	Gert Sibande	250.89	207.17	82%	301.75	255.39	85%			
NKANGALA	Emalahleni	64.96	64.96	86%	78.12	47.20	60%	94.76	85.62	90.4%
	Emakhazeni	-	-	-	13.13	13.13	97%	15.92	14.65	92%
	Steve Tshwete	25.74	25.74	100%	29.719	29.719	100%	37.72	37.60	99.7%
	Victor Khanye	17.06	17.06	100%	20.52	20.52	100%	24.89	24.89	100%
	Dr. JS Moroka	75.93	75.93	80%	91.32	57.47	63%	-	-	-
	Thembisile Hani	74.09	74.09	88%	89.11	68.15	76%	108.0	108.0	100%
	Nkangala	297.70	228.58	76%	323.17	236.87	73%			

- Poor Municipal Infrastructure Grant (MIG) performance by Water Service Authorities;
- Poor planning leading to bad infrastructure development and implementation;
- Slow municipal procurement processes delays the appointment of service providers;
- Lack of capacity by municipalities to implement infrastructure projects;
- Insufficient funding to eradicate the backlogs;
- Maintenance is a major challenge as a result of not having asset management plan;
- Ageing water infrastructure leading to continuous pipe bursts;
- Illegal water and electricity connections;
- Lack of Operation and maintenance budget; and
- Current focus is on delivery and not on Operation and Maintenance.

Provincial Interventions

- A provincial master plan was developed which clearly shows a bulk shortages and the immediate interventions required;
- COGTA coordinated the development of O&M plans funded from the municipal budget; These however were proven to be a serious challenge as there was no sufficient funding available;
- MISA and LGTAS programmes were coordinated provincially through COGTA in deploying the necessary capacities and resources to support municipalities;
- An analysis of IDPs were done to determine communities needs in order to assess whether protest issues have been addressed; and
- State programmes were channelled to address these community needs.

I) % Municipal Systems Improvement Grant spent as of total MSIG budget

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

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

Table 66: indicate % spent on total MISG budget per municipality (Source: Section 46 reports from municipalities)

Name of municipality	Allocation 2012/13	Expenditure 2012/13	Balance	Percentage
Ehlanzeni district	R1 000 000	R1 000 000	R0	100%
Bushbuckridge	R800 00	R800 00	R0	100%
Mbombela	R800 00	R800 00	R0	100%
Nkomazi	R800 00	R800 00	R0	100%
Thaba Chweu	R800 00	R800 00	R0	100%
Umjindi	R800 00	R800 00	R0	100%
TOTAL	R5 000 000	R5 000 000	R0	100%
Gert Sibande District	R1 000 000	R1 000 000	R0	100%
Chief Albert Luthuli	R800 00	R800 00	R0	100%
Dipaleseng	R800 00	R800 00	R0	100%
Govan Mbeki	R800 00	R800 00	R0	100%
Lekwa	R800 00	R800 00	R0	100%
Mkhondo	R800 00	R800 00	R0	100%
Msukaligwa	R800 000	R800 000	R0	100%
Dr. Pixley Ka Isaka Seme	R800 00	R800 00	R0	100%
TOTAL	R6 600 000	R6 600 000	R0	100%
Nkangala district	R1 000 000	R1 000 000	R0	100%
Emalahleni	R800 00	R800 00	R0	100%
Emakhazeni	R800 00	R800 00	R0	100%
Steve Tshwete	R800 00	R800 00	R0	100%
Victor Khanye	R800 00	R800 00	R0	100%
Dr. JS Moroka	R800 00	R800 00	R0	100%
Thembisile Hani	R800 00	R800 00	R0	100%
TOTAL	R 5800 000	R 5800 000	R0	100%

m) Submission of Annual Financial Statements for 2012/13 Financial Year

Table 67: Submission of AFS for 2012/13 FY (PT Consolidated Municipal Report: 2014)

Name of Municipality	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality
	Y	N	
Chief Albert Luthuli	Yes		31/08/2013
Msukaligwa	Yes		31/08/2013
Mkhondo	Yes		31/08/2013
Dr. Pixley Ka Isaka Seme	Yes		31/08/2013
Lekwa	Yes		31/08/2013
Dipaleseng	Yes		31/08/2013
Govan Mbeki	Yes		31/08/2013
Gert Sibande District	Yes		31/08/2013
Victor Khanye	Yes		31/08/2013
Emalahleni	Yes		31/08/2013
Steve Tshwete	Yes		31/08/2013
Emakhazeni	Yes		31/08/2013
Thembisile Hani	Yes		31/08/2013
Dr. JS Moroka	Yes		31/08/2013
Nkangala District	Yes		31/08/2013
Bushbuckridge	Yes		31/08/2013
Thaba Chweu	Yes		31/08/2013
Mbombela	Yes		30/08/2013
Umgjindi	Yes		31/08/2013
Nkomazi	Yes		31/08/2013
Ehlanzeni District	Yes		31/08/2013
Total	21	0	

All 21 municipalities concluded and submitted their 2012/13 AFS to the Auditor General on 31 August 2013.

n) Use of consultants to prepare AFS

Table 68: Indicate municipalities that utilized consultants to prepare AFS (PT Consolidated Municipal Report: 2014)

Name of Municipality	Did the municipality use a consultant to compile AFS?		CFO appointed	
	Yes	No	Yes	Acting
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes			Acting
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes			Acting
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District		No		Acting
Victor Khanye	Yes			Acting
Emalahleni		No	Yes	
Steve Tshwete		No	Yes	
Emakhazeni	Yes			Acting
Thembisile Hani		No	Yes	
Dr.JS Moroka	Yes		Yes	
Nkangala District		No	Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes			Acting
Mbombela		No		Acting
Umgindi		No	Yes	
Nkomazi		No	Yes	
Ehlanzeni District		No	Yes	
Total	12	9	14	7

12 out of 21 municipalities utilized consultants to prepare the 2012/13 AFS. Whilst 14 municipalities have appointed CFOs and 7 have acting CFOs.

2.5.3 Analysis on the preparation and submission of AFS

All municipalities in the province have submitted their 2012/13 AFS by 31 August 2013. The following municipalities have utilised consultants to compile the 2012/13 AFS: Chief Albert Luthuli, Msukaligwa, Mkhondo, Dr Pixley Ka Isaka Seme, Lekwa, Dipaleseng, Govan Mbeki, Victor Khanye, Emakhazeni, Dr JS Moroka, Bushbuckridge, Thaba Chweu and Umgindi local municipalities.

The AFS for Emalahleni Municipality were prepared in-house and according to AG it was not satisfactory. The municipality appointed a service provider to adjust their AFS to comply with GRAP standards during the audit which were submitted to AG towards the end of the audit. AG by law considers the first submission as a legal submission.

Nkangala district only have financial capacity to assist local municipalities as the district CFO's are also performing the same duties at the district level before and after the audit period. Work completed in districts is different from that of the local municipalities hence it might be seen that districts are performing well due to different requirements.

Nkomazi municipality has appointed a person with a firm background on GRAP standards and preparation of annual financial statements. The municipality also started with the interim financial statements when there were introduced to municipalities two years ago which assisted them to be able to prepare their own AFS. Consultants used were only assisting on the preparation of the asset register.

In general, consultants are usually appointed at the end of the financial year when a number of errors might have been added throughout the year and thus consultants cannot add value towards attainment of clean audit.

o) Timely submission of the Annual Report for the 2012/13 Financial Year

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

Table 69: Submission of the 2012/13 Annual Report (*Provincial Treasury Consolidated Municipal Report: 2014*)

Name of Municipality	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2013?	
	Y	N
Chief Albert Luthuli	Yes	
Msukaligwa	Yes	
Mkhondo	Yes	
Dr. Pixley Ka Isaka Seme	Yes	
Lekwa	Yes	
Dipaleseng	Yes	
Govan Mbeki	Yes	
Gert Sibande District	Yes	
Victor Khanye	Yes	
Emalahleni	Yes	
Steve Tshwete	Yes	
Emakhazeni	Yes	
Thembisile Hani	Yes	
Dr. JS Moroka	Yes	
Nkangala District	Yes	
Bushbuckridge	Yes	
Thaba Chweu	Yes	
Mbombela	Yes	
Umjindi		No
Nkomazi	Yes	
Ehlanzeni District	Yes	
Total	21	1

All municipalities in the province except for Mbombela local municipality submitted the draft Annual Report for 2012/13 together with the AFS to AG by 31 August 2013. Mbombela reported to National Treasury that the annual report will be tabled to Council in January 2014.

ANALYSIS OF OVERALL AUDIT OUTCOMES FOR THE PAST THREE (3) YEARS (2010-2013):

The Audit General report on the audit outcome 2012/13 raises the following questions for performance analysis;

- What is the status and progress of audit outcome of Local Government in the province
- What are the risks areas that should be focused on
- What assurance did the role players provide and what vital actions and interactions should take place

Table 70: Performance analysis of the 21 auditees reported on 2012/13 FY (Source: AG 2012/13 Audit Outcomes)

	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings
Improved			Lekwa and Nkomazi	
Unchanged	Ehlanzeni District, and Steve Tswete	Mbombela, Gert Sibande, and Nkangala	Chief Albert Luthuli, DR JS Moroka, Emakhazeni, Govern Mbeki, Dr. Pixley Ka Isaka Seme, Thembisile Hani and Umjindi	Bushbuckridge, Emalahleni, Msukaligwa, and Thaba Chweu.
Regressed			Dipaleseng, and Victor Khanye	Mkhondo
Total auditees reported in	2	3	11	5

Status of compliance with legislation over the past three (3) years

- In 2010/11 financial year 17 (81%) out of 21 municipalities were with findings and only 4 (19%) were without findings or complied with legislation;
- In 2011/12 financial year 18 (86%) out of 21 municipalities were with finding and only 3 (14%) were without findings; and
- In 2012/13 financial year 19 (90%) out of 21 municipalities were with findings and only 2 (10%) were without finding.

Areas which were highlighted to receive urgent attention by municipalities

- Procurement management I 18 (86%) municipalities;
- Material misstatement or limitations in AFS in 17 (81%) municipalities;
- Expenditure management in 16 (76%) municipalities;
- Strategic planning and performance management in 15 (75%) municipalities;
- Asset management in 13 (62%) municipalities;
- Human Resource Management in 12 (57%) municipalities; and
- Consequence management in 12 (57%) municipalities.

Quality of Annual Performance Reports as submitted over the three (3) financial years

- In 2010/11 financial year 14 (67%) municipalities were with finding and 7 (33%) of municipalities that were without findings or their annual performance reports were of required quality;
- In 2011/12 financial year 17 (79%) municipalities were with findings and 4 (19%) of municipalities annual performance reports were without findings; and
- In 2012/13 financial year 17 (81%) municipalities were with findings and (19%) of municipalities annual performance reports were without findings.

Significant findings on Annual Performance Reports over the past two (2) financial years

- In 2011/12 financial year, only 1 (5%) municipal finding of an Annual Performance Report did not submit or was a late submission;
- Thirteen (62%) municipal Annual Performance Reports information was not useful and not reliable;
- Three (14%) municipal Annual Performance Reports information were not useful; and
- Only 4 (19%) municipal Annual Performance Reports information were with no findings.

During 2012/13 financial year, the following were the findings;

- Seventeen (81%) municipal Annual Performance Reports information was not useful and not reliable; and
- Four (19%) municipal Annual Performance Reports information were without findings.

Risk areas to receive attention from municipalities

- **Supply Chain Management** - 86% of auditees were with material findings and 14% were with findings;
- **Quality of performance reports** - 81% of auditees were with material findings and 19% were with no findings;
- **Human Resource Management** - 62% of auditees were with material findings, 33% were without finds and 5% with findings;
- **Quality of submitted financial statements** - 81% of auditees were with findings and 19% were with no findings;
- **Information technology controls** - 57% of auditees were with material findings and 43% were with findings; and
- **Financial health** - 66% of auditees were with findings, 24% with material findings and 10% with no findings.

Quality of submitted financial statements

5% of auditees avoided qualified audit opinions because they corrected significant AFS errors or omissions during the audit process.

Status of IT controls

- The improvement on the IT governance is due to the design of the IT governance framework that will be implemented over the next three years;
- Improvement was noted at some municipalities on security management and IT service continuity controls from 2011/12 to 2012/13;
- Little/stagnant progress had been made on the design and implementation of controls regarding user access management; and
- At some municipalities' security management and IT service continuity controls were embedded and functioning effectively.

IT Audit findings

- All 21(100%) municipalities implemented IT controls;
- On security management, 16 (76%) municipal IT controls were to be designed, 3 (14%) municipalities were to be implemented and 2 (10%) municipal IT control were embedded and functioning well;
- On user access management, 16 (76%) municipal IT controls were to be designed and 5 (24%) municipal IT controls were embedded and functioning effectively; and
- IT service continuity, 17 (81%) municipal IT controls were to be designed.

Municipalities assisted by consultants with Financial Reporting

- Audit outcomes of 81% auditees were assisted by consultants to the amount of R56.3 million with financial reporting.

Concerns relating to municipalities assisted by consultants:

- Conditions or clauses relating to transfer of skills not included in contract (69%);
- Measures to monitor the transfer of skills in the projects not implemented (69%);
- Consultants appointed without conducting needs assessments (44%); and
- Procurement did not comply with the prescribed procurement processes (44%).

Extensive assurance that should be provided by the key role players

a) First level of assurance at Management/leadership

- 19% of Senior Managers provided quality assurance, 47% provided some quality assurance, 29% provided limited or no quality assurance and 5% was caused by vacancies;
- 14% of Municipal Managers provided quality assurance, 38% provided some quality assurance, 29% provided limited or no quality assurance while 19% was caused by vacancies in municipalities; and
- 29% of Executive Mayors provided quality assurance, 42% provided some quality assurance and 29% provided limited or no quality assurance.

b) Second level of assurance by Internal independent assurance and oversight

- 14% of Internal Audit provided quality assurance, 57% provided some quality assurance, 24% provided limited or no quality assurance and 5% Internal Audits were not established;

- 19% of Audit Committees provided quality assurance, 47% provided some quality assurance, 29% provided limited or no quality assurance and 5% of Audit committees were not established; and
- 33% of critical oversight departments (Provincial Treasury, Office of the Premier and COGTA) provided some assurance and 67% provided limited or no quality assurance.

c) Third level of assurance by External independent assurance and oversight

- 14% of Municipal Councils provided quality assurance, 43% provided some quality assurance and 43% provided limited or no quality assurance;
- 29% of Municipal Public Accounts Committees provided assurance, 29% provided some assurance and 61% provided limited or no quality assurance; and
- 100% of Legislature and Portfolio Committees provided some quality assurance.

The drivers of internal control

An analysis over the past two (2) financial years depict that there is stagnation in leadership, financial and performance management and regression in governance

a) Leadership

- In 2011/12 financial year, 16% of municipalities were assessed to be providing good leadership in their municipalities, 52% of municipalities were a concern in providing leadership in their respective municipalities and whereas 32% of municipalities required intervention; and
- In 2012/13 financial year, 14% of municipalities were highlighted to be providing good leadership which was 2% less than what was performed in the previous year, 67% of municipalities were of a concern and 19% of municipalities required leadership intervention

b) Financial and performance management

- During 2011/12 financial year, 11% of auditees were found to be good with financial and performance management systems, 47% of municipalities were a concern in implementing the systems and 42% of municipalities required intervention as far as financial and performance management systems are concerned; and
- In 2012/13 financial year, 10% of auditees were assessed to be good with financial and performance management which was 1% lesser than the previous financial year, no change with some municipalities at 47% which were a concern in the previous financial year. A slight regress of 43% by 1% of municipalities which required intervention as far as financial ad performance management system as concerned.

c) Governance

- In 2011/12 financial year 26% of auditees were assesses to be good in managing their finances and performance management systems, 63% of municipalities were a concern in financial management and performance management and 11% of auditees required intervention; and
- During 2012/13 financial year, there was a regress of 7% of municipalities who were unable to manage their finance and performance management good, leaving only 19% of municipalities who managed, 6% improvement was highlighted from the previous financial year as only 57% municipalities were a concern in managing their finances and performance management systems comparatively to the previous 63%. A regress of 11% of municipalities was assessed comparatively to the previous financial year leaving 24% of municipalities requiring interventions.

Monthly discipline and controls by municipalities over the past two (2) financial years

Four (4) areas were audited in municipalities to assess on how they manage their monthly systems controls; the following areas were highlighted.

Table 71: Indicate monthly disciplines and controls by municipalities (Source: AG 2012/13 Audit Outcomes)

Focus Area	2011/12 Financial Year			2011/12 Financial Year		
	Good	Concerning	Intervention Required	Good	Concerning	Intervention Required
Proper record keeping	38%	43%	19%	14%	57%	29%
Daily and monthly controls	24%	43%	33%	24%	43%	33%
Regular and accurate reports	19%	38%	43%	10%	38%	52%
Review and monitor compliance	19%	38%	43%	10%	57%	33%

Analysis of performance

Proper record keeping

During 2012/13 financial an improvement of 24% of municipalities managing monthly to keep proper records was recorded comparatively to the previous year. There was a growing concern of a 14% regress (57%) of municipalities from previous year who were a concern of not keeping proper records and 10% (29%) regress also of municipalities who required intervention to be assisted with proper record keeping.

Daily and monthly controls

In 2012/13 financial there was stagnancy or no improvement as far as daily and monthly controls as 24% of municipalities was recorded for both financial years, same as municipalities that were a concern were in both financial years at 43% also municipalities that required interventions in both financial years were at 33%.

Regular and accurate reports

There was a regress of 9% of municipalities in 2012/13 financial year who managed to produce regular and accurate reports as compared to 19% for the 2011/12 financial year. There was no improvement for both financial years (38%) as far as municipalities that were a growing concern who were able to regular submit accurate reports. A 9% increase was registered during the 2012/13 financial year of 52% from 43% the previous financial year on municipalities requiring interventions with regular and accurate reporting.

Review and monitor compliance

During 2012/13 only 10% of municipalities that were able to review and monitor compliance as compared to 19% recorded in the previous financial year, this is a regress. There was a growing concern of 57% of municipalities in 2012/13 financial who were struggling to review and monitor compliance as compared to 38% during the 2011/12 financial year. Only 33% of municipalities that required intervention during 2012/13 financial year, as compared to 43% during 2011/12 financial year.

Informed by the analysis above it indicate that municipalities are unable to sustain and maintain areas where they have performed better, this is a cause for a concern.

Overall analysis of root causes to the regress of municipal performance

- Slow response by leadership in addressing the root causes of poor audit outcomes, which is a major challenge as 71% of the auditees deteriorated since previous year
- Lack of consequences for poor performance and transgressions, which is a major challenge as 76% of the auditee deteriorated since previous year;
- Key officials lack appropriate competencies, it is a major challenge as 57% of the auditees deteriorated since previous year;
- Slow response by management, is a major challenge at 57% of the auditees were unable or slow to attend urgent issues as raised by AG; and
- Instabilities or vacancies in key positions, is major challenge as a57% of the auditees were found to have vacancies.

2.6 Spatial Rationale

Cross-cutting interventions have been re-aligned to be spatial rational focusing on specific issues that are not addressed directly by the above 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 focus areas:

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

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.

2.6.1 Performance of municipalities on Spatial Rationale

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 72: Indicate municipalities with approved SDFs (Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	2010/11			2011/12			2012/13			Reasons
		SDFs approved	SDFs submitted	SDFs Implemented	SDFs approved	SDFs submitted	SDFs Implemented	SDFs approved	SDFs submitted	SDFs Implemented	
EHLANZENI	Bushbuckridge	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mbombela	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkomazi	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Umgindi	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Ehlanzeni District	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dipaleseng	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Govan Mbeki	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mkhondo	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Msukaligwa	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. Pixley Ka Isaka Seme	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Gert Sibande	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA DISTRICT	Emalahleni	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emakhazeni	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Steve Tshwete	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Victor Khanye	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. JS Moroka	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thembisile Hani	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkangala District	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	None

2.5.5 Analysis of performance on Spatial Rationale

All 21 municipalities had SDFs approved as at June 2013.

Challenges

The dominant challenges on spatial rationale is the misalignment between the IDP projects which are implemented outside the 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.

2.6.2 Integrated Development Planning process for the period under review

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. DCOG developed a credibility framework and provincial COGTA facilitated an intergovernmental IDP engagement process that was intended to improve the submission rate and credibility of IDP's.

Table 73: Indicate municipalities with reviewed IDPs (Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	2010/11		2011/12		2012/13	
		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	1458
	Mbombela	Reviewed		Reviewed		Reviewed	
	Nkomazi	Reviewed		Reviewed		Reviewed	
	Thaba Chweu	Reviewed		Reviewed		Reviewed	
	Umgjindi	Reviewed		Reviewed		Reviewed	
	Ehlanzeni District	Reviewed		Reviewed		Reviewed	
GERT SIBANDE	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	
NKANGALA	Emalahleni	Reviewed		Reviewed		Reviewed	
	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	

2.6.3 Analysis of performance on IDP

The main challenge with regards to IDP review is the proper integration of sector plans in the IDP to enhance effective project prioritization, IDP responsiveness and allocation of resources in a sustainable manner to impact communities the ground.

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.

2.6.4 Support Interventions by National and Provincial government on Spatial Rationale and IDP

- All district and local municipalities within the province have developed and adopted Spatial Development Frameworks with support from Department of Rural Development and Land Reform and COGTA. These plans guide future development and investment in municipalities.
- COGTA currently assess the implementation of the SDFs annually through the IDP assessments. Support is thereafter provided to municipalities based on the recommendations of the assessments.
- Furthermore 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 the municipal SDF proposals

2.6.5 District Municipalities with developed Disaster Management Policy Frameworks and Plans

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 (NMDC) 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:

Objective

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

a) Developed Disaster Management Policy Frameworks and Plans

Table 74: Indicate municipalities with Disaster Management Policy Framework and Plans (Source: Section 46 reports from municipalities)

Districts	Municipality	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	Not a statutory obligation	Yes
	Umjindi	No	Not a statutory obligation	Yes
	Ehlanzeni District	Yes	Yes (not aligned)	Yes
GERT SIBANDE	Chief Albert Luthuli	No	Not a statutory obligation	Yes
	Dipaleseng	No	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	Yes	Yes

Districts	Municipality	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
NKANGALA	Emalahleni	No	Not a statutory obligation	Yes
	Emakhazeni	Yes	Not a statutory obligation	Yes
	Steve Tshwete	No	Adopted	Yes
	Victor Khanye	Yes	Not a statutory obligation	Yes
	Dr. JS Moroka	No	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

2.6.6 Analysis of performance on district municipalities with developed Disaster Management Policy Frameworks and Plans

11 out of 21 municipalities had disaster management centres established and fully functional. All 3 districts have disaster management framework and only 1 local municipality adopted this framework, as it is not a statutory obligation for local municipalities to have a disaster management framework. All 21 municipalities had Disaster management Plans finalized as at June 2013.

Ehlanzeni District

- The District had insufficient relief material, and needed to make funding available in the next financial year for acquisition of the materials.
- The District has functional centres with satellite centres in the local municipalities.
- Municipalities in Ehlanzeni did not meet the minimum requirements on fire and rescue vehicles and there was no funding allocated to acquire the fire and rescue equipment.
- In term of human resource municipalities did not have dedicated disaster management officials for effective execution of the function.

Gert Sibande District

- The District did not meet the minimum requirements on relief materials and there was no funding made available to source the material.
- The District did not have a functional disaster management centre, but had 3 satellite centres built. The district still needed to build the main centre and funding should be made available in the next financial year.
- The District did not meet the requirements for fire and rescue and there is a need to acquire fire fighting vehicles and personnel to meet the minimum requirements.

Nkangala District

- The District did not meet the minimum requirements on relief materials and there was no funding allocated to acquire the materials.
- The District needed to acquire fire fighting vehicles and personnel to meet the minimum requirements on fire and rescue.

Challenges Experienced

- All the districts did not meet the minimum requirements on relief materials.
- There are insufficient dedicated staffs to disaster management function.
- There is general lack of emergency equipment and maintenance funding.
- Disaster plans were not well planned and funded in IDP's.

2.6.7 Support Interventions by National and Provincial government

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

PART C

3 SUMMARY OF FINDINGS

3.1 Key challenges identified by municipalities per Key Performance Area

Table 75: Key challenges identified by municipalities on Institutional Development and Transformation KPA
(Source: Section 46 reports from municipalities)

KPA 1: Institutional Development and Transformation	District	Municipalities	Challenges
	Gert Sibande	Lekwa	Vacancy rate
		Dipaleseng	Lack of performance management system
	Ehlanzeni	Nkomazi	
		Bushbuckridge	
		Thaba Chweu	
	Nkangala	Emalahleni	

There are 9 municipalities that identified vacancy rate and lack of PMS as the key challenges that hinders institutional development and transformation.

Table 76: Key challenges identified by municipalities on Service delivery and Infrastructure development KPA
(Source: Section 46 reports from municipalities)

KPA 2: Service Delivery and Infrastructure Development	District	Municipalities	Challenges
		All municipalities	Late registration of projects
			Low collection of revenue
			Aging infrastructure
			Lack of effective monitoring system on project implementation
		All rural municipalities	Access of basic services to communities residing in rural areas

All municipalities identified poor infrastructure planning, lack of O&M, project implementation monitoring as the key challenges that hindered increasing access to basic services and infrastructure development.

Table 77: Key challenges identified by municipalities on Local Economic Development KPA (Source: Section 46 reports from municipalities)

KPA 3: Local Economic Development	District	Municipalities	Challenges
	Nkangala	Victor Khanye Msukaligwa	Development and implementation of LED Strategies
	Gert Sibande	Dr. Pixley Ka Isaka Seme Chief Albert Luthuli Mkhondo	
	Ehlanzeni	Umjindi, Thaba Chweu Bushbuckridge Mbombela	Non-functionality of LED Forum
	Nkangala	Steve Tshwete Emalahleni Msukaligwa	Staff complement and capacity
	Gert Sibande	Dr. Pixley Ka Isaka Seme Chief Albert Luthuli Mkhondo Dipaleseng	
	Nkangala	Emalahleni	No tangible LED projects funded by the municipal budget
	Gert Sibande	Lekwa Msukaligwa Dipaleseng	
	Ehlanzeni	Ehlanzeni Thaba Chweu Umjindi Nkomazi Bushbuckridge	
	Nkangala	Emalahleni Dipaleseng	Alignment to EPWP standards and sustainability of jobs created a
	Nkangala	Victor Khanye Lekwa	High rate of unemployment and relevant skills to fill available job opportunities Employment of young people
	Gert Sibande	Msukaligwa Chief Albert Luthuli	
		Lekwa Umjindi	Minimal investments by private sector

Development and implementation of LED strategies, functionality of forums, staff complements are at the forefront of key challenges that had an effect on the effective execution of LED function.

Table 78: Key challenges identified by municipalities on Financial Viability and Management KPA (Source: Section 46 reports from municipalities)

KPA 4: Municipal Financial Viability and Management	District	Municipalities	Challenges
	Gert Sibande	Lekwa	Do not have officials with relevant skills and knowledge to carry out Asset Management
		Dipaleseng	
		Chief Albert Luthuli	Cash and bank management
	Ehlanzeni	Msukaligwa,	Information Technology
		Gert Sibande District	
	Ehlanzeni	Bushbuckridge	
	Gert Sibande	Umjindi	Supply Chain Management and Internal Controls
		Bushbuckridge	
		Thaba Chweu	
		Msukaligwa	
		Dipaleseng	
		Emalahleni	
	Nkangala	Emakhazeni	
		Thembisile Hani	
	Gert Sibande	Dr. JS Moroka	
	Gert Sibande	Govan Mbeki, Msukaligwa	Contract Management
	Ehlanzeni	Thaba Chweu	Performance Information
	Gert Sibande	Dipaleseng	

Human resource availability and capacity, IT, SCM, internal controls and performance management were the key challenges that negatively affected municipal financial viability and management.

Table 79: Key challenges identified by municipalities on Good Governance and Public Participation KPA (Source: Section 46 reports from municipalities)

KPA 5: Good Governance and Public Participation	District	Municipalities	Challenges
	Nkangala	Victor Khanye	Ward operational plan
		Emalahleni	Poor participation
		Emakhazeni	Deployment of CDWs and vastness of wards
	Gert Sibande	Msukaligwa	
		Dr. Pixley Ka Isaka Seme	
		Chief Albert	
	Nkangala	Emakhazeni	Ward committees not receive Out of Pocket expenses
	Gert Sibande	Lekwa	Responding to issues as raised by communities
Chief Albert Luthuli		Lack of public participation strategy	
Msukaligwa		Non implementation of Izimbizo programme	
Gert Sibande	Dr. Pixley Ka Isaka Seme	Capacity of ward committees	
	Mkhondo	Governance: Functionality of Council, Committees and MPAC	
Nkangala	Emalahleni	Council failing to approve delegation register	

Vehicle and tools for public participation such as functionality and capacity of ward committees, lack of public participation strategy and implementation of Izimbizo programme were the key challenges affecting good governance.

Table 80: Key challenges identified by municipalities on cross cutting issues (Source: Section 46 reports from municipalities)

KPA 6: Cross Cutting Interventions/Spatial Rational	District	Municipalities	Challenges
	Nkangala	Nkangala District Victor Khanye Emalahleni	Municipalities, especially those with low capacity do not have planned programmes for disaster management prioritized in their budgets.
	Gert Sibande	Msukaligwa Lekwa Mkhondo Msukaligwa Dr. Pixley Ka Isaka Seme	Dysfunctional Disaster Centre and old fleet Poor participation of sector departments Invasion of land on flood prone areas
	Nkangala	Steve Tshwete	Misalignment between the IDP projects implemented outside the SDF proposals for the development of the municipality. Non filling of town planner vacancy Land invasion
	Gert Sibande	Msukaligwa Mkhondo Dipaleseng Lekwa Chie Albert Luthuli	
	Ehlanzeni	Umjindi Thaba Chweu Nkomazi Umjindi	
	Gert Sibande		Lack of alignment (IDP, Budget and SDBIP).

Lack of funding to increase human resource capacity and for implementation of cross cutting functions (disaster management, spatial planning) were at the centre of the key challenges identified.

3.2 Support and capacity building/intervention initiatives in aid of municipalities

- A need to support municipalities with strategic planning sessions has been identified as part of capacity building initiatives to address issues of misalignment and poor project prioritization on municipal key functions;
- Quarterly reporting and monitoring of implementation on predetermined objectives is key in the improvement of regular and accurate reporting for performance management and to improve audit opinion;
- There is a need to implement consequences for poor performance and transgression in order to improve organizational performance and accountability;
- Strengthen internal controls on the monitoring of compliance with legislation and IT system controls;
- Filling of vacancies and skilled personnel is required to improve institutional development and for institutional transformation;
- CoGTA to assist municipalities with the development and review of HR strategy.
- Support municipalities in the development of recruitment plans and monitor the implementation thereof;
- Support oversight bodies by ensuring that they get timely credible reports to exercise effective oversight and ensure implementation of council resolutions. This should be accompanied with capacity building for oversight bodies to effectively exercise their oversight role;
- COGTA to strengthen district support to local municipalities;
- Utilization of the recommended interventions from the developed provincial master plan which clearly indicated the bulk shortages and the immediate interventions required;
- COGTA coordinated the development of O&M plans funded from the municipal budget. This however was proven to be a serious challenge as there was no sufficient funding available; and
- MISA and LGTAS programmes were coordinated provincially through COGTA to increase municipal capacities and provide resources to support municipalities.

LIST OF SOURCES USED

Section 46 Report of the following municipalities:

EHLANZENI DISTRICT

- Bushbuckridge
- Mbombela
- Nkomazi
- Thaba Chweu
- Umjindi
- Ehlanzeni District

GERT SIBANDE DISTRICT

- Chief Albert Luthuli
- Dipaleseng
- Govan Mbeki
- Lekwa
- Mkhondo
- Msukaligwa
- Dr. Pixley Ka Isaka Seme
- Gert Sibande District

NKANGALA DISTRICT

- Emalahleni
- Emakhazeni
- Steve Tshwete
- Victor Khanye
- Dr. JS Moroka
- Thembisile Hani
- Nkangala District

A. The Local Government Legislation

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Municipal Property Rates Act (No.6 of 2000)
- Municipal System Systems Act (No. 32 of 2000)
- Municipal Performance Management Regulations of 2001
- The National Treasury MFMA Circular No 63, Act No. 56 of 2003
- Intergovernmental Relations Framework Act was promulgated in 2005
- Municipal Structures Act, (No 117 of 1998)
- White Paper on Local Government of 1998

B. Publications and Journals from following Institutions

- Statistics SA, Census 2011
- Auditor General's Audit Outcomes 2012/13 Financial year
- Provincial Treasury
- South African Local Government Association
- SERO, November 2013
- Cabinet Lekgotla Report of July 2011
- Local Government SETA

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