

co-operative governance  
& traditional affairs

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**MPUMALANGA PROVINCE**  
REPUBLIC OF SOUTH AFRICA

# **MPUMALANGA SECTION 47 REPORT**

**CONSOLIDATED ANNUAL MUNICIPAL  
PERFORMANCE REPORT  
2014/15 FINANCIAL YEAR**



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## ABBREVIATIONS

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

## MEC's FOREWORD



**MS RM MTSHWENI**  
**MEC: DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

The submission of this report is in terms of section 47(1) of the Local Government: Municipal Systems Act (Act 32 of 2000) and is at the heart of monitoring the performance of their constitutional and legislative mandate by municipalities within the province. In turn, this monitoring of performance gives effect to the constitutional imperative for municipalities to provide democratic and accountable government to local communities as envisaged in section 152(1) (b) of the Constitution. This consolidated report seeks primarily to shed light on the performance of municipalities on the five key performance areas (KPA's), and also to highlight both areas of good performance as well as areas where municipalities are facing challenges. It also enables the relevant organs of state in other spheres of government as well as other stakeholders to reflect and be able to make meaningful input on the performance of municipalities in the province and the desired improvement thereof. In the final analysis, the report seeks to provide tools for intervention and support to municipalities in those areas where they did not perform so well.

A synopsis of the five key performance areas on which municipalities are measured for their performance reveals the following:

### **(a) Financial and Performance Management**

The 2014/15 audit outcomes have shown some areas of improved performance in respect of most of our municipalities. We remain, however, gravely concerned about those municipalities who have, notwithstanding the call for clean audit by 2014, remained or regressed into poor audit outcomes including disclaimers. The declining state of financial management and viability, as well as the resultant audit outcomes of a disclaimer in municipalities such as Msukaligwa, Thaba Chweu, Emalahleni and Emakhazeni, to mention but a few, clearly indicate the need for the provincial government to devise more drastic measures to intervene and support these municipalities. The interventions should also aim at identifying root causes of failure in these municipalities. Where appropriate, measures for consequence in respect of functionaries who fail to perform should also be robed in to deal with the scourge of ailing and failing municipalities in the province.

### **(b) Institutional Development**

As at the end of the 2014/15 financial year, all municipalities in the province had performance management systems in place. The introduction, by our department, of a provincial performance management framework recently, seeks to ensure a degree of uniformity in the area of performance management while also being acutely aware that each municipality presents a unique state of circumstances and as such there can be no one size fits all system for them. Indeed, section 38 of the MSA requires each municipality to establish a PMS which is commensurate with its resources and best suited to its circumstances (S 38(i) & (ii) MSA).

### **(c) Service Delivery and Infrastructure Development**

All municipalities have seen a significant improvement in the delivery of water and sanitation services as they heeded the clarion call by the Executive Council of the Mpumalanga Provincial Government to channel bulk (at least 75%) of their Municipal Infrastructure Grant towards water and sanitation projects. There are still serious challenges relating to provision of water and sanitation to most communities in the province. The situation has not been made any better by the severe drought experienced in the year under review, and which had resulted in Mpumalanga being one of five provinces that were declared disaster areas.

### **(d) Local Economic Development**

While it is noted that all municipalities have adopted and implemented LED strategies in the province, the impact thereof has not been significant within the communities. Lack of financial resources accounts for the greater share of the failure of these strategies within the municipalities. It is also noted that in some instances, municipalities also do not have the necessary human capital to ensure effective implementation of LED for the benefit of their communities. Towards poverty alleviation, there has also been a limited number of jobs created under programmes such as the EPWP.

### **(e) Good Governance and Public Participation**

It is noted that all municipalities have displayed an increased number of functional section 79 and section 80 committees; internal audit and audit committees and last but not least, the MPAC committees in the province. The development of these structures have seen our municipalities largely improving, and with a relatively few exceptions, in the areas of governance and public participation.

We are however, of the view that much work still needs to be done to improve in the areas of public participation. We need, in this regard, to further strengthen the CDW's and other related structures. The introduction of the service delivery model under the banner of Operation Vuka Sisebente (OVS) would also play a meaningful role in strengthening our public participation initiatives.

In the final analysis, as a department, we remain fully committed to constantly monitor, support and assist municipalities to improve their performance in order to ensure that they meet their constitutional and legislative mandate in areas of accountability and service delivery.

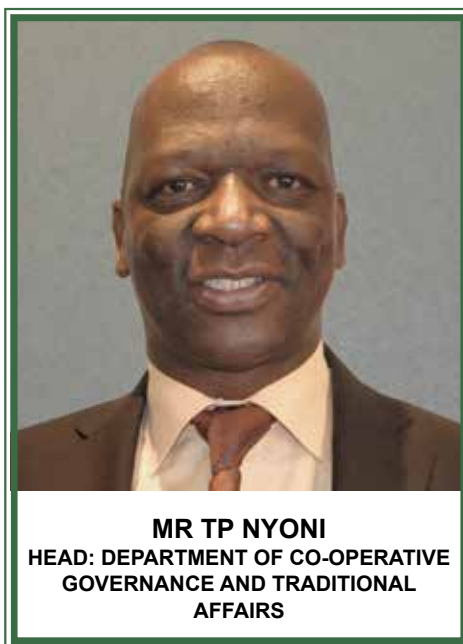
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**MS RM MTSHWENI**

**MEC: DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**



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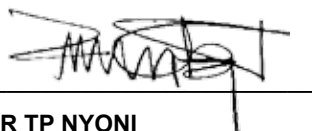
**MR TP NYONI**  
**HEAD: DEPARTMENT OF CO-OPERATIVE**  
**GOVERNANCE AND TRADITIONAL**  
**AFFAIRS**

Monitoring municipalities in the performance of their constitutional mandate to ensure, among others, democratic and accountable government as well as the provision of services in a sustainable manner, is a legislated mandate and as such remains one of the primary objectives of our department. The consolidated performance report submitted by the MEC in terms of section 47 serves in part, to attest to the measured performance of the municipalities within the province of Mpumalanga. This in turn, will form the basis of the mechanisms and processes for intervention in those municipalities facing challenges, and also to reward instances of excellence.

We note that while the performance reports would seem to suggest that there is an improvement in the performance of our municipalities in respect of some of the areas such as delivery of basic services, good governance and LED, there is still much work for us to do in order to improve the lives of the people in our communities. The limitations in respect of our improvements in these areas are to be understood within the context of severe budgetary constraints that our municipalities have to grapple with. The situation is by no means made any better by poor revenue collection experienced by our municipalities due to high rates of unemployment. The result has been that these municipalities tend to be almost entirely grant-dependant and as a result are unable to implement any project outside those that are supported by the various grants such as the Municipal Infrastructure Grant (MIG).

The persistent incidences of service delivery protests, which tend to display the disturbing trend of being violent at times, also highlights the element of discontent among our communities and should also serve as a pointer towards the areas which our interventions should be more focused. We have devised various tools of intervention and assistance to our municipalities and we strive continuously to enhance our support. The section 47 report serves as an objective measure of the performance by our municipalities in their respective areas of constitutional and legislative mandate.

It is envisaged that this report will also enable us as the provincial sphere of government, and where necessary, the national spheres of government as well, to be better informed and equipped in our future planning endeavours. In turn this will enable us to uplift ailing municipalities for the benefit of our communities.

A handwritten signature in black ink, appearing to be 'TP Nyoni', written over a horizontal line.

**MR TP NYONI**

**HEAD: DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**



# PART A

## 1 INTRODUCTION

### 1.1 LEGISLATIVE BACKGROUND

#### **RSA Constitution, 1996**

The Constitution of South Africa in Section 152(1) sets out five central objects for Local Government. 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 matters of Local Government.

Section 152(2) enjoins a municipality to strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1). A municipality has thus, a constitutional duty to among others, generate revenues, build institutional and administrative capability to deploy its revenues to provide services to communities, deliver good governance, effective financial management, promote local economic development, and strengthen public participation. National and Provincial government is enjoined by the Constitution in Section 154(1) by legislative or other measures, to support and strengthen the capacity of municipalities to manage their affairs, to exercise their powers and to perform their functions.

#### **Municipal Systems Act, 2000 (Act 32 of 2000)**

The Municipal Systems Act in terms of Section 11(3) (i) empowers a municipality in exercising its legislative or executive authority to impose and recover rates, taxes, levies, duties, service fees and surcharges on fees, including setting and implementing tariff, rates and tax and debt collection policies. The importance of this executive authority and legislated function is to ensure a municipality generate necessary revenues for among others providing sustainable services to local communities.

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

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

On the basis of the Annual Performance Report required in Section 46(1), the MEC for local government must annually compile and submit to the provincial legislature and the Minister a consolidated report on the performance of municipalities in the province as mandated in Section 47(1) of the MSA, 2000. Section 47(2) directs that the consolidated report by the MEC must-

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

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

Section 121(1) of the Municipal Finance Management Act (MFMA), 2003 mandates that every municipality and municipal entity must for each year prepare an annual report in accordance with this chapter. Section 46(2) of the Municipal Systems Act, 2000 states that the annual performance report of a municipality must form part of the Annual Report prepared in terms of Section 121(1) of the MFMA, 2003.

Informed and empowered by the legislative provisions summarised above, the MEC for local government in Mpumalanga has prepared the consolidated Section 47 report on municipal performance for the 2013/14 Municipal Financial Year.

### 1.2 LIMITATIONS OF THE REPORT

- The quality and accuracy of reports from municipalities remains a challenge as municipalities submit incomplete reports making it difficult to do a proper analysis of performance.
- The municipalities do not adhere to Circular 63 of the MFMA on the reporting time lines in compiling their annual report

## 2 OVERVIEW OF THE DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILES

### 2.1 DEMOGRAPHIC PROFILE

#### Nkangala District Demographic Profile

Nkangala District Municipality is comprised of six local municipalities namely, Emakhazeni, Steve Tshwete, Emalahleni, Victor Khanye, Thembisile Hani and Dr. JS Moroka local municipalities. Emalahleni Local Municipality accounts for the largest population estimate at 395 466 or 30% followed by Thembisile Hani Local Municipality with a population estimate of 310 458 or 20%, Dr. JS Moroka Local Municipality at 249 705 or 19%, Steve Tshwete Municipality at 229 831 or 18%. Victor Khanye Local Municipality at 75 452 or 5.8% and Emakhazeni Local Municipality at 47 216 or 3.6% are the two smallest municipalities within the District. Table 2-1 below provides a summary of the population estimates in the Nkangala District Municipality as per the National Census by Stats SA, 2011.

**Table 2-1: Nkangala District Demographic Indicators**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	1 020 587	1 308 129	32.4%	2
Number of households	245 429	356 911	33.2%	2
Area size – km2		16 761	21.9%	3
Population per km2		73		

- According to Stats SA (2011 Census), 1 308 129 people were recorded in 2011 – 32.4% of Mpumalanga's population.
- Population grew by 28.2% between 2001 & 2011 - annualised population growth rate was measured at 2.5%.
- The population number in 2030 estimated at 2 244 985 people given the historic population growth per annum.
- 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 (10-17 years) households 0.6 % in 2011.

**Table 2-2: Victor Khanye Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	1 020 587	1 308 129		32.4%	2
Number of households	245 429	356 911		33.2%	2
Area size – km2		16 761		21.9%	3
Population per km2		73			

- 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 3.0%.
- The population number in 2030 estimated at 131 452 people given the historic population growth per annum.
- Males 51.4% and females 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, 65.5% 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 (10-17 years) households 0.4 % in 2011.

**Table 2-3: Emalahleni Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	276 409	395 466	30.2%	9.8%	3
Number of households	82 244	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%.
- The population number in 2030 estimated at 781 008 people given the historic (2001-2011) population growth per annum.

- Males 52.8% and females 47.2% of the population.
- 81.3% Africans, 15.7% Whites, 1.7% Coloured, 0.9% Asians and Others 0.4%.
- 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 (10-17 years) households 0.3% in 2011.

**Table 2-4: Steve Tshwete Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	142 775	229 831	17.6%	5.7%	8
Number of households	36 229	64 971	18.2%	6.0%	7
Area size – km2		3 977	23.7%	5.2%	11
Population per km2		58			

- According to Stats SA (2011 Census), 229 831 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 4.9% - highest population growth in the province.
- The population number in 2030 estimated at 567 889 people given the historic (2001-2011) population growth per annum.
- Males 52.0% and females 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 (10-17 years) households 0.3% in 2011.

**Table 2-5: Emakhazeni Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	43 008	47 216	3.6%	1.2%	17
Number of households	9 723	13 722	3.8%	1.3%	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%.
- The population number in 2030 estimated at 56 381 people given the historic population growth per annum.
- 51.0% males and 49.0% 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 (10-17 years) households 0.5 % in 2011.

**Table 2-6: Dr JS Moroka Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	243 316	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		178			

- 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%.
- The population number in 2030 estimated at 262 316 people given the historic population growth per annum.
- 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 (10-17 years) households 1.0 % in 2011.

**Table 2-7: Thembisile Hani Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	258 871	310 458	23.7%	7.7%	5
Number of households	58 797	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 19.9% between 2001 & 2011 while annualised population growth rate was measured at 1.8% (revised growth figures).
- The population number in 2030 estimated at 445 939 people given the historic population growth per annum.
- 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 (10-17 years) households 0.9 % in 2011.

### **Ehlanzeni District Municipal Demographic Profile**

Ehlanzeni District Municipality is comprised of five local municipalities namely, Mbombela, Umjindi, Nkomazi, Bushbuckridge and Thaba Chweu local municipalities. Mbombela Local Municipality accounts for the largest population estimate at 588794 or 35% closely followed by Bushbuckridge Local Municipality with a population estimate of 541248 or 32%, Nkomazi Local Municipality at 393030 or 23%. Thaba Chweu Local Municipality at 98387 or 5.8% and Umjindi Local Municipality at 67156 or 4.1% are the two smallest municipalities within the District. Table 2-8 below provides a summary of the population estimates in the Ehlanzeni District Municipality as per the National Census by Stats SA, 2011.

**Table 2-8: Ehlanzeni District Demographic Profile**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	1 447 125	1 688 615	41.8%	1
Number of households	328 377	445 087	41.4%	1
Area size – km2		27 908	36.5%	2
Population per km2		55		

**Table 2-9: Thaba Chweu Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	81 239	98 387	5.8%	2.4%	13
Number of households	21 257	33 352	7.5%	3.1%	12
Area size – km2		5 720	20.5%	7.5%	3
Population per km2		17			

- According to Stats SA (2011 Census), 98 387 people were recorded in this area which was 5.8% of Ehlanzeni's population in 2011.
- Population grew by 21.1% between 2001 and 2011 and the average population growth rate was measured at 1.9% per annum.
- The population number in 2030 estimated at 140 117 people given the population growth per annum.

- 51.2% males and 48.8% females.
- 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 (10-17 years) households 0.5 % in 2011.

**Table 2-10: Mbombela Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	474 800	588 794	34.9%	14.6%	1
Number of households	121 951	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 24% between 2001 and 2011 and the average population growth rate was measured at 2.2% per annum.
- The population number in 2030 estimated at 878 773 people given the population growth per annum.
- Females 51.5% and 48.5% males of the population - 89.4% Africans, 8.7% Whites, 0.9% Coloureds, 0.7% Asians and other 0.2%.
- Youth up to 34 years, 69.9% of the population in 2011.
- 161 773 households in 2011 (3.6 people per household) – 36.3% of Ehlanzeni's 445 087 households.
- Female headed households 38.9% and child headed (10-17 years) households 0.6 % in 2011.

**Table 2-11: Umjindi Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	53 744	67 156	4.1%	1.7%	16
Number of households	14 458	19 563	4.6%	1.8%	16
Area size – km2		1 746	6.3%	2.3%	16
Population per km2		38			

- According to Stats SA (2011 Census), 67 156 people were recorded in 2011 which was 4.1% of Ehlanzeni's population.
- Population grew by 25.0% between 2001 and 2011 and the average population growth rate was measured at 2.3% per annum (revised figures).
- The population number in 2030 estimated at 102 546 people given the population growth per annum.
- 47.7% females and 52.3% males.
- Youth up to 34 years - 67.3% of the population.
- 87.0% Africans, 9.8% Whites, 2.0% Coloureds, 1.0% Asians and 0.2% Other.
- 19 563 households (3.4 people per household) – 4.6% of Ehlanzeni's 445 087 households.
- Female headed households 34.9% and child headed (10-17 years) households 0.6 % in 2011.

**Table 2-12: Nkomazi Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	334 413	393 030	23.3%	9.7%	4
Number of households	75 555	96 202	21.6%	8.9%	4
Area size – km2		4 790	17.2%	6.3%	8
Population per km2		82			

- According to Stats SA (2011 Census), 393 030 people were recorded which was 23.3% of Ehlanzeni's population.
- Population grew by 17.5% between 2001 and 2011 and the average population growth rate was measured at 1.6% per annum

(revised figures).

- The population number in 2030 estimated at 533 418 people given historic the population growth per annum.
- 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.
- 96 202 households (4.1 people per household) – 21.6% of Ehlanzeni's 445 087 households.
- Female headed households 45.6% & child headed (10-17 years) households 1.5 % in 2011.

**Table 2-13: Bushbuckridge Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
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.
- The population number in 2030 estimated at 628 920 people given the historic population growth per annum.
- 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 (10-17 years) households 2.0% in 2011.

#### Gert Sibande District Demographic Profile

Gert Sibande District Municipality is comprised of seven local municipalities namely, Chief Albert Luthuli, Msukaligwa, Mkhondo, Lekwa, Dr Dr Pixley Ka Isaka Seme, Dipaleseng and Govan Mbeki local municipalities. Govan Mbeki Local Municipality accounts for the largest population estimate at 294 538 or 28% followed by Chief Albert Luthuli Local Municipality with a population estimate of 186 010 or 18%, Mkhondo Local Municipality at 171 982 or 17%, Msukaligwa Local Municipality at 149 377 or 14 %, Lekwa Local Municipality at 115 662 or 11%. Dr Dr Pixley Ka Isaka Seme Local Municipality at 83 235 or 8% and Dipaleseng Local Municipality at 42 390 or 4% are the two smallest municipalities within the District. Table 2-14 below provides a summary of the population estimates in the Gert Sibande District Municipality as per the National Census by Stats SA, 2011.

**Table 2-14: Gert Sibande District Demographic Profile**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	900 005	1 043 194	25.8%	3
Number of households	211 618	273 490	25.4%	3
Area size – km2		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%.
- The population number in 2030 estimated at 1 280 759 people given the historic population growth per annum.
- 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 (10-17 years) households 0.7 % in 2011.

**Table 2-15: Chief Albert Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	187 936	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 approximately 1.0% between 2001 & 2011 while annualised population growth rate was measured at minus 0.1%, the only municipal area in the province with a negative population growth rate in the reporting period.
- The population number in 2030 estimated at 182 746 people given the historic population growth per annum.
- Females 53.1% and males 46.9% of the population – 97.6% Africans.
- Youth up to 34 years - 72.5% of Chief Albert Luthuli population.
- Number of households 47 705 (3.9 people per household) – 17.4% of Gert Sibande's households.
- Female headed households 49.3% and child headed (10-17 years) households 1.1 % in 2011.

**Table 2-16: Msukaligwa Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	124 810	149 377	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 StatsSA (2011 Census), 149 377 people were recorded in 2011 – 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%.
- The population number in 2030 estimated at 210 153 people given the historic population growth per annum.
- 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 (3.8 people per household) – 15.0% of Gert Sibande's number of households.
- Female headed households 37.8% and child headed (10-17 years) households 0.6 % in 2011.

**Table 2-17: Mkhondo Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	143 077	171 982	16.5%	4.3%	10
Number of households	27 888	37 433	13.7%	3.5%	11
Area size – km2		4 883	15.3%	6.4%	7
Population per km2		35			

- 171 982 people (StatsSA – 2011 Census) were recorded in this area – 16.5% share of Gert Sibande's population.
- Population grew by 20.2% between 2001 & 2011 while annualised population growth rate was measured at 1.9%.
- The population number in 2030 estimated at 243 960 people given the historic population growth per annum.
- 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 (10-17 years) households 1.1 % in 2011.

**Table 2-18: Dr Pixley Ka Isaka Seme Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	80 738	83 235	8.0%	2.1%	14
Number of households	18 002	19 838	7.3%	1.8%	15
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.

- The population number in 2030 estimated at 88 196 people given the historic population growth per annum.
- 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 (10-17 years) households 1.2 % in 2011.

**Table 2-19: Lekwa Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	103 262	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%.
- The population number in 2030 estimated at 143 464 people given the historic population growth per annum.
- 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 (10-17 years) households 0.3 % in 2011.

**Table 2-20: Dipaleseng Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	38 615	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%.
- The population number in 2030 estimated at 50 601 people given the population growth per annum.
- 50.6% males and 49.4% females.
- 89.8% Africans, Whites 8.6%, Coloureds 0.5%, Asians 0.9% and Others 0.2%.
- Youth of up to 34 years – 65.5% 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 (10-17 years) households 0.4 % in 2011.

**Table 2-21: Govan Mbeki Municipality**

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Ehlanzeni's figure	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (3)
Population number	221 752	294 538	28.2%	7.3%	6
Number of households	61 714	83 874	30.7%	7.8%	5
Area size – km2		2 955	9.3%	3.9%	12
Population per km2		100			

- 294 538 people (StatsSA – 2011 Census) – 28.2% share of Gert Sibande’s population.
- Population grew by 32.8% between 2001 & 2011 while annualised population growth rate was measured at 2.9% (fourth highest in the province).
- The population number in 2030 estimated at 505 103 people given the population growth per annum.
- 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 (10-17 years) households 0.4% in 2011.

## 2.2 SOCIO-ECONOMIC PROFILE

### Household Income

Table 2-22 below provides a summary of the average household income in the province broken down per local municipality as adapted from the Statistics SA figures of 2011 National Census. Steve Tshwete Local Municipality has the highest average household income in the province at R134 026, with Bushbuckridge Local Municipality the lowest rank municipality with an average household income of R36 569.

**Table 2-22: Average Household Income Per Municipality**

MUNICIPALITY	Stats SA Census(2001)	Stats SA Census(2011)	Rank
Steve Tshwete	R55 369	R134 026	1
Govan Mbeki	R47 983	R125 480	2
Emalahleni	R51 130	R120 492	3
Mbombela	R37 779	R92 663	4
Lekwa	R38 113	R88 440	5
Thaba Chweu	R35 795	R82 534	6
Msukaligwa	R31 461	R82 167	7
Umjindi	R35 244	R81 864	8
Victor Khanye	R35 281	R80 239	9
Emakhazeni	R36 170	R72 310	10
Dr. Pixley Ka Isaka Seme	R23 399	R64 990	11
Dipaleseng	R19 454	R61 492	12
Mkhondo	R26 935	R53 398	13
Chief Albert Luthuli	R22 832	R48 790	14
Thembisile Hani	R18 229	R45 864	15
Nkomazi	R19 195	R45 731	16
Dr. JS Moroka	R17 328	R40 421	17
Bushbuckridge	R17 041	R36 569	18

### Unemployment and Socio-economic challenges

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

The rate of female headed households in Ehlanzeni District was at 44,1% and child headed (10-17 years) households was at 1.2% in 2011. In Gert Sibande District the rate of female headed households was at 38.8% while child headed (10-17 years) households rate was at 0.7 % in 2011. Female headed households in Nkangala District was at 36.2% and child headed (10-17 years) households was at 0.3% in 2011.

Unemployment rate for females in Ehlanzeni District was recorded at 41.0% and males 28.1%, youth unemployment rate high at 44.2%. The leading industries in terms of employment in the District is-trade (23.5%), community service (21.3) and agriculture (13.7%). Leading industries in terms of employment in the district in trade (18.8%), community services (17.0%), mining (14.5%) and agriculture (13.9%).

The Gert Sibande District has the second highest poverty rate of 37.9% - 402 278 poor people (26.5% of the 1 519 639 poor people in province) though an improving trend has been recorded since 2001. The district’s contribution to Mpumalanga economy was 31.0% in 2012 providing the second highest of the 3 districts, with leading industries in terms of percentage contribution to Gert Sibande’s economy being manufacturing (37.3%), mining (12.9%) and community services (11.9%). the Nkangala District had an unemployment rate of 30.0% by 2011, while the leading industries in terms of employment included trade at 20.7%, mining at 18.7% and community services at 16.8%.

## **PART B**

### **3 ANALYSIS OF MUNICIPAL KEY PERFORMANCE AREAS**

In line with the constitutional objects of local government this Section 47 report focuses on the analysis of municipal performance with respect to each object in order to assess areas of strength in each municipality as well as areas of weakness. The Departmental support programmes outlined in the Integrated Municipal Support Plan will then be focused on each municipality using the differentiated approach principle.

#### **3.1 GOOD GOVERNANCE**

Municipalities have a duty in terms of Section 152(1)(a) of the Constitution to provide a democratic and accountable government for local communities. The hallmark of a democratic and accountable government is good governance characterised by political and administrative stability; functional governance and oversight committees; effective anti-corruption measures and functional Intergovernmental relations forums amongst others. This section provides a summary of the analysis of our municipalities in terms of good governance focusing on the characteristics of good governance outlined above.

##### **Political Stability**

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

**Table 3-1: Analysis of Municipal Performance on Good Governance: Political Stability**

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
ENHLANZENI	Bushbuckridge	Frequently meeting with good relations	Council meetings held as per the legislation. Special council sittings are convened when there is a need	27 Protest Actions on service delivery
	Mbombela	Frequently meeting with good relations.	17 Sittings according to calendar	15 Protest Actions on service delivery
	Nkomazi	Frequently meeting and extended to MM	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	14 Protest Actions on service delivery
	Thaba Chweu	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	1 Protest Actions on service delivery
	Umjindi	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	4 Protest Actions on service delivery
	<b>Ehlanzeni</b>	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	61 Protest Actions on service delivery
GERT SIBANDE	Chief Albert Luthuli	Frequently meeting with good relations. Meetings extended to MPAC chairperson.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	6 Protest Actions on service delivery
	Dipaleseng	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	2 Protest Actions on service delivery
	Govan Mbeki	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	1 Protest Actions on service delivery
	Lekwa	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	3 Protest Actions on service delivery
	Mkhondo	Frequently meeting with good relations..	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	6 Protest Actions on service delivery.
	Msukaligwa	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	0 Protest Actions on service delivery
	Dr. Pixley Ka Isaka Seme	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	1 Protest Actions on service delivery
	<b>Gert Sibande</b>	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	19 Protest Actions on service delivery
NKANGALA	Emalahleni	No formal Troika meeting held.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	8 Protest Actions on service delivery Settlements
	Emakhazeni	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	0 Protest Actions on service delivery
	Steve Tshwete	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	0 Protest Actions on service delivery
	Victor Khanye	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	2 Protest Actions on service delivery
	Dr. JS Moroka	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	2 Protest Actions on service delivery
	Thembisile Hani	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	3 Protest Actions on service delivery
	Nkangala	Frequently meeting with good relations.	Council meetings held as per the legislation. Special council sittings are convened when there is a need.	15 Protest Actions on service delivery

### **3.1.1 Analysis of performance on Good Governance: Political Stability**

In order to fully assess the functionality of oversight committees (Troika, Municipal Council, sections 79 & 80 committees and Audit Committees) in municipalities, the following criteria was used:

- ☐ Existence of the committees
- ☐ Committees meeting regularly

#### **3.1.1.1 Functional TROIKA and Council**

##### **Ehlanzeni district**

The following findings were made, all TROIKA and Councils were functional and holding meetings as required. However, there were incidents of political instability in the form of community protests with Bushbuckridge having recorded 27 protests followed by Mbombela and Nkomazi each with 15 and 14 protest respectively. In total Ehlanzeni District recorded 61 protests.

##### **Gert Sibande District**

The following findings were made, all TROIKA and Councils were functional and holding meetings as required. However, there were incidents of political instability in the form of community protests with Chief Albert Luthuli and Mkhondo recorded 6 protests actions each. In total Gert Sibande District recorded 19 protests.

##### **Nkangala District**

The following findings were made, all TROIKA and Councils were functional and holding meetings as required except for Emalahleni local municipality where no formal TROIKA meetings were held. However, there were incidents of political instability in the form of community protests particular in Emalahleni local municipality with 8 protest actions. In total Nkangala District recorded 15 protests.

A district comparison shows that Ehlanzeni district had a high number of protests 61 followed by Gert Sibande with 19 and Nkangala district with only 15.

**Table 3-2: Analysis of Municipal performance on Good Governance: Functional Oversight Committees**

Districts	Municipality	Functionality of Oversight Committees		
		Municipal Public Account Committees (MPAC)	S79 and S80 Committees	Audit Committee
ENHLANZENI	Bushbuckridge	Functional	All Sections 79 & 80 committees functional	The Audit committee existed and was functional
	Mbombela	Functional	All Section 79 & 80 committees functional (45 sittings)	The Audit committee existed and was functional
	Nkomazi	Functional	All Section 79 & 80 committees functional	Audit committee not functional (However, Annexure G in terms Circular 63 of the MFMA not attached)
	Thaba Chweu	Not functional, it had to be re-established.	All Section 79 & 80 committees functional except MPAC	Audit committee functional assisted by Ehlanzeni District
	Umjindi	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	<b>Ehlanzeni</b>	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
GERT SIBANDE	Chief Albert Luthuli	Functional	All Section 79 & 80 committees functional (12 meetings were held)	The Audit committee existed and was functional
	Dipaleseng	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	Govan Mbeki	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	Lekwa	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	Mkhondo	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	Msukaligwa	Functional	Not all Section 79 & 80 committees are functional. They had to re-establish Section 79 committees since they were not all functional.	The Audit committee existed and was functional
	Dr. Dr Pixley Ka Isaka Seme	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	<b>Gert Sibande</b>	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
NKANGALA	Emalahleni	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional
	Emakhazeni	Functional	All Section 79 & 80 committees functional	The Municipality is making use of a shared Audit committee with Nkangala District and is functioning effectively.
	Steve Tshwete	Functional	All Section 79 & 80 committees functional	The Municipality is making use of a shared Audit committee with Nkangala District and is functioning effectively.
	Victor Khanye	Functional	All Section 79 & 80 committees functional	The Municipality is making use of a shared Audit committee with Nkangala District and is functioning effectively.
	Dr. JS Moroka	Functional	All Section 79&80 committees functional	The Municipality is making use of a shared Audit committee with Nkangala District and is functioning effectively.
	Thembisile Hani	Functional	All Section 79 committees functional, they have not established their Section 80 committees.	The Municipality is making use of a shared Audit committee with Nkangala District and is functioning effectively.
	Nkangala	Functional	All Section 79 & 80 committees functional	The Audit committee existed and was functional

### 3.1.1.2 Functional Oversight Committees

In order to fully assess the functionality of oversight committees (Sections 79 & 80 committees and Audit Committees) in municipalities, the following criteria was used:

- ☐ Existence of the committees
- ☐ Committees meeting regularly

### Ehlanzeni district

The following findings were made, all council structures were functional and holding meetings as required. However, Nkomazi Audit committee could not produce the Annexure G as required in terms of Circular 63 of the MFMA.

### Gert Sibande District

The following findings were made, all council structures were functional and holding meetings as required. However, the Audit Committee for Msukaligwa local municipality was not functional.

### Nkangala District

The following findings were made, all council structures were functional and holding meetings as required. In as far as audit committees are concerned Nkangala District Municipality is sharing its audit committee with its constituent municipalities except for Emalahleni.

**Table 3-3: Anti-Corruption prevention plans implemented**

District	Municipality	2012/13			2013/14			2014/15		
		Has council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan	Has council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan	Has council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Umgjindi	No	No	No	Yes	No	No	Yes	Yes	Yes
	<b>Ehlanzeni</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	<b>Gert Sibande</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	No	No	No	No	No	No	Yes	Yes	No
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala district	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

### Challenges

Dr JS. Moroka has not adopted the anti-corruption plan

### Recommendation

The Department jointly with Provincial Treasury and Nkangala District to continue to support and monitor the municipality to ensure the adoption of the strategy until Dr. JS Moroka adopts the anti-corruption plan



### 3.1.2 Intergovernmental Relations Forum

#### 3.1.2.1 Existence of an effective IGR strategy

The Intergovernmental Relations Framework Act, 2005 provides a framework for three spheres of government to foster and facilitate intergovernmental relations. The primary objective of the Act is to achieve coherent government, effective service delivery and monitoring the implementation of legislation and policies. The Act also seeks to realise national priorities and provide for dispute resolution mechanism amongst all spheres of government. It further provides for the facilitation, integration and alignment of planning, budgeting, implementation and reporting across the three spheres of government. In line with these prescripts, the province has established IGR structures to facilitate coordination and monitoring of programmes between local, district and provincial government.

The District IGR structures provide a platform both at political and technical level, where both political and administrative leadership of both the district and local municipalities meets on a quarterly basis to benchmark and share best practices.

The Department has entered into a Memorandum of Understanding with the Provincial Treasury, to promote coordination of activities and optimal utilisation of resources particularly with the implementation of MFMA, where the two departments have concurrent roles and responsibilities. This initiative seeks to provide much needed support in the area of financial management and viability in the municipalities.

The MUNIMAN is one such structure where the Heads of Department for COGTA and Provincial Treasury meet all Municipal Managers and Chief Financial Officers to discuss technical matters that relates to service delivery. The MUNIMAN being a technical structure, reports to the MUNIMEC which is a political structure headed by the MEC to engage Executive Mayors on matters of performance in the provision of services and financial management in municipalities.

These structures meet on a quarterly basis to discuss municipal performance in order to detect failures and initiate corrective action where necessary. They also consider reports from district IGR forums on matters of Provincial interest including other reports dealing with performance of district and local municipalities, and escalate same to the Premier's Coordinating Forum.

The Premier's Coordinating Forum (PCF) meets quarterly and is chaired by the Honourable Premier. It is a forum where the Premier interacts directly with Local Government to receive progress on municipal performance. It is also a platform where provincial government and municipalities discuss service delivery issues.

#### 3.1.2.2 Effectiveness of Council Committees

**Table 3-4: Indicate effectiveness of Council Committees**

DISTRICTS	Municipality	2012/13													
		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
	Umgindi	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

(Source: Section 46 reports from municipalities)

Table 3-5: Indicate effectiveness of Council Committees

DISTRICTS	Municipality	2013/14											
		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	Council	Executive mayoral committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	11	9	6	None	None	Yes	No	Yes	None
	Mbombela	Yes	Yes	Yes	13	12	9	None	None	Yes	No	Yes	None
	Nkomazi	Yes	Yes	Yes	12	12	13	None	None	Yes	Yes	Yes	None
	Thaba Chweu	No	No	Yes	9	8	4	None	None	Yes	No	Yes	None
	Umjindi	Yes	Yes	Yes	14	11	12	None	None	Yes	No	Yes	None
	Ehlanzeni District	No	No	Yes	13	12	12	None	None	Yes	No	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	12	12	13	None	None	Yes	Yes	Yes	None
	Dipaleseng	No	No	Yes	9	7	0	None	None	Yes	No	Yes	None
	Govan Mbeki	No	No	Yes	12	8	6	None	None	Yes	No	Yes	None
	Lekwa	No	No	Yes	8	8	0	None	None	Yes	No	Yes	None
	Mkhondo	Yes	Yes	Yes	11	8	0	None	None	Yes	No	Yes	None
	Msukaligwa	Yes	Yes	Yes	8	12	7	None	None	Yes	No	Yes	None
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	7	11	8	None	None	Yes	No	Yes	None
	Gert Sibande	No	No	Yes	10	10	9	None	None	Yes	No	Yes	None
NKANGALA	Emalahleni	Yes	Yes	Yes	9	0	0	None	None	Yes	No	Yes	None
	Emakhazeni	Yes	Yes	Yes	16	10	10	None	None	Yes	No	Yes	None
	Steve Tshwete	Yes	Yes	Yes	10	12	9	None	None	Yes	No	Yes	None
	Victor Khanye	Yes	Yes	Yes	12	7	7	None	None	Yes	No	Yes	None
	Dr JS Moroka	Yes	Yes	Yes	13	12	10	None	None	Yes	No	Yes	None
	Thembisile Hani	Yes	Yes	Yes	11	12	0	None	None	Yes	No	Yes	None
	Nkangala District	Yes	Yes	Yes	12	9	0	None	None	Yes	No	Yes	None

(Source: Section 46 reports from municipalities)

DISTRICTS	Municipality	2014/15											
		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	Council	Executive mayoral committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	9	9	8	None	None	Yes	No	Yes	None
	Mbombela	Yes	Yes	Yes	12	10	8	None	None	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	10	9	12	None	None	Yes	Yes	Yes	Yes
	Thaba Chweu	No	No	Yes	9	12	11	None	None	Yes	Yes	Yes	Yes
	Umjindi	Yes	Yes	Yes	10	10	11	None	None	Yes	Yes	Yes	Yes
	Ehlanzeni District	Yes	Yes	Yes	13	12	12	None	None	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	12	12	10	None	None	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	8	7	0	None	None	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	11	9	10	None	None	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	9	9	0	None	None	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	11	9	8	None	None	No	Yes	Yes	Yes
	Msukaligwa		Yes	Yes	8	9	5	None	None	Yes	Yes	Yes	Yes
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	10	8	12	None	None	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	10	11	10	None	None	Yes	Yes	Yes	Yes

DISTRICTS	Municipality	2014/15											
		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	Council	Executive mayoral committee				
NKANGALA	Emalahleni	Yes	Yes	Yes	9	8	0	None	None	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	12	10	0	None	None	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	12	10	0	None	None	Yes	Yes	Yes	Yes
	Dr JS Moroka	Yes	Yes	Yes	14	10	6	None	None	Yes	No	Yes	None
	Thembisile Hani	Thembisile Hani Local	Yes	Yes	11	10	0	None	None	No	No	No	Yes
	Victor Khanye	Yes	Yes	Yes	8	7	8	None	None	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	12	10	0	None	None	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

## Analysis of Performance of Municipal Council Committees

### Provincial analysis

- ☐ 20 out of 21 municipalities have reviewed and adopted their delegation registers;
- ☐ 20 out of 21 municipalities had defined the roles of committees and political office bearers;
- ☐ 20 out of 21 municipal Councils had their sittings as required by legislation with the required quorum;
- ☐ 20 out of 21 municipalities convened Executive Mayoral Committee meetings with the required quorum at all times;
- ☐ 20 out of 21 municipalities held Portfolio Committee meetings as planned;
- ☐ 18 out of 21 municipalities adopted code of conduct for both councillors and staff.

### Challenges

- ☐ 18 out of 21 municipalities did adopt the code of conduct for councillors and staff (Mkhondo and Thembisile) while Thaba Chweu Section 46 report did not provide this information
- ☐ Thaba Chweu annual report/ Section 46 report did not contain non-financial information

### Recommendation

The Department will provide the required support to Thaba Chweu regarding the functionality of Sections 79 & 80 Committees

### 3.1.1.5 Functionality of IGR Structures

In the 2014/15 financial year the three District municipalities in the Province had the following functional IGR structures:

- ☐ IDP Representative Forums;
- ☐ IDP Technical, Clusters and working groups; and
- ☐ Executive Mayors and Municipal Managers Forums.

### Challenges

- ☐ Inconsistent participation by relevant stakeholders e.g. Sector Departments and Councillors;
- ☐ Delegation of officials with no decision making authority to the IDP meetings.

### Intervention

- ☐ The Department continued to support municipalities in mobilising sector departments to attend municipal stakeholder engagements meetings.

### Recommendation

It is recommended that:

- ☐ The Department should engage the Office of the Premier on the development of a Provincial IGR Framework
- ☐ Report non complying sector departments to Provincial Management Committee (PMC);
- ☐ Municipal Managers to report non-complying sector departments to the Premier's Coordinating Forum (PCF).

## 3.2 BASIC SERVICES

### Service Delivery and Infrastructure Development

This KPA entails the assessment of the ability of municipalities to deliver infrastructure and basic services. The KPA also assesses the role played by different sector departments both national and provincial. Service delivery in South Africa has assumed a centre stage, firstly, due to huge backlogs that were inherited from the past regime. Secondly, due to highly publicised service delivery protests which puts more pressure to local government to deliver on its mandate.

Municipalities are at the forefront of service delivery. This chapter will provide an indication of the performance of municipalities during the municipal financial year ending in June 2015.

The focal areas of this KPA are the following:

- Access to basic services
  - Access to potable water to households
  - Access to adequate sanitation
  - Access to electricity
- Free Basic Services (FBS) and Indigent policy implementation
  - Free basic water
  - Free basic sanitation
  - Free refuse removal

### 3.2.1 Performance of municipalities on Service Delivery and Infrastructure Development

#### 3.2.1.1 Households with access to Potable Water: Ehlanzeni District

**Table 3-6: Number of households with access to potable water in Ehlanzeni**

Municipality	2013/14							2014/15						
	Total No of House holds	Water		To date	Sanitation		To date	Total No of House holds	Water		To date	Sanitation		To date
Mbombela	181 309	130 063	71.2%	72%	161 773	100%	44%	161 773	156 567	96.8%	96.8%	150150	92.8%	92.8%
Bushbuckridge	134 199	110 656	82.5%	42%	111 983	83.4%	87%	146 720	64096	44%	44%	106640	72%	72%
Nkomazi	96 201	77 829	80.9%	69%	64 286	66.8%	84%	96 202	90829	94.4%	94.4%	80777	84.0%	84.0%
Umgjindi	19 563	18 467	94.4%	90%	19 563	100%	89%	19 563	19 316	98.7%	98.7%	19563	100%	100%
Thaba Chweu	33 352	31 623	94.8%	87%	33 052	99.1%	88%	33 352	33 034	99.0%	99.0%	33052	99.1%	99.1%
<b>EHLANZENI</b>	<b>445 087</b>	<b>368 638</b>	<b>82.8%</b>	<b>72%</b>	<b>390 657</b>	<b>87%</b>	<b>78%</b>	<b>457 608</b>	<b>363 842</b>	<b>73%</b>	<b>73%</b>	<b>390 182</b>	<b>78%</b>	<b>78%</b>

(Source: Section 46 reports from municipalities)

In 2014/15 financial year, Ehlanzeni District had 457 608 households compared to 445 087 in 2013/14 financial year. In 2014/15 financial year, households in Ehlanzeni District increased by 12 521. Out of the 457 608 households in Ehlanzeni District, 363 842 had access to potable water. A total of 390 182 households had access to sanitation from 390 657 which shows a slight decrease by 475 households as at June 2015.

### Gert Sibande District

**Table 3-7: Number of households with access to potable water in Gert Sibande**

Municipality	2013/14							2014/15						
	Total No of House holds	Water		To date	Sanitation		To date	Total No of House holds	Water		To date	Sanitation		To date
Govan Mbeki	83 874	82989	98.9%	97.3%	61 792	73.7%	81%	83 874	82 989	98.9%	98.9%	61 792	73.7%	73.7%
Chief Albert Luthuli	48 421	46 144	96.7%	96.7%	48 315	101.3%	80%	47 705	47 705	100%	100%	34 350	72%	72%
Msukaligwa	40 932	38665	94.5%	89.5%	31845	77.8%	95%	40 932	36 617	95%	89%	33 017	81%	81%
Lekwa	32 822	30138	97.0%	91.5%	29 570	95.2%	88%	31071	30 198	97.2%	97.2%	29 570	95.2%	95.2%
Mkhondo	37 433	36 617	97.8%	83.4%	34 248	91.5%	87%	38725	31 539	82%	97.8%	31 539	81.3%	81.3%
Dipaleseng	12 637	11949	94.6%	95%	8 520	67.4%	67%	13 190	12 427	95%	95%	9 874	75%	75%
Dr Pixley Ka Isaka Seme	21 688	19555	98.6%	100%	19 838	100%	96%	20 574	19 632	95%	95%	19 654	96%	96%
<b>GERT SIBANDE</b>	<b>277 807</b>	<b>266 057</b>	<b>97.3%</b>	<b>93.5%</b>	<b>234 128</b>	<b>85.6%</b>	<b>85%</b>	<b>273 490</b>	<b>261 107</b>	<b>94.4%</b>	<b>94.4%</b>	<b>219'796</b>	<b>79%</b>	<b>79%</b>

(Source: Section 46 reports from municipalities)

In 2014/15 financial year, Gert Sibande District had 273 490 households compared to 277 807 in 2013/14 financial year. In 2014/15 financial year households Gert Sibande decreased by 4 317. Out of the 276 071 households in Gert Sibande District 261 107 had access to potable water. A total of 219 796 households had access to sanitation which shows a decline from 234 128 by 14 332 households as at June 2015.

## Nkangala District

**Table 3-8: Number of households with access to potable water in Nkangala**

Municipality	2013/14							2014/15						
	Total No of House holds	Water		To date		Sanitation	To date	Total No of Households	Water		To date	Sanitation	To date	
Emalahleni	119 874	115 079	96.0%	60%	71 760	59.9%	66%	119 874	115 079	96%	96%	84 869	63%	63%
Thembisile Hani	107 354	72 175	95.4%	80%	75 090	99.3%	27%	107 354	87 345	81.3%	81.3%	98 883	92.0%	92.0%
Dr JS Moroka	62 162	61803	99.4%	99%	60 204	96.9%	88%	64 377	49 770	77.3%	77.3%	33 795	52%	52%
Steve Tshwete	64 971	61 484	94.6%	99%	41 125	63.3%	98%	64971	64971	100%	100%	64 971	100%	100%
Emakhazeni	14 315	13 167	96.0%	95%	8 441	61.5%	81%	15 201	14 579	96%	96%	12 689	83%	83%
Victor Khanye	20 548	19665	95.7%	76%	15 533	75.6%	76%	22 148	21 824	98.5%	98.5%	21 817	98.5%	98.5%
<b>NKANGALA</b>	<b>389 224</b>	<b>115 079</b>	<b>95.5%</b>	<b>85%</b>	<b>272 153</b>	<b>76.3%</b>	<b>73%</b>	<b>393 925</b>	<b>353 568</b>	<b>89%</b>	<b>89%</b>	<b>317 024</b>	<b>80%</b>	<b>80%</b>
<b>PROVINCIAL TOTAL</b>	<b>1 132 500</b>	<b>876 876</b>	<b>83%</b>	<b>83%</b>	<b>896 938</b>	<b>79%</b>	<b>69%</b>	<b>1 167 242</b>	<b>978'517</b>	<b>83%</b>	<b>83%</b>	<b>927 002</b>	<b>79%</b>	<b>79%</b>

(Source: Section 46 reports from municipalities)

In 2014/15 financial year, Nkangala District had 393 925 households compared to 389 224 in 2013/14 financial year. In 2014/15 financial year households in Nkangala District increased by 4701. Out of the 393 925 households in Nkangala District 353 925 had access to potable water as at June 2015. This shows that more households are receiving water. A total of 317 024 households had access to sanitation which shows a sharp increase from 272 153 by 44 871 households as at June 2015.

## Households with access to Free Basic Water

### 3.2.1.2 Status Quo on Free Basic Water Ehlanzeni District

**Table 3-9: Status Quo on Free Basic Water in Ehlanzeni District**

Local Municipality	2013/14				2014/15			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Mbombela	161 772	13443	13443	100%	161 773	38 268	38 268	100%
Bushbuckridge	134 199	6500	6500	42.9%	146 720	5 919	5 919	100%
Nkomazi	96 201	11923	0	0%	96 202	12 937	12 937	100%
Umgindi	19 563	1498	1206	80%	19 563	2 242	1206	53%
Thaba Chweu	33 352	1572	8675	26%	33 352	3781	3781	100%
<b>TOTAL</b>	<b>445 087</b>	<b>34936</b>	<b>29824</b>	<b>62.2%</b>	<b>457 610</b>	<b>63'147</b>	<b>62'111</b>	<b>90.6%</b>

(Source: Section 46 reports from municipalities)

In 2014/15 financial year, a total of 62 111 indigent households in Ehlanzeni District were served with free basic water as compared to 29 824 in 2013/14 financial year. This shows a sharp increase form 62% to 90%.

### 3.2.1.3 Status Quo on Free Basic Water Gert Sibande District

**Table 3-10: Status Quo on Free Basic Water in Gert Sibande District**

Local Municipality	2013/14				2014/15			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Govan Mbeki	83 874	21695	21695	100%	83 874	8 489	7 566	89%
Chief Albert Luthuli	47 705	8136	8136	37%	47 705	17 182	17 182	100%
Lekwa	31 071	2991	2991	100%	31 071	2 242	2 242	100%
Mkhondo	37 433	973	973	100%	37 433	263	263	100%
Dipaleseng	12 637	990	990	100%	12 637	1000	1000	100%
Dr Pixley Ka Isaka Seme	19 838	2021	2021	100%	19 838	2184	2184	100%
Msukaligwa	40 932	9200	9200	100%	40 932	10 830	10 830	100%
<b>TOTAL</b>	<b>273 490</b>	<b>46 006</b>	<b>46 006</b>	<b>91%</b>	<b>273 490</b>	<b>42'190</b>	<b>41'267</b>	<b>97%</b>

(Source: Section 46 reports from municipalities)

In 2014/15 financial year, there were 42 190 indigents registered. A total of 41 267 indigent households in Gert Sibande District were served with free basic water as compared to 46 006 in 2013/14 financial year. This shows a slight increase from 91% to 97%.

### 3.2.1.4 Status Quo on Free Basic Water Nkangala District

**Table 3-11: Status Quo on Free Basic Water in Nkangala District**

Local Municipality	2013/14				2014/15			
	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW	Total No. Households	Number of Indigents	Served with FBW	% Served with FBW
Thembisile Hani	75 635	0	0	0%	119 874	0	0	0%
Dr JS Moroka	62 162	4878	1629	33.3%	107 354	4 500	2 310	51%
Steve Tshwete	64 971	17934	14000	78.1%	64 377	18 200	14 388	79%
Victor Khanye	15 129	2720	2720	100%	64971	2 720	2 720	100%
Emalahleni	75 635	12250	12250	98.5%	15 201	12 893	12 893	100%
Emakhazeni	13 721	984	984	100%	22 148	1 437	1 437	100%
<b>Total</b>	<b>307 253</b>	<b>38766</b>	<b>31583</b>	<b>68%</b>	<b>393 925</b>	<b>39'750</b>	<b>33 748</b>	<b>72%</b>

(Source: Section 46 reports from municipalities)

In 2014/15 financial year, a total of 33 748 indigent households in Nkangala District were served with free basic water as compared to 31 583 in 2013/14 financial year. This shows a slight increase from 68% to 72%.

### Households with access to Sanitation

#### 3.2.1.5 Status quo on acces to sanitation

**Table 3-12: Households with access to sanitation**

Municipality	2013/14			2014/15		
	Total No of Households	Sanitation		Total No of Households	Sanitation	
Mbombela	181309	161 773	100%	161 773	83 000	51%
Bushbuckridge	134197	111.983	83.4%	146 720	117 230	80%
Nkomazi	100746	64 286	66.8%	96 202	80 777	84%
Umjindi	20408	19 563	100%	19 563	19563	100%
Thaba Chweu	36852	33052	99.1%	33 352	33052	99.1%
<b>EHLANZENI</b>	<b>473512</b>	<b>390 657</b>	<b>87.8%</b>	<b>457 610</b>	<b>260'922</b>	<b>57%</b>
Emalahleni	135972	71 760	59.9%	119 874	84 869	71%
Thembisile Hani	107354	75 090	99.3%	107 354	98 883	92.0%
Dr JS Moroka	62162	60 204	96.9%	64 377	33 795	52%
Steve Tshwete	73395	41 125	63.3%	64971	64 971	100%
Emakhazeni	14315	8 441	61.5%	15 201	12 689	83%
Victor Khanye	22148	15 533	75.6%	22 148	21 817	99%
<b>NKANGALA</b>	<b>415346</b>	<b>272 153</b>	<b>76.3%</b>	<b>393 925</b>	<b>317'024</b>	<b>88%</b>
Govan Mbeki	83874	61 792	73.7%	83 874	82 355	98.2%
Chief Albert Luthuli	48421	48 315	101.3%	47 705	34 350	72%
Msukaligwa	47517	31 845	77.8%	40 932	33 017	81%
Lekwa	32822	29 570	95.2%	31071	29 570	95.2%



Municipality	2013/14			2014/15		
	Total No of Households	Sanitation		Total No of Households	Sanitation	
Mkhondo	38125	34 248	91.5%	38725	21 461	55%
Dipaleseng	12637	8520	67.4	13 190	9 874	75%
Dr Pixley Ka Isaka Seme	21688	19 838	100.0%	20 574	19654	96%
<b>GERT SIBANDE</b>	<b>273 490</b>	<b>234 128</b>	<b>85.6%</b>	<b>273 490</b>	<b>230'281</b>	<b>84%</b>
<b>PROVINCIAL TOTAL</b>	<b>1 075 488</b>	<b>896 938</b>	<b>79%</b>	<b>1 125 025</b>	<b>808'227</b>	<b>72%</b>

(Source: Section 46 reports from municipalities)

### Households with access to Free Basic Sanitation

#### 3.2.1.6 Status Quo on Free Basic Sanitation at Ehlanzeni District

Table 3-13: Status Quo on Free Basic Sanitation in Ehlanzeni

Local Municipality	2013/14				2014/15			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Mbombela	161 772	13434	2194	16%	161 773	38268	2670	6%
Bushbuckridge	134 199	6500	6500	100%	146 720	5919	5919	100%
Nkomazi	96 201	11293	0	0%	96 202	12 937	0	0
Umjindi	19 563	1498	1228	82%	19 563	2242	1598	71%
Thaba Chweu	33 352	3098	3098	100%	33 352	3 750	3 750	100%
<b>TOTAL</b>	<b>445 087</b>	<b>35823</b>	<b>13020</b>	<b>60%</b>	<b>457 610</b>	<b>61'472</b>	<b>13' 937</b>	<b>22%</b>

(Source: Section 46 reports from municipalities)

#### 3.2.1.7 Status Quo on Free Basic Sanitation Gert Sibande District

Table 3-14: Status Quo on Free Basic Sanitation in Gert Sibande

Local Municipality	2013/14				2014/15			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Govan Mbeki	83 874	21695	21695	100%	83 874	7 566	7 566	89%
Chief Albert Luthuli	47 705	8136	4212	52%	47 705	17 402	17 402	100%
Lekwa	31 071	8318	2426	29%	40 932	2 242	1 598	71%
Mkhondo	37 433	246	246	100%	31071	263	0	0%
Dipaleseng	12 637	175	175	100%	38725	1000	1000	100%
Dr Pixley Ka Isaka Seme	19 838	2400	2400	100%	13 190	2184	2184	100%
Msukaligwa	40 932	9200	9200	100%	20 574	10 830	8 996	83%
<b>TOTAL</b>	<b>273 490</b>	<b>50998</b>	<b>41182</b>	<b>83%</b>	<b>273 490</b>	<b>41'487</b>	<b>38'746</b>	<b>93%</b>

(Source: Section 46 reports from municipalities)

#### 3.2.1.8 Status Quo on Free Basic Sanitation Nkangala District

Table 3-15: Status Quo on Free Basic Sanitation at Nkangala

Local Municipality	2013/14				2014/15			
	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS	Total No. Households	Number of Indigents	Served with FBS	% Served with FBS
Thembisile Hani	75 635	0	0	0%	119 874	0	0	0%
Dr JS Moroka	62 162	4878	1282	26%	107 354	4 500	2 310	51%
Steve Tshwete	64 971	16739	16739	100%	64 377	18 200	18 199	99%
Victor Khanye	15 129	2720	0	0%	64971	2 720	2 720	100%
Emalahleni	75 635	11800	11800	100%	15 201	12 893	12 893	100%
Emakhazeni	13 721	984	984	100%	22 148	984	984	100%
<b>Total</b>	<b>307 253</b>	<b>37571</b>	<b>31255</b>	<b>54%</b>	<b>393 925</b>	<b>39'297</b>	<b>37'106</b>	<b>94%</b>

(Source: Section 46 reports from municipalities)



### 3.2.1.9 Bucket System Eradication

Table 3-16: Indicate Bucket System

Municipality	2013/14				2014/15			
	Village/ Town	Number of Buckets	Project Value	Comments	Village/ Town	Number of Buckets	Project Value	Comments
Victor Khanye	None	0	0	Bucket system eradicated	None	0	0	Bucket system eradicated
Dipaleseng	None	0	0	Bucket system eradicated	None	0	0	Bucket system eradicated

(Source: Section 46 reports from municipalities)

The bucket system in Victor Khanye and Dipaliseng municipalities was eradicated in 2013/14 financial year

### Households with access to Electricity Services

#### 3.2.1.10 Status quo on access to electricity services Ehlanzeni District

Table 3-17: Households with access to electricity at Ehlanzeni

Municipality	2013/14				2014/15			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Mbombela	161 772	147 501	91.18 %	91.18 %	161 773	148 948	92.1%	92.1%
Bushbuckridge	134 199	131 059	97.66 %	97.66 %	146 720	140 024	95%	95%
Nkomazi	96 201	92 237	96.57 %	96.57 %	96 202	92 892	97%	97%
Umgindi	19 563	17 006	83.96 %	83.96 %	19 563	19 768	100%	100%
Thaba Chweu	33 352	32 551	97.60 %	97.60 %	33 352	31 301	94%	94%
<b>EHLANZENI</b>	<b>445 087</b>	<b>420 354</b>	<b>94.44%</b>	<b>94.44%</b>	<b>457 610</b>	<b>432'933</b>	<b>95%</b>	<b>95%</b>

(Source: Section 46 reports from municipalities)

### Nkangala District

Table 3-18: Households with access to electricity at Nkangala

Municipality	2013/14				2014/15			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Emalahleni	119 874	88 732	74.2%	74.2%	119 874	91 272	76%	76%
Thembisile Hani	75 635	71 863	95.1%	95.1%	107 354	72 691	68%	68%
Dr JS Moroka	62 162	61 677	99.22%	99.22%	64 377	64184	99%	99%
Steve Tshwete	64 971	59 827	92.08%	92.08%	64971	64 375	99%	99%
Emakhazeni	13 721	11 824	86.17%	86.17%	15 201	12 472	82.1%	82%
Victor Khanye	20 548	17 501	85.17%	85.17%	22 148	20 184	91.1%	91.1%
<b>NKANGALA</b>	<b>356 911</b>	<b>311 424</b>	<b>87.26%</b>	<b>87.26%</b>	<b>393 925</b>	<b>325'178</b>	<b>82%</b>	<b>82%</b>

(Source: Section 46 reports from municipalities)

### Gert Sibande District

Table 3-19: Households with access to electricity in Gert Sibande

Municipality	2013/14				2014/15			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Govan Mbeki	83 874	76 332	91.0%	91.0%	83 874	77 472	92%	92%
Chief Albert Luthuli	47 705	43 590	91.37%	91.37%	47 705	44 621	93%	93%
Msukaligwa	40 932	33.020	80.67%	80.67%	40 932	34 341	84 %	84%
Lekwa	31 071	27 838	89.59%	89.59%	31071	30 111	97%	97%
Mkhondo	37 433	25 385	67.81%	67.81%	38725	27 886	72%	72%
Dipaleseng	12 637	10 749	85.06%	85.06%	13 190	10 427	79%	79%
Dr Pixley Ka Isaka Seme	19 838	16 907	85.23%	85.23%	20 574	19 623	95.%	95.%
<b>GERT SIBANDE</b>	<b>273 490</b>	<b>233 821</b>	<b>85.50%</b>	<b>85.50%</b>	<b>273 490</b>	<b>244'481</b>	<b>89%</b>	<b>89%</b>
<b>PROVINCIAL TOTAL</b>	<b>1 075 488</b>	<b>965 599</b>	<b>89.07%</b>	<b>89.07%</b>	<b>1'207'966</b>	<b>1'002'592</b>	<b>82%</b>	<b>82%</b>

(Source: Section 46 reports from municipalities)

## Households with access to Free Basic Electricity

### 3.2.1.11 Status quo on free basic electricity

Table 3-20: Households with access to Free Basic Electricity

HOUSEHOLDS WITH ACCESS TO FREE BASIC SERVICES								
Municipality	2013/14				2014/15			
	Total H/H	Total indigents	Total served energy	%	Total H/H	Total indigents	Total served energy	% FWS Served
Govan Mbeki	83 874	22523	21695	96.3%	83 874	8489	7 566	89%
Chief Albert Luthuli	47 705	8136	8136	100%	47 705	17 182	17 182	100%
Msukaligwa	40 932	9200	9200	100%	40 932	10 830	5 794	53%
Lekwa	31 071	8318	2426	29%	31071	2 242	1 273	56%
Mkhondo	37 433	246	246	100%	38725	263	263	100%
Dipaleseng	13 637	175	175	100%	13 190	1 000	1 000	100%
Dr Pixley Ka Isaka Seme	19 838	2400	2400	100%	20 574	2184	2184	100%
<b>Gert Sibande District</b>	<b>274 490</b>	<b>50998</b>	<b>44278</b>	<b>89.3%</b>	<b>273 490</b>	<b>42'190</b>	<b>35'262</b>	<b>83%</b>
Emalahleni	119 874	12250	12250	100%	119 874	12 893	12 893	9.5%
Thembisile Hani	75 634	0	0	0%	107 354	0	0	0
Dr JS Moroka	62 162	4878	4878	100%	64 377	4 500	2 310	68%
Steve Tshwete	64 971	16739	15893	95%	64971	18 200	18 199	99%
Emakhazeni	13 722	984	0	0%	15 201	984	0	0%
Victor Khanye	20 548	2720	2720	100%	22 148	2 720	2 720	60%
<b>Nkangala District</b>	<b>356 911</b>	<b>37571</b>	<b>35741</b>	<b>83%</b>	<b>393 925</b>	<b>39'279</b>	<b>36'122</b>	<b>91%</b>
Mbombela	161 773	13434	11249	84%	161 773	38 268	2 670	6%
Bushbuckridge	134 197	6500	6500	100%	146 720	5 919	5 919	100%
Nkomazi	95 509	11923	11293	95%	96 202	11 923	11 293	95%
Umgindi	20 255	2720	2720	100%	19 563	2 242	1 273	56%
Thaba Chweu	33 352	3098	3098	100%	33 352	3 750	3 750	100%
<b>Ehlanzeni District</b>	<b>445 086</b>	<b>37675</b>	<b>34860</b>	<b>96%</b>	<b>457 610</b>	<b>62'102</b>	<b>24'905</b>	<b>405</b>

(Source: Section 46 reports from municipalities)

## Households with access to Roads

### 3.2.1.12 Status quo on access to roads Ehlanzeni District

Table 3-21: Total KM of tarred and gravel roads in Ehlanzeni

Municipality	2013/14			2014/15		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
Mbombela	2760	560	2200	3199	650	2549
Bushbuckridge	4650	938	3712	4650	973	3713
Nkomazi	1702	163	1539	1702	4 road	121 Km
Umgindi	0	0	0	0	0	0
Thaba Chweu	0	0	0	0	0	0

(Source: Section 46 reports from municipalities)

## Gert Sibande District

Table 3-22: Total KM of tarred and gravel roads in Gert Sibande

Municipality	2013/14			2014/15		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
Govan Mbeki	908	505.9	398.1	904	19	241
Chief Albert Luthuli	649.3	106.1	453.2	1580	82	1498
Msukaligwa	446.96	229.31	217.65	446.96	229.31	217.65
Lekwa	423	185.4	237.6	INP	INP	INP
Mkhondo	951	461.8	490	951	461.3	496
Dipaleseng	0	0	0	238	97	50
Dr. Pixley Ka Isaka Seme	278	85	198	278	85	193

(Source: Section 46 reports from municipalities)

## Nkangala District

**Table 3-23: Total KM of tarred and gravel roads in Nkangala**

Municipality	2013/14			2014/15		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
Emalahleni	1400.8	843.96	566.84	0	0	0
Thembisile Hani	0	0	0	967.37	0	13.1
Dr. JS Moroka	0	0	0	0	0	0
Steve Tshwete	819.3	626	174.4	0	0	0
Emakhazeni	0	0	0	2 617.3KM	24.6KM	2 592.76KM
Victor Khanye	0	0	0	678	300	400

*(Source: Section 46 reports from municipalities)*

### 3.2.1.13 Analysis of performance on Service Delivery and Infrastructure Development

#### Challenges on access to water

- ☐ Inadequate bulk water supply to ensure 100% access to Municipality and mass production of agricultural livestock or produce
- ☐ Illegal connections in the bulk Municipal Infrastructure resulting in water losses
- ☐ Poor planning and budgeting for implementation of the infrastructure development plans that encompass the maintenance of their entire water distribution chain
- ☐ To date a total of 87% households have access to water with a backlog of 13% in the Province
- ☐ Mushrooming of informal settlements result in increases in the water demand
- ☐ Poor maintenance of bulk water infrastructure

#### Challenges on access to Sanitation

- ☐ Inadequate bulk water source for the implementation of waterborne sanitation especially in rural areas
- ☐ Poor planning and budgeting for implementation of the infrastructure development plans that encompass the maintenance of the entire sanitation facilities including wastewater treatment works
- ☐ Ageing and overloaded infrastructure resulting into many areas experiencing sewer spillages such as Emakhazeni and Govan Mbeki
- ☐ Insufficient provision of operations and maintenance budget (O&M)

#### Challenges on access to Electricity

- ☐ The mentioned local municipalities faced bulk electricity disconnection due to huge amounts owed to Eskom, namely Thaba Chweu, Emalahleni, Lekwa, Msukaligwa, Mkhondo and Emakhazeni.
- ☐ Infrastructure in local municipalities is operated above the designed capacity and this had also contributed on the current Eskom debt account due to penalties that are imposed by Eskom on the Notified Maximum demand (NMD).

### 3.2.1.14 Support interventions by National and Provincial government

National Treasury supported municipalities with the provision of the MIG. The Department supported municipalities with the application and registration of municipal infrastructure projects. The collective effort by the Department, Department of Water and Sanitation and municipalities produced the desired outcomes in the delivery of water to communities.

#### Plans for interventions on access to water

The Department has intervened by supporting municipalities with the planning, registration and implementation of water projects in the 2015/16 financial year.

#### Plans for interventions on access to Sanitation

The Department supported municipalities' business plans to address the challenges within the bulk sewer infrastructure.

#### Plans for interventions access to Electricity

- ☐ The Department intensified the working relationship with the Department of Energy on monitoring the implementation of the INEP program;
- ☐ The Department ensured that all signed contracts and project implementation plans of local municipalities are fully implemented;
- ☐ The Department initiated the concept document on the generation of electricity in local municipalities in small scale through renewable energy sources such as solar, hydro power and waste to energy.

#### Plans for interventions on access to refuse removal

- ☐ The Department supported municipalities with the implementation of projects funded by MIG to increase the number of landfill sites for the greater access for households;
- ☐ The Department ensured that municipalities prioritize the waste management issues.

### 3.3 SPATIAL RATIONALE

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.

#### 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.

#### 3.3.1 SPLUMA

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was enacted by the President in 2013. The SPLUMA aims to provide a framework for spatial planning and land use management in the country and to replace all fragmented and outdated legislation. SPLUMA became operational on 1 July 2015. Since 2013, various administrative tasks were embarked upon to ensure that municipalities would be ready at the time SPLUMA became operational. These tasks involve the establishment of structures, development of policies, financial and staffing arrangements.

**Table 3-24: Indicate municipalities with approved SDFs**

DISTRICTS	Municipality	2012/13			2013/14			2014/15			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	Yes	Yes	Yes	None
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Umgjini	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalaheni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

### 3.3.1.1 Analysis of performance on Spatial Rationale

The Department assessed the alignment of municipal SDFs with SPLUMA requirements in terms of processes, procedures and content. A few municipalities' SDFs did show some degree of alignment with SPLUMA requirements. 4 out of 21 municipal SDF's were SPLUMA compliant. The compliant municipalities were Umjindi LM, Thaba Chweu LM, Govan Mbeki LM and Gert Sibande DM. The majority of the municipalities, however, still need to review their SDFs to fully comply with SPLUMA.

#### Challenges

- Insufficient budget in municipalities for the SDF reviews;
- SDF implementation in all municipalities still remains a challenge.

#### Recommendations

- Municipalities should budget for the review of their SDFs to align with SPLUMA;
- Municipalities and sector departments should jointly ensure that all land development projects are in line with the SDF of municipalities;
- The Department will assess, monitor and support the implementation of SDFs in municipalities;
- That the Department assist with the reviews of the SDFs of Lekwa and Chief Albert Luthuli Local municipalities during the 2015/16 Financial year.

**Table 3-25: Indicate status in terms of preparation for SPLUMA implementation**

DISTRICTS	Municipality	2014/15							Reasons
		Municipal Co-operation	Planning Tribunal	Delegations	Appeal Mechanism	Preparation of By-law	Setting of Tariffs	Budget Allocation	
EHLANZENI	Bushbuckridge	Y	N	N	Y	Y	Y	Y	Other tasks in progress
	Mbombela	Y	N	N	Y	Y	N	Y	Other tasks in progress
	Nkomazi	Y	N	N	Y	N	N	N	Other tasks in progress
	Thaba Chweu	Y	N	N	Y	N	N	N	Other tasks in progress
	Umjindi	Y	N	N	Y	N	Y	N	Other tasks in progress
GERT SIBANDE	Chief Albert Luthuli	Y	N	N	Y	N	Y	N	Other tasks in progress
	Dipaleseng	Y	N	N	N	N	Y	N	Other tasks in progress
	Govan Mbeki	Y	N	N	N	N	Y	N	Other tasks in progress
	Lekwa	Y	N	N	Y	N	Y	N	Other tasks in progress
	Mkhondo	Y	N	N	N	N	N	N	Other tasks in progress
	Msukaligwa	Y	N	N	Y	N	N	N	Other tasks in progress
	Dr. Pixley Ka Isaka Seme	Y	N	N	Y	N	Y	N	Other tasks in progress
NKANGALA	Emalahleni	Y	N	N	Y	N	N	Y	Other tasks in progress
	Emakhazeni	N	N	N	Y	N	N	N	Other tasks in progress
	Steve Tshwete	Y	N	N	Y	N	N	N	Other tasks in progress
	Victor Khanye	N	N	N	Y	N	N	N	Other tasks in progress
	Dr. JS Moroka	N	N	N	N	N	N	N	Other tasks in progress
	Thembisile Hani	N	N	N	Y	N	N	N	Other tasks in progress

(Source :COGTA / State of SPLUMA Readiness report )

### 3.3.1.2 Analysis of performance on SPLUMA

Templates and standard documentation were provided to Municipalities to perform 7 key administrative tasks in order to be ready for SPLUMA implementation. Although most of the tasks are not complete, Municipalities are far advanced and almost complete with most of the tasks as indicated in the table above. Municipalities could not be ready on 1 July 2015 for SPLUMA implementation.

#### Challenges

Slow pace of municipalities to perform administrative tasks and failure by municipal Councils to take resolutions to conclude tasks in time.

### Support Interventions by National and Provincial government on Spatial Rationale and SPLUMA

- All district and local municipalities within the province were supported to develop and adopt Spatial Development Frameworks with the support from Department of Rural Development and Land Reform. These plans will guide future development and investment in municipalities.
- The Department assesses the implementation of the SDFs annually, through the IDP assessments. Support is thereafter provided to municipalities based on the findings of the assessments.
- The Department's Spatial Planning and IDP units have embarked on a process to assess sector departments' APPs. To ensure that projects are implemented through municipal IDPs and are in line with the municipal SDF proposals

### Recommendation

That the Department continue to support and monitor the implementation SDF's to ensure they are SPLUMA compliant.

### 3.4 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 prescribes 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 4 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 3-26: Indicate municipalities with reviewed IDPs**

DISTRICTS	Municipality	2012/13		2013/14		2014/15	
		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	1458	Reviewed	34
	Mbombela	Reviewed		Reviewed		Reviewed	INP
	Nkomazi	Reviewed		Reviewed		Reviewed	INP
	Thaba Chweu	Reviewed		Reviewed		Reviewed	INP
	Umgindi	Reviewed		Reviewed		Reviewed	874
	Ehlanzeni District	Reviewed		Reviewed	14	Reviewed	INP
GERT SIBANDE	Chief Albert Luthuli	Reviewed		Reviewed		Reviewed	325
	Dipaleseng	Reviewed		Reviewed		Reviewed	INP
	Govan Mbeki	Reviewed		Reviewed		Reviewed	28
	Lekwa	Reviewed		Reviewed		Reviewed	INP
	Mkhondo	Reviewed		Reviewed		Reviewed	60
	Msukaligwa	Reviewed		Reviewed		Reviewed	11
	Dr. Pixley Ka Isaka Seme	Reviewed		Reviewed		Reviewed	1 940
	Gert Sibande	Reviewed		Reviewed		Reviewed	23
NKANGALA	Emalahleni	Reviewed		Reviewed		Reviewed	All the 34 wards participated during the IDP Mayoral Izimbizo. IDP Representative Forum were also held.
	Emakhazeni	Reviewed		Reviewed		Reviewed	INP
	Steve Tshwete	Reviewed		Reviewed		Reviewed	13
	Victor Khanye	Reviewed		Reviewed		Reviewed	20
	Dr. JS Moroka	Reviewed		Reviewed		Reviewed	9
	Thembeisile Hani	Reviewed		Reviewed		Reviewed	144
	Nkangala District	Reviewed		Reviewed		Reviewed	INP

(Source: Section 46 reports from municipalities)

### 3.4.1 Analysis of performance on IDP

Municipal IDPs have improved in the achievement of their developmental objectives in terms of basic service delivery as there is increased responsiveness to priority needs raised by the communities. However, IDPs continuously lose their strategic focus and intent as a mid to long term planning instrument for local government. Furthermore, the annual reviews of IDPs are failing to accommodate critical performance information required to track progress in the implementation of councils' 5 year developmental objectives.

#### Challenge

There is persistent misalignment of IDPs, budgets, SDBIPs and PMS due to lack of effective strategy review, implementation and reporting on development outcomes.

#### Support Interventions by National and Provincial government on IDP

- Supported 21 municipalities in the review of their IDP's to be legally compliant and responsive. Hands on support was provided to 7 struggling municipalities, i.e Dr JS Moroka, Victor Khanye, Bushbuckridge, Thaba chweu, Lekwa, Emakhazeni and Dipaleseng,
- Conducted assessment of IDP, Budget and SDBIP alignment to support municipalities on their IDP implementation.
- Developed Provincial planning and budgeting cycle to align Provincial and Municipal planning.

#### Recommendations

- That the Province enhance sector support in municipal planning for proper development of the next 5 year IDP to avoid misalignment of strategic planning elements such as the strategic plan, predetermined objectives and operational plans (i.e. programmes and projects) in the IDP, budget and SDBIP;
- Municipalities institutionalise and centralise strategic planning in the offices of the Executive Mayor, Municipal Manager and MMC responsible for planning to ensure oversight in the planning process;
- That the Province support municipalities to establish mechanisms and platforms for strategy development and coordination at the highest levels of management in support of the IDP development process;
- That the Province capacitate district municipalities in performing their regional development and planning functions to their constituent local municipalities.

### 3.5 DISASTER MANAGEMENT POLICY FRAMEWORK

The aim of the Disaster Management Act (No.57 of 2002) is to ensure a uniform approach to disaster risk management in each sphere of government. According to the National Disaster Management Centre's (NDMC) the Disaster Management Act focuses on disaster prevention and risk reduction, mitigation of severity and consequences of disasters, emergency and preparedness, and a rapid and effective response to disasters leading to restoration of normal conditions. The following acts and policy frameworks provides for disaster management: Intergovernmental Relations Framework Act, 2005 (No 13 of 2005), the Local Government: Municipal Systems Act, 2000 (No 32 of 2000), the Disaster Management Act, 2002 (No. 57 of 2002) and the National Disaster Risk Management Policy Framework of 2005.

The main objective of this framework 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.



### 3.5.1 District Municipalities with developed Disaster Management Policy Framework and Plans

#### (a) Developed Disaster Management Policy Frameworks and Plans

**Table 3-27: Indicate municipalities with Disaster Management Policy Framework and Plans**

Districts	Municipality	2013/14			2014/15		
		Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre established and fully functional	Disaster Management framework	Disaster Management Plans finalised
EHLANZENI	Bushbuckridge	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Mbombela	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Nkomazi	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Thaba Chweu	No	Not a statutory obligation	Yes	Yes-shared with fire services	Not a statutory obligation	Yes
	Umgindi	No	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Not a statutory obligation	Yes	Yes	Yes (adopted by Council)	Yes
	Dipaleseng	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Govan Mbeki	Yes	Not a statutory obligation	Yes	Yes- shared with fire services	Not a statutory obligation	Yes
	Lekwa	No	Not a statutory obligation	Yes	Yes-shared with fire services	Not a statutory obligation	Yes
	Mkhondo	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Msukaligwa	Yes	Not a statutory obligation	Yes	Yes-shared with fire services	Not a statutory obligation	Yes
	Dr. Pixley Ka Isaka Seme	No	Not a statutory obligation	Yes	Construction underway	Not a statutory obligation	Yes
	Gert Sibande	No	Yes	Yes	Established satellite centres in the local municipalities	Yes	Yes
NKANGALA	Emalahleni	Yes	Not a statutory obligation	Yes	Yes, located at District level	Yes	Yes
	Emakhazeni	Yes	Not a statutory obligation	Yes	Yes	No framework	Yes (Level one plan)
	Steve Tshwete	Yes	Not a statutory obligation	Yes	No, it is a competency of the District Municipality as stipulated in the Disaster Management Act 57 of 2002: Chapter 5 Section 43 2b may operate such centre in partnership with those Local Municipalities.	Yes, Approved by Council, Resolution no: M18/8/2011	Yes, Level 1 Plan, Approved by Council resolution no: M18/8/2011. Level 2 & 3 Plan will serve before Council in the current financial year
	Victor Khanye	Yes	Not a statutory obligation	Yes	Yes	Yes	Yes
	Dr. JS Moroka	No	Not a statutory obligation	Yes	No	Not a statutory obligation	Yes
	Thembisile Hani	Yes	Not a statutory obligation	Yes	No	Yes	Yes
	Nkangala District	Yes	Yes not aligned	Yes	Yes	Yes	Yes
Total		11/21	15/21	20/21	17/21	8/21	21/21

(Source: Section 46 reports from municipalities)

#### Analysis of performance on district municipalities with developed Disaster

- ☐ 14 out of 21 municipalities had disaster management centres established;
- ☐ 5 municipalities shared disaster management centres with their district municipalities;
- ☐ 8 municipalities (3 districts and 5 local) have disaster management frameworks.

#### Challenges

- ☐ Inadequate funding and shortage of staff;
- ☐ The District municipalities had insufficient budget for the acquisition of the necessary relief material;
- ☐ General shortage and poor maintenance of disaster and fire fighting equipment.

### **Support Interventions by National and Provincial government**

- Province provided immediate relief during disaster incidents;
- National provided funding on provincial declared disasters.

### **Recommendation**

District municipalities to increase budget for disaster management.

## **3.6 LOCAL ECONOMIC DEVELOPMENT**

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

LED strategies are at the centre of efforts by municipalities to create economic growth and development. It is a vital strategy at the disposal of all municipalities to increase the potential to radically improve the lives of all municipal constituents by enabling growth and reducing poverty. However, the strategies associated with LED are not to be viewed as a quick-fix solution to the socio-economic challenges. There are a myriad of challenges and obstacles that municipalities need to overcome in implementing LED strategies. These range from socio-economic conditions at local and regional level 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 job losses. An effective LED strategy also seeks to mitigate the impact of global economic ruptures, such as the global economic down-turn which had a significant impact during the year under review. In order for the LED strategy to be effective, it is imperative that a municipality gets a buy-in from all stakeholders such as the private sector and other community organisations.

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

### **3.6.1 Performance of municipalities on the Local Economic Development**

#### **3.6.1.1 Capacity for planning and implementing LED functions in municipalities through an effective LED Unit**

The institutional capacity to lead and manage LED is a crucial element 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 vehicle established outside the municipal offices to unlock economic development potential of a municipality

**Table 3-28: % Capacity of planning and implementing LED functions in municipalities through effective LED Units**

Districts	Municipality	2012/13		2013/14		2014/15	
		No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
EHLANZENI	Bushbuckridge	7	4	7	4	9	3
	Mbombela	41	11	41	11	20	14
	Nkomazi	4	9	5	5	5	5
	Thaba Chweu	1	1	1	1	2	2
	Umjindi	3	3	3	3	2	1
	EHLANZENI	15	15	57	24	13	13
GERT SIBANDE	Chief Albert Luthuli	8	3	8	3	8	3
	Dipaleseng	7	1	7	2	7	2
	Govan Mbeki	1	1	3	3	3	3
	Lekwa	1	1	2	2	2	2
	Mkhondo	3	2	3	3	3	3
	Msukaligwa	3	3	3	3	3	3
	Dr. Pixley Ka Isaka Seme	3	2	3	2	2	2
	GERT SIBANDE	2	2	30	18	10	9
NKANGALA	Emalahleni	4	4	4	4	4	4
	Emakhazeni	-	-	2	2	2	2
	Steve Tshwete	2	2	3	3	3	3
	Victor Khanye	2	1	2	1	1	1
	Dr. JS Moroka	-	-	2	2	2	2
	Thembisile Hani	-	-	2	2	3	3
	NKANGALA	9	9	15	14	8	8

(Source: Section 46 reports from municipalities)

### 3.6.1.2 Budget spent on LED related activities

Table 3-29: % of budget spent on LED related activities

Districts	Municipality	2012/13			2013/14			2014/15		
		Budget	Amount spent	Percentage %	Budget	Amount spent	Percentage %	Budget	Amount spent	Percentage %
EHLANZENI	Bushbuckridge	-	-	-	R1 305 000	R290 478	22,25%	R7966	R3210	40%
	Mbombela	-	-	-	R12100000	R1331000	11%	R6,070,000	R4,257,656	70%
	Nkomazi	-	-	-	-	-	-	R8 418100	R5 548 315	65%
	Thaba Chweu	-	-	-	-	-	-	-	-	-
	Umjindi	-	-	-	R1 465 256	R709 189	49%	2, 181,737	652, 474	30%
	Ehlanzeni	-	-	-	R13464347.00 (LED, Tourism & Rural Development, including operational budget)	R11499541.00 (LED, Tourism & Rural Development, including operational budget)	85%	R7 382 317 (LED, Tourism & Rural Development, including operational budget)	R6 606 801 (LED, Tourism & Rural Development, including operational budget)	89%
GERT SIBANDE	Chief Albert Luthuli	-	-	-	0	0	0	0	0	0%
	Dipaleseng	-	-	-	0	0	0	R77 000	R77 000	100%
	Govan Mbeki	-	-	-	0	0	0	375 000	375 000	100% Review of LED Strategy
	Lekwa	-	-	-	0	0	0	INP	INP	INP
	Mkhondo	-	-	-	R1 000 000.00	R600 000.00	60%	R 1000 000	R 552 522	R 548 764
	Msukaligwa	-	-	-	0	0	0	0	0	0%
	Dr. Pixley Ka Isaka Seme	-	-	-	0	0	0	1369850	802924.37	59%
	Gert Sibande	-	-	-	0	0	0	R 1 000 000	R 789 000	79%
NKANGALA	Emalahleni	-	-	-	0	0	0	0	0	0%
	Emakhazeni	-	-	-	0	0	0	0	0	0%
	Steve Tshwete	-	-	-	0	0	0	1,225,687	784,500	64%
	Victor Khanye	R875693	R1360775-	Overspent 52%	R3624 726	R3198348	88%	0	0	0%
	Dr. JS Moroka	-	-	-	0	0	0	0	0	0%
	Thembisile Hani	-	-	-	R2 700 000	R2 595 205	96.1%	0	0	0%
	Nkangala	-	-	-	0	0	0	R31 617 977.02	R25 206 966.94	70%

### 3.6.1.3 Existence of LED strategies and plans

Table 3-30: Indicate municipalities with LED strategies and plans

DISTRICTS	Municipality	2012/13			2013/14			2014/15			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	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Umjindi	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	Financial constraints
	Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dipaleseng	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mkhondo	No	No	No	Yes	No	No	Yes	Yes	Yes	None
	Msukaligwa	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. Pixley Ka Isaka Seme	No	No	No	Yes	No	No	Yes	Yes	Yes	None
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalahleni	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emakhazeni	No	No	No	Yes	Yes	Yes	Yes	Yes	No	Strategy has not been reviewed since development in 2006
	Steve Tshwete	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. JS Moroka	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thembisile Hani	No	No	No	Yes	No	No	Yes	Yes	Yes	None
	Nkangala	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

### 3.6.1.4 Functionality of LED stakeholder forum

Table 3-31: Municipalities with functional LED stakeholder forum

Districts	Municipality	2012/13	2013/14	2014/15
EHLANZENI	Bushbuckridge	Yes	Yes	Yes
	Mbombela	No	Yes	Yes
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Umjindi	Yes	Yes	No
	Ehlanzeni	Yes	Yes	Yes
	Chief Albert Luthuli	Yes	Yes	Yes
GERT SIBANDE	Dipaleseng	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes
	Msukaligwa	No	No	No
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes
	Gert Sibande	No	Yes	Yes
	Emalahleni	No	Yes	Yes
NKANGALA DISTRICT	Emakhazeni	No	Yes	Yes
	Steve Tshwete	No	Yes	Yes
	Victor Khanye	Yes	Yes	Yes
	Dr. JS Moroka	No	No	No
	Thembisile Hani	No	No	Yes
	Nkangala	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

### 3.6.1.5 Plans to stimulate second economy

#### SMMEs support

The following activities were undertaken to create opportunities for Small, Medium and Micro Enterprise by the unit in the 2014/ 2015 financial year:

**Table 3-32: Municipalities with SMMEs support**

Districts	Municipality	Activity	Outcome
Gert Sibande	Chief Albert Luthuli	<ul style="list-style-type: none"> <li>Contract awards were made to local contractors</li> </ul>	12 local contractors were appointed for the provision of the following: <ul style="list-style-type: none"> <li>Catering services</li> <li>Transport services</li> <li>Provision of toilet paper</li> </ul>
	Msukaligwa	<ul style="list-style-type: none"> <li>SMMEs Training by Vunene Mine</li> <li>Broad-based Agricultural Project in Sheepmore</li> <li>Assistance on Vendor Registration to Training to meet standard requirement</li> </ul>	<ul style="list-style-type: none"> <li>Certification and Assistance in establishing new businesses</li> <li>Start Agricultural Projects and food security</li> <li>Access procurement opportunities</li> <li>How to identify and secure new markets</li> </ul>
	Govan Mbeki	<ul style="list-style-type: none"> <li>Training of SMME</li> </ul>	<ul style="list-style-type: none"> <li>A total of 44 SMME's/ Co-operatives who were trained.</li> </ul>
	Mkhondo	<ul style="list-style-type: none"> <li>Supported 15 car washes with tools and material</li> </ul>	<ul style="list-style-type: none"> <li>Viable business</li> </ul>
	Dr Pixley Ka Isaka Seme	<ul style="list-style-type: none"> <li>Co-operatives/SMME's Day: For them to register on the stakeholder database, i.e. DARDLEA, DPWRT, DOE and Municipality</li> <li>Tendering skills training: Municipality in partnership with SEDA</li> <li>Financial Management workshop: Municipality In partnership with MTPA and GSDM</li> <li>Municipality in partnership with SARS, CAPITEC and ABSA Bank and SEDA. SMME's were supported by being given training on how to open a business bank account, applying for funding, and how to register their business with SARS by the Municipality in partnership with ABSA, CAPITEC Bank, SARS and SEDA.</li> </ul>	<ul style="list-style-type: none"> <li>Co-operatives and SMMES were assisted to register on the stakeholder database.</li> <li>How to tender and fill tender documents and documents required to tender.</li> <li>How to manage their finances and being accountable for it and to gain insight on how to sustain their business.</li> </ul>
	Gert Sibande	<ul style="list-style-type: none"> <li>SMME Workshop and Fair</li> </ul>	<ul style="list-style-type: none"> <li>SMME Fair in Mkhondo &amp; SMME fair and workshop in Govan Mbeki</li> </ul>
Nkangala	Victor Khanye	<ul style="list-style-type: none"> <li>Training of SMMEs/Co-ops in business management skills</li> <li>Linked SMMEs/Co-ops with funding institutions</li> <li>Provided SMME with conducive trading places</li> <li>Linked SMMEs/Co-ops with lucrative markets</li> </ul>	<ul style="list-style-type: none"> <li>Increase in number of viable SMMEs/Co-ops businesses</li> </ul>
	Emakhazeni	<ul style="list-style-type: none"> <li>SMME's trained on Entrepreneurship and new venture creation (SEDA)</li> </ul>	<ul style="list-style-type: none"> <li>Acquired knowledge on business skills, business establishment and access to business opportunities.</li> </ul>
	Dr JS Moroka	<ul style="list-style-type: none"> <li>20 SMME's trained</li> </ul>	<ul style="list-style-type: none"> <li>42 SMME's trained</li> </ul>
	Emalahleni	<ul style="list-style-type: none"> <li>Training of SMMEs on entrepreneurship, customer care, financial management, purchasing skills, regulatory &amp; by-laws compliance, hygiene and food safety, merchandising and point of sale.</li> </ul>	<ul style="list-style-type: none"> <li>Acquired knowledge on entrepreneurship, customer care, financial management, purchasing skills, regulatory &amp; by-laws compliance, hygiene and food safety merchandising and point of sale.</li> </ul>
	Thembisile Hani	<ul style="list-style-type: none"> <li>Training of the SMMEs &amp; Co-operatives support of these by giving them certain projects within the Municipality</li> </ul>	<ul style="list-style-type: none"> <li>SMME'S &amp; Co-operatives capacitated,</li> <li>The SMME'S &amp; Co-operatives participated in municipal projects</li> </ul>
	Steve Tshwete	<ul style="list-style-type: none"> <li>Franchise business expo 2014/2015</li> </ul>	<ul style="list-style-type: none"> <li>SMME were exposed Franchise business opportunities.</li> </ul>
	Nkangala	<ul style="list-style-type: none"> <li>To create an enabling environment for enterprises to thrive within NDM</li> </ul>	<ul style="list-style-type: none"> <li>SMMEs trained on Accredited Level Two programme in Human Resources Development, Access to Finance, Project Management, Access to Markets, Financial Management and Record Keeping</li> <li>Socio economic impact analysis of SMMEs undertaken.</li> </ul>
		<ul style="list-style-type: none"> <li>To promote NDM's contribution towards agriculture and agrarian reform BY June 2015</li> </ul>	<ul style="list-style-type: none"> <li>Vegetable farmers supported through procuring Greenhouse tunnels for them</li> <li>Hosting a Rural, Co-operatives and Agriculture Indaba</li> <li>Support of vegetables production projects</li> </ul>
		<ul style="list-style-type: none"> <li>To promote holistic sustainable regional Economic development by 2015</li> </ul>	<ul style="list-style-type: none"> <li>Renovation of the SMMEs Centre at Vaalbank</li> <li>Construction of SMMEs industrial hub in VKLM</li> <li>Development of the Poultry farm in ward 4</li> <li>Review of NDM Anchor Projects Business Plans</li> <li>Co-operatives Training and Capacitating</li> <li>SMMEs Training and Capacitating</li> </ul>

Districts	Municipality	Activity	Outcome
Ehlanzeni	Thaba Chweu	□ Coordinated co-operative workshops, black women in business training participated in the investment promotion event planned for EDM	□ Created a conducive environment for black woman co-operatives
	Umjindi	<b>A number of initiatives were concentrated on;</b> □ Capacity building of SMMEs and Co-operatives. □ Assist SMMEs and Co-ops to develop own business profiles and business plans □ Assist local farmers to grow their Agricultural activities, to move towards being commercial farmers. □ Support Tourism development and marketing activities. □ Provide support to all local businesses. □ Facilitate the establishment of LED Forum that will ensure that local SMMEs are sustainable; Mhlahlane Farmers' Association Co-op, Barberton Medicinal Plants Projects, Tourism Ambassador Programme	□ SMMEs and Co-op's acquired knowledge on how to grow their agricultural activities, to develop own business profiles and business plans
	Mbombela	□ SMME's (Co-operatives) supported	□ 8 Co-operatives supported with implements and poultry feed
	Ehlanzeni	□ Capacitate SMMEs and community enterprise through training and mentorship	□ 7 co-operative benefitted from training and mentorship programmes
	Nkomazi	□ 3 workshops conducted on procurement processes	□ SMMEs acquired knowledge on Procurement processes

(Source: Section 46 reports from municipalities)

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

Table 3-33: Indicate No of employment opportunities created through EPWP and PPP

DISTRICTS	Municipality	2013/14						2014/15					
		Person-years of work including training	Person-Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Person-years of work including training	Person-Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities
EHLANZENI	Bushbuckridge	225	0.00	567	65%	45%	0	259	0	1 061	60%	70%	0
	Mbombela	1,455	0.00	2,780	61%	42%	0	475	0	1 808	63%	41%	0
	Nkomazi	554	0.00	1,187	62%	52%	0.291%	791	9.83	1 781	65%	44%	0.005
	Thaba Chweu	82	0.00	289	56%	42%	-	154	0	342	61%	48%	0
	Umjindi	142	0.00	381	50%	58%	0.003%	94	1.64	432	54%	71%	0
	Ehlanzeni	214	0.00	547	46%	29%	0	185	1.51	194	51%	42%	0.026
GERT SIBANDE	Chief Albert Luthuli	182	0.00	495	64%	40%	0	424	0	1 185	71%	52%	0
	Dipaleseng	116	1.66	451	67%	69%	0	121	0	361	64%	53%	0
	Govan Mbeki	295	0.00	595	57%	42%	0.007%	396	0	1051	65%	52%	0.001
	Lekwa	82	0.00	292	67%	43%	0.014%	47	0	209	72%	48%	0
	Mkhondo	298	0.00	679	68%	41%	0	271	0	752	74%	42%	0
	Msukaligwa	79	0.00	271	67%	48%	0	106	0	250	68%	49%	0
	Dr. Pixley Ka Isaka Seme	422	0.00	1,195	62%	53%	0	158	0.59	592	76%	62%	0
NKANGALA	Emalahleni	46	0.00	213	55%	45%	0	371	0	730	62%	36%	0
	Emakhazeni	47	0.00	186	80%	47%	0	57	0	117	80%	44%	0
	Steve Tshwete	235	0.00	2,377	49%	56%	0	241	0	1 275	68%	31%	0
	Victor Khanye	273	0.00	465	54%	34%	0	219	0	549	63%	39%	0.004
	Dr. JS Moroka	388	1.29	1,111	44%	57%	0.001%	498	22.34	1 629	47%	65%	0.001
	Thembisile Hani	507	0.00	1,433	63%	59%	0	179	0	478	69%	56%	0

(Source: 2014/15 Audited EPWP Annual Performance Report from Public Works)

### Analysis of performance on LED and EPWP

For the 2014/15 financial year, all 21 municipalities in the province had LED strategies. However, Emakhazeni has not reviewed its LED strategy since its development in 2006. All municipalities are implementing their LED strategies except for Umjindi and Emakhazeni due to budgetary constraints. The number of LED forums has not changed since 2013/14 financial year, as only 18 out of 21 Municipalities had LED forums. In 2014/15 financial year, the following municipalities did not have LED Forums: Umjindi, Msukaligwa and Dr JS. Moroka.

18 out of 21 municipalities had SMME support programmes. In terms of government job creation initiatives there has been a slight decrease in the number of jobs created from 15514 in 2013/14 financial year to 14796 in the 2014/15 financial year, with the difference of 718 job opportunities created. The number of women participating in the job creation initiatives has slightly increased by 1% from 42% in 2013/14 financial year to 43% in the 2014/15 financial year.

### **Challenges in LED**

#### **a) Municipal LED challenges can be summarized as follows:**

- ☐ Poor implementation of Municipal LED strategies due to inadequate financial and non-financial resources;
- ☐ Unsustainable Municipal LED Forums to assist in resource mobilisation for LED implementation;
- ☐ 3 Municipalities (Umjindi, Msukaligwa and Dr. JS Moroka) did not have LED Stakeholder Forums.

#### **b) Challenges on EPWP**

- ☐ Under reporting on jobs created through infrastructure projects by Municipalities;
- ☐ Failure to optimize on the Incentive Grant to optimize Work Opportunities;
- ☐ Inadequate municipal Budgets to support EPWP objectives in creating labour intensive projects;
- ☐ Lack of EPWP Champions and EPWP policies in municipalities.

### **Support Interventions by National and Provincial government**

The Department monitored the District municipalities in supporting their constituent municipalities with the review of the LED strategies, planning, implementation and reporting of the EPWP projects in line with DORA requirements and incentive grant conditions. National Cogta in consultation with DTI to speedily finalise the professionalisation of LED to assist in recruiting relevant skills and competencies in LED units

#### **c) Recommendations**

- ☐ Municipalities to have adequate institutional arrangements (recruitment and appointment of suitably qualified personnel) to implement LED and poverty alleviation programmes like EPWP projects;
- ☐ Intensify planning and reporting on work opportunities created through Incentive Grants and MIG;
- ☐ Municipalities adequately budgets and ensure resource allocation for municipal LED implementation facilitation and coordination;
- ☐ The Department to support municipalities on the resuscitation of LED Stakeholder Forums.



### 3.7 FINANCIAL MANAGEMENT

#### 3.7.1 Municipal Financial Management and viability

The objectives of this KPA is to reflect on the performance of municipalities on financial management and viability.

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 duty to maximize revenue potential while transparently managing public finances as set out in the Municipal Finance Management Act of 2003, and the Municipal Property Rates Act of 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.

#### Performance of municipalities on financial management and 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 during performance according to financial ratios as set out in the 2001 Treasury Regulations.

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

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

#### Performance of municipalities on financial viability and management

##### Status of the audit outcome

Table 3-34: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2012/13				Audit Opinion 2013/14				Audit Opinion 2014/15			
		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	
	Umgindi		Yes				Yes			Yes			
	Ehlanzeni district	Yes				Yes (clean)				Yes (Clean)			
GERT SIBANDE	Chief Albert Luthuli			Yes			Yes			Yes			
	Dipaleseng		Yes			Yes				Yes			
	Govan Mbeki		Yes			Yes				Yes			
	Lekwa		Yes			Yes				Yes			
	Mkhondo			Yes				Yes			Yes		
	Msukaligwa			Yes				Yes				Yes	
	Dr. Pixley Ka Isaka Seme		Yes				Yes			Yes			
	Gert Sibande		Yes				Yes			Yes			
NKANGALA	Emalahleni			Yes				Yes				Yes	
	Emakhazeni		Yes					Yes				Yes	
	Steve Tshwete	Yes				Yes (clean)				Yes			
	Victor Khanye		Yes				Yes				Yes		
	Dr. JS Moroka		Yes				Yes				Yes		
	Thembisile Hani		Yes				Yes			Yes			
	Nkangala district	Yes				Yes				Yes Clean)			

(Source: Section 46 reports from municipalities)

#### Analysis of the Audit Outcomes

The audit outcomes for the 2014/15 financial year are as follows:

- ☐ In respect of district municipalities: 2 Clean Audits and 1 unqualified opinion
- ☐ In respect of local municipalities: 10 Unqualified, 4 qualified and 4 disclaimer opinions

**A detailed analysis of the audit outcomes are as follows:**

- Six (6) municipalities improved from qualified to unqualified opinions with other matters, namely: Chief Albert Luthuli, Dr. Pixley Ka Isaka Seme, Nkomazi, Mkhondo, Umjindi and Gert Sibande District.
- One (1) municipality (Steve Tshwete) regressed from clean to unqualified with other matters opinion.
- Nkangala District municipality improved from unqualified with other matters to clean audit.
- Four (4) municipalities retained the disclaimer opinions, namely: Emakhazeni, Emalahleni, Msukaligwa and Thaba Chweu.
- Ehlanzeni District maintained the clean audit opinion
- Four(4) municipalities, namely: Bushbuckridge, Victor Khanye , Thembisile Hani and Dr JS Moroka retained the qualified opinion
- Four municipalities, namely: Dipaleseng, Govan Mbeki, Lekwa and Mbombela retained their unqualified opinion with other matters.

**Intervention**

- The Department and Provincial Treasury supported municipalities during the mid-year performance assessments
- MPACs have been established in all 21 municipalities and trained through the University of Pretoria
- All IDPs were assessed for alignment with the budget and feedback given to all 21 municipalities

**Recommendations**

- Constant monitoring of audit action plans by Provincial Government (PT and COGTA).
- Political leadership and independent oversight by the Audit Committee to play an effective role in monitoring the implementation of audit action plans.

**3.7.2 Percentage of Capital budget expenditure**

**Table 3-35: Indicate % of municipal Capital Budget Expenditure**

Districts	Municipality	2012/13 R'000				2013/14 R'000				2014/15 R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	510 808	443 668	167 243	55	645,328	682,554	561,536	80,9%	434 655	517 828	351 771	68%
	Mbombela	541 568	523 096	70 610	13	1849620	1777472	1749244	98,4%	522,517	670,158	515,942	77%
	Nkomazi	185 547	188 896	128 712	68	552,768	558,111	520321	93,2	INP	INP	INP	INP
	Thaba Chweu	32 477	32 477	20 789	64	308,733	515,440	355096	68,9%	46,647	64,647	43,367	67%
	Umjindi	43 117	43 117	35 082	81	256,744	252,409	210155	83,3	INP	INP	INP	INP
	<b>EHLANZENI</b>	<b>1 313 517</b>	<b>1 231 253</b>	<b>422 436</b>	<b>34</b>	<b>3 613 193</b>	<b>3 103 432</b>	<b>3 396 352</b>	<b>78%</b>	<b>1 003 819</b>	<b>1 252 633</b>	<b>911 080</b>	<b>71%</b>
GERT SIBANDE	Chief Albert Luthuli	132 916	101 719	126 540	124	281889	355864	236206	66,4%	402,344	402,344	402,344	0%
	Dipaleseng	43 091	43 091	10 873	25	207832	221763	117744	53,1%	79 095	101 395	43 115	43%
	Govan Mbeki	261 809	249 932	126 898	51	1445002	1711781	1120648	65,5%	INP	INP	INP	INP
	Lekwa	56 847	51 558	36 066	70	614440	634252	257077	40,5%	INP	INP	INP	INP
	Mkhondo	96 747	96 213	61 533	64	373274	375674	286086	76,2%	65 623	97 223	93 629	96
	Msukaligwa	81 863	91 442	35 344	39	541965	480872	406268	84,5%	51 572	51 572	51 059	98.8
	Dr. Pixley Ka Isaka Seme	32 237	38 966	27 715	71	238949	344534	169051	49,1%	28 720	31 576	24 388	77%
	<b>GERT SIBANDE</b>	<b>705 510</b>	<b>672 921</b>	<b>424 969</b>	<b>63</b>	<b>3 703 351</b>	<b>4 124 740</b>	<b>2 593 080</b>	<b>77,6%</b>	<b>627 354</b>	<b>281 766</b>	<b>614 535</b>	<b>79%</b>
NKANGALA	Emalahleni	175 921	252 812	97 295	38	1694847	1746385	289551	70,5%	159 916	214 087	193 765	90.51
	Emakhazeni	17 582	18 742	13 385	71	215075	219633	127393	58%	17232	17232	17232	100%
	Steve Tshwete	195 689	292 734	184 301	63	1210473	1242801	1121711	96,7%	187 899	270 234	266 165	98%
	Victor Khanye	58 444	58 444	27 269	47	292001	277051	289694	104.6%	79 929	79 929	79 929	100%
	Dr. JS Moroka	143 487	169 131	74 314	44	332 583	554139	336305	60,7%	116 875	146 875	140 254	95%
	Thembisile Hani	124 822	147 231	139 252	95	334691	502600	416426	82,9%	110 820	111 340	75 392	67.7%
	<b>NKANGALA</b>	<b>715 944</b>	<b>939 094</b>	<b>535 816</b>	<b>60</b>	<b>4 079 670</b>	<b>4 542 609</b>	<b>2 581 080</b>	<b>10,9%</b>	<b>672 671</b>	<b>839 697</b>	<b>772 737</b>	<b>92%</b>
Provincial	<b>TOTALS</b>	<b>2 734 971</b>	<b>2 843 268</b>	<b>1 383 220</b>	<b>52</b>	<b>11 770 781</b>	<b>11 396 214</b>	<b>857 0521</b>	<b>55.5%</b>	<b>1 300 025</b>	<b>1 121 463</b>	<b>2 298 352</b>	<b>81%</b>

(Source: Section 46 reports from municipalities)

**Provincial Analysis**

The following challenges were identified with regards to municipal capital budget spending:

- Poor spending of capital budget due to the inability to plan for projects;
- Utilisation of grant funding for operational expenditure due to cash flow challenges

**Intervention**

- Provincial Treasury provided technical support on financial planning;
- The Department provided support project management.

## Recommendations

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

### 3.7.3 Total municipal own revenue as a percentage of the actual budget

Table 3-36: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2012-2013 R'000				2013-2014 R'000				2014-2015 R'000			
		Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%
Ehlanzeni	Bushbuckridge	605179	778855	823799	106%	671 741	694 023	561 536	80,9%	INP	INP	INP	INP
	Mbombela	1759289	1816945	1652339	91%	1611452	1 649 742	1 552 283	94,1%	1,746,441	1,746,441	1 751 251	100%
	Nkomazi	461647	438436	416747	95%	483916	484 564	470 416	97,1%	INP	INP	INP	INP
	Thaba Chweu	253607	315296	297198	94%	294560	325 268	286 025	87,9	436,397	467,210	329,314	70.5%
	Umgindi	234076	211422	185047	88%	214333	209 669	189837	90,5%	158 271	145 770	131 785	90.4%
	Ehlanzeni DM	184684	186884	180380	97%	194 001	197 022	192 980	97,9%	INP	INP	INP	INP
<b>Total</b>		<b>3498482</b>	<b>3747838</b>	<b>3555510</b>	<b>95%</b>	<b>3 470 003</b>	<b>3 560 288</b>	<b>3 253 077</b>	<b>91.5%</b>	<b>2 341 109</b>	<b>2 359 421</b>	<b>2 212 350</b>	<b>87%</b>
Gert Sibande	Chief Albert Luthuli	246744	234647	294281	125%	273 721	274 964	279 228	101,6%	296473	299590	453988	153.1%
	Dipaleseng	156720	156720	201617	129%	144 145	141577	144 663	102,2%	149 066	156 853	192 351	123%
	Govan Mbeki	1179014	1219829	1340854	110%	1 369 466	1 411600	1 269 722	89,9%	INP	INP	INP	INP
	Lekwa	417686	417686	380606	91%	457 091	436 065	313 939	72,0%	INP	INP	INP	INP
	Mkhondo	278309	268456	248381	93%	299 542	306 521	269 756	88,0%	299 541	306 521	302 182	99
	Msukaligwa	459076	422018	421911	100%	463 855	435 915	55 348	88,6%	INP	INP	INP	INP
	Dr. Pixley Ka Isaka Seme	196481	187462	199047	106%	197 838	216 152	225 564	104,4%	140 382	149 907	174 096	140
	Gert Sibande	359503	328127	285328	87%	403 486	364 330	290 314	79,7%	INP	INP	INP	INP
	<b>Total</b>	<b>3293533</b>	<b>3234945</b>	<b>3372025</b>	<b>104%</b>	<b>3 615 144</b>	<b>3 587 124</b>	<b>2 848 534</b>	<b>90.8%</b>	<b>885 462</b>	<b>912 871</b>	<b>1 122 617</b>	<b>128,77%</b>
	Emalahleni	1595762	1595762	1433631	90%	1 682 396	1 702 582	1658759	97,4%	19 215 543	19 215 543	22 573 395	117
Nkangala	Emakhazeni	157720	164013	160664	98%	156 516	176 078	183 312	104,6%	191766	185039	229816	124%
	Steve Tshwete	967102	975646	975448	100%	1 141 136	1 160 440	1 121 711	94,67%	1 303 203	1 214 466		103%
	Victor Khanye	260114	266098	249821	94%	292 029	288 194	306 181	106,2%	316 850	320 587	412 768	128.75%
	Dr. JS Moroka	402387	462720	392778	85%	371 055	335 840	301508	89,8%	367798	357088	412436	115%
	Thembisile Hani	325552	389169	276970	71%	341 642	334 832	437 800	130,8%	86 017	114 588	149 424	130%
<b>Total</b>	Nkangala DM	328204	324963	346338	107%	339 623	335 642	331 385	98%	INP	INP	INP	INP
<b>Total</b>		<b>4036841</b>	<b>4178371</b>	<b>3835450</b>	<b>92%</b>	<b>4 324 397</b>	<b>2 631 026</b>	<b>4 340 656</b>	<b>103,06%</b>	<b>21 481 177</b>	<b>20 192 845</b>	<b>24 992 305</b>	<b>119,63%</b>
<b>TOTAL INCOME AGAINST BUDGET</b>		<b>10828856</b>	<b>11161154</b>	<b>10762985</b>	<b>96%</b>	<b>11 409 544</b>	<b>9 778 438</b>	<b>10 442 267</b>	<b>95,12%</b>	<b>24 707 748</b>	<b>23 465 137</b>	<b>28 327 272</b>	<b>111.79%</b>

(Source: Section 46 reports from municipalities)

### **Provincial Analysis**

- The overall cumulative revenue generated by municipalities within the province as at June 2015 amounted to **R 28 327 272**.

### **Challenges**

- Poor revenue collection
- Poor enforcement of credit control and debt collection policies

### **Interventions**

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

### **Recommendations**

- The Department and Provincial Treasury expedite the finalisation and adoption of financial policies and by-laws

### 3.7.4 Rate of municipal debt reduction

Table 3-37: Indicate % rate of municipal debt reduction

Districts	Municipality	2012-2013 R'000						2013-2014 R'000						2014-2015 R'000					
		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	Housing	Rates & Other	Total debts	Reduction or increase in debts
Ehlanzeni	Bushbuckridge	119021	37480	841132	997 633	31%		141,099	-		779,785	958,109		165 213	52 343	INP	583 509	801 066	INP
	Mbombela	82044	79625	270104	431 773	36%		20,630	61,834		122,737	346,662		106,982	10,044	INP	52,001	169,028	INP
	Nkomazi	10130	10370	50795	71 295	41%		3,424	6,564		60,525	83,888		INP	INP	INP	INP	INP	INP
	Thaba Chweu	45048		41510	86 558	-77%		27,055	31,229		23,073	111,184		INP	INP	INP	INP	INP	INP
	Umlindi	24665	19719	31404	75 788	15%		18,081	7,966		21,634	84,179		14 904	12 286	INP	74 915	102 105	21.7%
Total	Ehlanzeni	0	0	0		0%		-	-		-	-		INP	INP	INP		INP	INP
		280 908	147 194	1 234 945	1 663 047	19%								287 099	74 673		710 425	072 199	
Gert Sibande	Chief Albert Luthuli	21091	68944	197904	287 939	14%		3,846	15,736		211,316	323,791		26,532	89,558	INP	257,593	373,684	+87%
	Dipaleseng			237583	237 583	13%		50,929	21,724		43,727	266,095		77 863	92 665	INP	91441	261971	1.5%
	Govan Mbeki	321355	212769	154778	688 902	12%		256,068	98,501		68,872	773,734		INP	INP	INP	INP	INP	INP
	Lekwa	98062	58740	167125	323 927	2%		68,276	44,489		80,527	385,597		INP	INP	INP	INP	INP	INP
	Mkhondo			107976	107 976	18%		18,152	14,795		28,732	123,368		36160	41991	81681	159832	36160	-
	Msukaligwa	97330	69329	118804	285 463	14%		47,395	54,248		44,999	302,631		110 712	72 519	INP	144 241	327 472	-
	Dr Pixley Ka Isaka Seme	57852		87928	145 780	14%		43,644	19,216		21,832	198,482		INP	INP	INP	INP	INP	INP
Total	Gert Sibande			3263	3263	100%		-	-		6,571	6,571		INP	INP	INP	INP	INP	INP
		595 690	409 782	1 075 361	2 080 833	12%								251 267	296 733	81 681	653 101	999287	INP
Nkangala	Emalahleni	540779	198182	222539	961 500	29%		358,229	107,483		140,316	1,270,621		INP	INP	INP	INP	INP	INP
	Emakhazeni	26090	24237	49018	99 345	12%		19,666	9,744		67,395	139,022		0	0	0	0	0	12
	Steve Tshwete	24665	8010	35590	68 265	-3%		4,981	16,979		21,111	74,358		22 739	8 474	0	29 321	60 533	30%
	Victor Khanye	99976	22651	140958	263 585	39%								INP	INP	INP	INP	INP	20,8%
	Dr. JS Moroka	47024	29480	77682	154 186	33%		52,602	-		28,957	167,054		89911	34278	58684	18727	241971	Increase
	Thembisile Hani	103807	22863	97081	223 751	23%		120,526	220		43,651	299,669		41 960	14 295	0	45 245	101 500	34%
Total	Nkangala DM		-	18713	18 713	644%		-	-		18	23,068		154 610	57 047	58 684	93 293	404 004	
		842341	305423	641581	1 789 345	21%								692 976	428 453	140 365	1 456 825	2 475 490	
Total Debts		1 718 939	862 399	2 951 887	5 533 225	17%													

(Source: Section 46 reports from municipalities)

**Challenges**

- Municipalities are slow on data cleansing
- Illegal connections (Izinyokanyoka)
- Incorrect data and inaccurate billing

**Intervention**

- Provincial Treasury continued to monitor municipalities to review and implement revenue enhancement strategies.

**Recommendations**

- Municipalities to conduct physical inspection of properties where services are terminated; and
- Municipalities to establish special municipal inspection teams to monitor illegal connections.



Coordinated payment made to Municipalities by sector departments as at July 2014- June 2015  
Nkangala District

Table 3-38: Coordinated payments made to municipalities by sector Departments

<b>STEVE TSHWETE MUNICIPALITY 30 JUNE 2015</b>					
<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs				
vote 4	Agriculture, Rural Development Land and Environmental Affairs	0.00			
vote 5	Economic Development and Tourism	0.00			
vote 6	Education	212 253.43			212 253.43
vote 7	Public Works, Road and Transport	0.00			-
vote 8	Community Safety Security and Liaison	0.00			-
vote 9	Health	0.00			-
vote 10	Culture Sport and Recreation	0.00			-
vote 11	Social Development	0.00			-
vote 12	Human Settlement	0.00			-
	<b>Subtotal</b>	<b>212 253.43</b>			<b>212 253.43</b>
	National Department of Public Works	0.00			-
	National Department of Rural Development and Land Reform	0.00			-
	<b>Total</b>	<b>212 253.43</b>			<b>212 253.43</b>

<b>EMALAHLENI LOCAL MUNICIPALITY 30 JUNE 2015</b>					
<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs				
vote 4	Agriculture, Rural Development Land and Environmental Affairs	0.00			
vote 5	Economic Development and Tourism	0.00			
vote 6	Education	8 140 400.75			8 140 400.75
vote 7	Public Works, Road and Transport	89 236.49			89 236.49
vote 8	Community Safety Security and Liaison				-
vote 9	Health	7 255 500.33			7 255 500.33
vote 10	Culture Sport and Recreation				-
vote 11	Social Development	466 846.33			466 846.33
vote 12	Human Settlement				-
	<b>Subtotal</b>	<b>15 951 983.90</b>			<b>15 951 983.90</b>
	National Department of Public Works	5 849 542.12			5 849 542.12
	National Department of Rural Development And Land Reform	0.00			-
	<b>Total</b>	<b>21 801 526.07</b>			<b>21 801 526.07</b>

**VICTOR KHANYE LOCAL MUNICIPALITY 30 JUNE 2015**

Vote number	Name of Department	Opening balance as at 31 may 2015	Invoices for the month of June 2015	Payment for the months of June 2015 as per municipalities	Outstanding balance per municipality payment
vote 1	Office Of Premier	0.00	0.00	0.00	0.00
vote 2	Finance	0.00	0.00	0.00	0.00
vote 3	Cooperative Governance and Traditional Affairs	0.00	0.00	0.00	0.00
vote 4	Agriculture, Rural Development Land and Environmental Affairs	36 514.48	21 322.52	21 287.10	36 549.90
vote 5	Economic Development and Tourism	0.00	0.00	0.00	0.00
vote 6	Education	2 664 400.08	124 950.71	141 153.59	2 648 197.20
vote 7	Public Works, Road and Transport	39 468.31	13 029.25	11 713.41	40 784.15
vote 8	Community Safety Security and Liaison	0.00	0.00	0.00	0.00
vote 9	Health	5 268 746.34	245 619.80	113 996.90	5 400 369.24
vote 10	Culture Sport and Recreation	0.00	0.00	0.00	0.00
vote 11	Social Development	0.00	0.00	0.00	0.00
vote 12	Human Settlement	0.00	0.00	0.00	0.00
	<b>Subtotal</b>	<b>8 009 129.21</b>	<b>404 922.28</b>	<b>288 151.00</b>	<b>8 125 900.49</b>
	National Department of Public Works	3 834 945.01	151 505.42	100 105.10	3 886 345.33
	National Department of Rural Development And Land Reform	502 645.35	16 276.26	0.00	518 921.61
	<b>Total</b>	<b>11 821 875.74</b>			<b>11 821 875.74</b>

**THEM BISILE HANI LOCAL MUNICIPALITY 30 JUNE 2015**

Vote number	Name of department	Opening balance as at 31 may 2015	Invoices for the month of June 2015	Payment for the months of June 2015 as per municipalities	Outstanding balance per municipality payment
vote 1	Office Of Premier	0.00			0.00
vote 2	Finance	0.00			0.00
vote 3	Cooperative Governance and Traditional Affairs	0.00			0.00
vote 4	Agriculture, Rural Development Land and Environmental Affairs	2 955.71			2 955.71
vote 5	Economic Development and Tourism	0.00			0.00
vote 6	Education	1 561 501.74			1 561 501.74
vote 7	Public Works, Road and Transport	95 909.40			95 909.40
vote 8	Community Safety Security and Liaison	193 701.64			193 701.64
vote 9	Health	71 053.38			71 053.38
vote 10	Culture Sport and Recreation	15 635.52			15 635.52
vote 11	Social Development	0.00			0.00
vote 12	Human Settlement	246.31			246.31
	<b>Subtotal</b>	<b>1941 003.70</b>	<b>-</b>	<b>-</b>	<b>1941 003.70</b>
	National Department of Public Works	101 722.34			101 722.34
	National Department of Rural Development And Land Reform	9 779 149.70			9 779 149.70
	<b>Total</b>	<b>11 821 875.74</b>			<b>11 821 875.74</b>

**EMAKHAZENI LOCAL MUNICIPALITY 30 JUNE 2015**

Vote number	Name of department	Opening balance as at 31 may 2015	Invoices for the month of June 2015	Payment for the months of June 2015 as per municipalities	Outstanding balance per municipality payment
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	573.38			573.38
vote 5	Economic Development and Tourism	0.00			-
vote 6	Education	-66 309.33			(66 309.33)
vote 7	Public Works, Road and Transport	0.00			-
vote 8	Community Safety Security and Liaison	2 387 296.73			2 387 296.73
vote 9	Health	349 269.87			349 269.87
vote 10	Culture Sport and Recreation	0.00			-
vote 11	Social Development	40312.76			40 312.76
vote 12	Human Settlement	0.00			-
	<b>Subtotal</b>	<b>2 711 143.42</b>	<b>-</b>	<b>-</b>	<b>2 711 143.41</b>
	National Department of Public Works	843 827.12			843 827.12
	National Department of Rural Development And Land Reform	0.00			-
	<b>Total</b>	<b>3 554 970.53</b>			<b>3 554 970.53</b>

**DR JS MOROKO LOCAL MUNICIPALITY 30 JUNE 2015**

Vote number	Name of department	Opening balance as at 31 may 2015	Invoices for the month of June 2015	Payment for the months of June 2015 as per municipalities	Outstanding balance per municipality payment
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	886 840.45	43 242.47	2 427.86	927 655.06
vote 5	Economic Development and Tourism				-
vote 6	Education	1 821 232.84	50 478.46	84 142.14	1 787 569.16
vote 7	Public Works, Road and Transport	3 404.07	2 565.64	5 814.49	155.22
vote 8	Community Safety Security and Liaison				-
vote 9	Health	8 627.82	2 500.00	8 804.03	2 719.79
vote 10	Culture Sport and Recreation	0.00			-
vote 11	Social Development	0.00			-
vote 12	Human Settlement	0.00			-
	<b>Subtotal</b>	<b>2 720 105.18</b>	<b>98 786.57</b>	<b>100 792.52</b>	<b>2 718 099.23</b>
	National Department of Public Works	484 864.82	29 949.21	28 055.70	486 758.33
	National Department of Rural Development And Land Reform	0.00			-
	<b>Total</b>	<b>3 204 970.00</b>	<b>128 735.78</b>	<b>128 848.22</b>	<b>3 204 857.56</b>

Ehlanzeni District

Table 3-39: Coordinated payment made to municipalities by Sector Departments

UMJINDI LOCAL MUNICIPALITY 30 JUNE 2015					
Vote number	Name of department	Opening balance as at 31 may 2015	Invoices for the month of June 2015	Payment for the months of June 2015 as per municipalities	Outstanding balance per municipality payment
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	20 331.00	208 305.81	241 483.71	13 793.10
vote 5	Economic Development and Tourism				0.00
vote 6	Education	354 779.63	1 028 176.93	1 262 194.42	120 762.14
vote 7	Public Works, Road and Transport				0.00
vote 8	Community Safety Security and Liaison				0.00
vote 9	Health	345 778.82	728 541.70	1 763 153.97	311 166.55
vote 10	Culture Sport and Recreation	67 122.83	253 414.71	281 390.93	39 146.61
vote 11	Social Development				0.00
vote 12	Human Settlement				0.00
	<b>Subtotal</b>	<b>788 012.28</b>	<b>3 218 439.15</b>	<b>3 521 583.03</b>	<b>484 868.40</b>
	National Department of Public Works	5 602 483.34	16 101 230.78	16 542 077.47	5 161 636.65
	National Department of Rural Development And Land Reform				0.00
	<b>Total</b>	<b>6 390 495.62</b>	<b>19 319 669.93</b>	<b>20 063 660.50</b>	<b>5 646 505.05</b>

NKOMAZI LOCAL MUNICIPALITY 30 JUNE 2015					
Vote number	Name of department	Opening balance as at 31 may 2015	Invoices for the month of June 2015	Payment for the months of June 2015 as per municipalities	Outstanding balance per municipality payment
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	19 886 457.32	1 837 422.12		21 723 879.44
vote 5	Economic Development and Tourism		-		0.00
vote 6	Education	678 105.85	676 879.90		1 354 985.75
vote 7	Public Works, Road and Transport	893 709.07	66 09.84		959 803.91
vote 8	Community Safety Security and Liaison		-		0.00
vote 9	Health	401 992.38	287 445.49		689 437.87
vote 10	Culture Sport and Recreation	0.00			0.00
vote 11	Social Development	0.00			0.00
vote 12	Human Settlement	0.00			0.00
	<b>Subtotal</b>	<b>21 860 246.62</b>	<b>2 867 842.35</b>	<b>-</b>	<b>24 728 106.97</b>
	National Department of Public Works	2 102 759.25	237 210.56		2 339 969.81
	National Department of Rural Development And Land Reform	67 895.88	746.39		68 642.27
	<b>Total</b>	<b>24 080 919.75</b>	<b>3 105 799.30</b>		<b>27 136 719.05</b>

**BUSHBUCKRIDGE LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	90 003 675.00	-		90 003 675.00
vote 5	Economic Development and Tourism				0.00
vote 6	Education	3 356 789.53			3 356 789.53
vote 7	Public Works, Road and Transport	159 749 799.20			159 749 799.20
vote 8	Community Safety Security and Liaison				0.00
vote 9	Health	7 171 247.00			7 171 247.00
vote 10	Culture Sport and Recreation				0.00
vote 11	Social Development				0.00
vote 12	Human Settlement				0.00
	<b>Subtotal</b>	<b>260 281 510.73</b>			<b>260 281 510.73</b>
		18 400 240.00			18 400 250.00
	National Department of Public Works	1 873 185.41	27 344.92		1 873 185.41
	National Department of Rural Development And Land Reform	107 286 809.45	27 344.92		107 314 154.37
	<b>Total</b>	<b>387 841 755.59</b>	<b>27 344.92</b>		<b>387 869 100.51</b>

**THABA CHWEU LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	1 684 695.94	-	171 318.87	1 513 377.07
vote 5	Economic Development and Tourism				0.00
vote 6	Education	1 600 051.57	267 190.11		1 867 241.68
vote 7	Public Works, Road and Transport	148 100.84	163 009.20	235 355.00	75 755.04
vote 8	Community Safety Security and Liaison				0.00
vote 9	Health	250 667.13	211 830.45		462 497.58
vote 10	Culture Sport and Recreation				0.00
vote 11	Social Development	158 886.94	7 172.59		166 059.53
vote 12	Human Settlement				0.00
	<b>Subtotal</b>	<b>3 842 402.42</b>	<b>649 202.35</b>	<b>406 673.87</b>	<b>4 084 930.90</b>
	National Department of Public Works	19 640 403.64	-	-	19 640 403.90
	National Department of Rural Development And Land Reform	0.00			0.00
	<b>Total</b>	<b>23 842 806.06</b>	<b>649 202.35</b>	<b>406 673.87</b>	<b>23 725 334.54</b>

**MBOMBELA LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	0.00	-		-
vote 5	Economic Development and Tourism	0.00			-
vote 6	Education	10 090 359.55	878 505.09	588 132.37	10 380 732.27
vote 7	Public Works, Road and Transport	3 042 014.89	2 847 631.75	2 372 015.35	3 517 631.29
vote 8	Community Safety Security and Liaison	0.00			0.00
vote 9	Health	4 346 949.85	862 708.67	1 506 099.25	3 703 559.27
vote 10	Culture Sport and Recreation	0.00			0.00
vote 11	Social Development	0.00			0.00
vote 12	Human Settlement	0.00			0.00
	<b>Subtotal</b>	<b>17 479 324.29</b>	<b>4 588 845.51</b>	<b>4 466 246.97</b>	<b>17 601 922.83</b>
	National Department of Public Works	16 855 939.84	1 370 442.83	1 252 465.02	16 973 916.65
	National Department of Rural Development And Land Reform				0.00
	<b>Total</b>	<b>34 335 264.13</b>	<b>5 959 287.34</b>	<b>5 718 711.99</b>	<b>34 575 839.48</b>

Gert Sibande

**Table 3-40: Coordinated payment made to municipalities by sector Departments****GOVAN MBEKI LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	0.00	-		-
vote 5	Economic Development and Tourism	0.00			-
vote 6	Education	0.00			-
vote 7	Public Works, Road and Transport	0.00			-
vote 8	Community Safety Security and Liaison	0.00			-
vote 9	Health	19 047 976.00			19 047 976.00
vote 10	Culture Sport and Recreation	0.00			-
vote 11	Social Development	0.00			-
vote 12	Human Settlement	0.00			-
	<b>Subtotal</b>	<b>19 047 976.00</b>	<b>-</b>		<b>19 047 976.00</b>
	National Department of Public Works	0.00			-
	National Department of Rural Development And Land Reform	0.00			-
	<b>Total</b>	<b>19 047 976.00</b>	<b>-</b>		<b>19 047 976.00</b>

**DIPALISENG LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	0.00	-		-
vote 5	Economic Development and Tourism	0.00			-
vote 6	Education	395 197.26			395 197.26
vote 7	Public Works, Road and Transport	293 047.28			293 047.28
vote 8	Community Safety Security and Liaison	0.00			-
vote 9	Health	16 208.20			16 208.20
vote 10	Culture Sport and Recreation	0.00			-
vote 11	Social Development	-84 253.16			(84 253.16)
vote 12	Human Settlement	0.00			-
	<b>Subtotal</b>	<b>620 199.58</b>	<b>-</b>	<b>-</b>	<b>620 199.58</b>
	National Department of Public Works	1 682 074.25			1 682 074.25
	National Department of Rural Development And Land Reform	-605 760.10			(605 760.10)
	<b>Total</b>	<b>1 696 513.73</b>	<b>-</b>	<b>-</b>	<b>1 696 513.73</b>

**MKHONDO LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	522 218.61	-		522 218.61
vote 5	Economic Development and Tourism	-			-
vote 6	Education	261 208.76			261 208.76
vote 7	Public Works, Road and Transport	94 633.90			94 633.90
vote 8	Community Safety Security and Liaison	546 445.66			546 445.66
vote 9	Health	535 084.79			535 084.79
vote 10	Culture Sport and Recreation	-			-
vote 11	Social Development	68 563.80			68 563.79
vote 12	Human Settlement	-			-
	<b>Subtotal</b>	<b>2 028 155.52</b>	<b>-</b>	<b>-</b>	<b>2 028 155.52</b>
	National Department of Public Works	114 751.03			114 751.03
	National Department of Rural Development And Land Reform	105 153.92			105 153.92
	<b>Total</b>	<b>2 248 060.47</b>	<b>-</b>	<b>-</b>	<b>2 248 060.47</b>



**DR PIXLEY KA ISAKA SEME MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs				
vote 4	Agriculture, Rural Development Land and Environmental Affairs	3 971 971.13	41 121.97	R 0.00	4 013 093.10
vote 5	Economic Development and Tourism				-
vote 6	Education	802 450.64	93 570.13	R 147 498.52	748 522.25
vote 7	Public Works, Road and Transport	146 993.35	4 742.10	R 0.00	151 735.45
vote 8	Community Safety Security and Liaison	1 645 730.53	3 465.69	R 0.00	1 649 196.22
vote 9	Health	360 450.41	238 455.64		598 906.05
vote 10	Culture Sport and Recreation				-
vote 11	Social Development	12 902.71	238 455.60	R 527.74	250 830.57
vote 12	Human Settlement				-
	<b>Subtotal</b>	<b>6 940 498.77</b>	<b>619 811.13</b>	<b>148 026.26</b>	<b>7 412 283.64</b>
	National Department of Public Works	8 951 993.79	15 198.33	R 0.00	8 967 192.12
	National Department of Rural Development And Land Reform				-
	<b>Total</b>	<b>15 892 492.52</b>	<b>635 009.46</b>	<b>148 026.26</b>	<b>16 379 475.76</b>

**LEKWA LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	25 180.93	46 996.25		72 177.18
vote 4	Agriculture, Rural Development Land and Environmental Affairs		-		-
vote 5	Economic Development and Tourism	3 940 587.58	395 743.54	9 061.56	4 327 269.56
vote 6	Education	194 107.23	(911 740.860)	55 111.69	(772 745.32)
vote 7	Public Works, Road and Transport	3 472.40	387.01	-	3 859.41
vote 8	Community Safety Security and Liaison	1 026 318.00	251 492.18	497 982.10	779 828.08
vote 9	Health				-
vote 10	Culture Sport and Recreation				-
vote 11	Social Development				-
vote 12	Human Settlement				-
	<b>Subtotal</b>	<b>5 189 666.14</b>	<b>(217 121.88)</b>	<b>562 155.35</b>	<b>4 410 388.91</b>
	National Department of Public Works	3 368 881.79	1 817 289.60	-	5 186 171.39
	National Department of Rural Development And Land Reform	0.00			-
	<b>Total</b>	<b>8 558 547.60</b>	<b>1 600 167.72</b>	<b>562 155.35</b>	<b>9 596 560.30</b>

**CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	2 707 999.59	-		2 707 999.00
vote 5	Economic Development and Tourism	0.00			-
vote 6	Education	741 613.60			741 613.60
vote 7	Public Works, Road and Transport	150 994.24			150 994.24
vote 8	Community Safety Security and Liaison	342 699.39			342 699.39
vote 9	Health	636 577.89			636 577.89
vote 10	Culture Sport and Recreation	0.00			-
vote 11	Social Development	18 492.13			18 492.13
vote 12	Human Settlement	24 690.52			24 690.52
	<b>Subtotal</b>	<b>4 623 067.36</b>	<b>-</b>	<b>-</b>	<b>4 623 067.36</b>
	National Department of Public Works	812 479.00			812 479.00
	National Department of Rural Development And Land Reform	15 686 395.42			15 686 395.42
	<b>Total</b>	<b>21 121 941.78</b>	<b>-</b>	<b>-</b>	<b>21 121 941.78</b>

**MSUKALIGWA LOCAL MUNICIPALITY 30 JUNE 2015**

<b>Vote number</b>	<b>Name of department</b>	<b>Opening balance as at 31 may 2015</b>	<b>Invoices for the month of June 2015</b>	<b>Payment for the months of June 2015 as per municipalities</b>	<b>Outstanding balance per municipality payment</b>
vote 1	Office Of Premier	0.00			-
vote 2	Finance	0.00			-
vote 3	Cooperative Governance and Traditional Affairs	0.00			-
vote 4	Agriculture, Rural Development Land and Environmental Affairs	90 260.25	-		90 260.25
vote 5	Economic Development and Tourism	0.00			-
vote 6	Education	28 235.57			28 235.57
vote 7	Public Works, Road and Transport	830 152.65			830 152.65
vote 8	Community Safety Security and Liaison	0.00			-
vote 9	Health	1 016 521.77			1 016 521.77
vote 10	Culture Sport and Recreation	10 008.17			10 008.17
vote 11	Social Development	17 831.58			17 831.58
vote 12	Human Settlement	9 625.95			9 615.95
	<b>Subtotal</b>	<b>2 022 625.94</b>	<b>-</b>	<b>-</b>	<b>2 002 625.94</b>
	National Department of Public Works	492 347.22			492 347.22
	National Department of Rural Development And Land Reform	0.00			-
	<b>Total</b>	<b>2 494 973.16</b>	<b>-</b>	<b>-</b>	<b>2 494 973.16</b>

*(Source: Provincial Treasury PCF presentation)*

## Provincial analysis

The above tables provide a detailed analysis on the rate of payment by sector departments to municipalities in the 2014/15 financial year.

## Challenges

- Municipalities are not allocating receipts on time due to late financial system closure
- Municipalities are failing to submit invoices on time to the correct department
- Data on billing system not credible in certain instances
- Municipalities allocate funds incorrectly in certain instances , hence credit balances on some accounts

## Recommendations

- That each department must reconcile payments made and submit proof of payment per municipality on a monthly basis and copy Provincial Treasury;
- Departments follow up with municipalities to submit credible invoices in order to facilitate prompt payment;
- That the Provincial Treasury only engage in bilateral meetings with municipalities and departments to resolve disputes in terms of Section 44 of the Municipal Finance Management Act 56 of 2003 as and when they arise;
- That municipalities acknowledge their responsibility in terms of Section 135 of the Municipal Finance Management Act 56 of 2003 by ensuring that correct information is submitted , and monies are collected and correctly allocated in accordance with their Credit Control and Debt collection policy;
- That persistent failure by departments to honor their debt to Municipalities will result in the withholding of their Equitable Share;
- That Provincial Treasury facilitates meetings with departments and municipalities for historical debt and assist parties to enter into payment arrangements.
- That defaulting departments be reported to Provincial Management Committee (PMC)

### 3.7.5 % Municipal Infrastructure Grant budget approximately spent

Table 3-41: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2012/13			2013/14			2014/15		
		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	286.08	190.45	67%	317.79	317.79	100%	303.56	241.03	79%
	Mbombela	188.06	150.09	79%	241.16	95.01	39%	286.04	258.64	90%
	Nkomazi	136.12	67.99	50%	131.42	131.42	100%	245.29	228.81	93%
	Thaba Chweu				39.05	39.05	100%	57.00	44.85	79%
	Umjindi	28.0	23.6	84.3%	28.05	26.84	96%	29.82	29.82	100%
	Ehlanzeni				757.48	610.11	81%	921.72	803.14	87%
GERT SIBANDE	Chief Albert Luthuli	77.23	77.23	100%	134.26	104.95	78%	105,407	119,612	88%
	Dipaleseng	21.69	9.93	46%	20.59	15.87	77%	28.99	16.65	57%
	Govan Mbeki	91.89	100%	100%	102.03	102.03	100%	83.78	80.65	96%
	Lekwa	43.52	31.85	59%	41.32	41.32	100%	33.99	33.75	99%
	Mkhondo	-	-	-	65.62	65.62	100%	82.77	82.77	100%
	Msukaligwa	57,377	40,33	70%	38.48	38.48	100%	43.76	32.95	75%
	Dr. Pixley Ka Isaka Seme	38.86	32.60	84%	30.61	30.61	100%	18.22	18.22	100%
	Gert Sibande				432.91	398.87	92%	396.92	370.40	93%
NKANGALA	Emalahleni	94.76	85.62	90.4%	76.10	76.10	100%	111.48	109.31	98%
	Emakhazeni	15.92	14.65	92%	13.32	13.32	100%	17.23	17.23	100%
	Steve Tshwete	37.72	37.60	99.7%	41.76	38.36	92%	52.28	51.99	99%
	Victor Khanye				23.63	23.63	100%	23.57	21.48	91%
	Dr. JS Moroka				111.24	111.24	100%	146.88	141.82	97%
	Thembisile Hani	108.0	108.0	100%	109.28	88.57	81%	47.44	47.44	100%
	Nkangala				375.33	317.78	85%	398.88	389.28	98%

(Source: Section 46 reports from municipalities)

### Provincial Analysis

2014/15 financial year, municipalities in the Province were able to spend 91% of the total R1,7 billion allocated. A total of 6 municipalities were able to spend 100% of their allocations by the end of their financial year. These include Umjindi, Emakhazeni and Thembisile Hani, Chief Albert Luthuli, Dr Dr Dr Pixley Ka Isaka Seme and Mkhondo.

### 3.7.6 % of 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 in the development of 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 3-42: Indicate % spent on total MISG budget per municipality**

Name of municipality	2013/14				2014/15			
	Allocation 2013/14	Expenditure 2013/14	Balance	Percentage	Allocation 2014/15	Expenditure 2014/15	Balance	Percentage
Ehlanzeni district	R 890 000	R 890 000	R0	100%	R934 000	INP	INP	INP
Bushbuckridge	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Mbombela	R 890 000	R 685 206	R204 794	77%	R934 000	R934 000	0	100
Nkomazi	R 890 000	R 890 000	R0	100%	R934 000	INP	INP	INP
Thaba Chweu	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Umgjindi	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Gert Sibande District	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Chief Albert Luthuli	R 890 000	R 890 000	R0	100%	R934 000	R934,000	0	100
Dipaleseng	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Govan Mbeki	R 890 000	R 269 160	R 620 840	30%	R934 000	INP	INP	INP
Lekwa	R 890 000	R 890 000	R0	100%	R934 000	INP	INP	INP
Mkhondo	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Msukaligwa	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100
Dr. Pixley Ka Isaka Seme	R 890 000	R 890 000	R0	100%	R934 000	R498 708	R435 292	53%
Nkangala district	R 890 000	R 890 000	R0	100%	R934 000	R934 000	0	100%
Emalahleni	R 890 000	R 890 000	R0	100%	R934 000	R934 000	934 000	100
Emakhazeni	R 890 000	R 890 000	R0	100%	R934 000	R934 000	934 000	100%
Steve Tshwete	R 890 000	R 890 000	R0	100%	R934 000	R789 954	144 046	85%
Victor Khanye	R 890 000	R 890 000	R0	100%	R934 000	R934 000	934 000	100%
Dr. JS Moroka	R 890 000	R 843 748	R46 252	95%	R934 000	R890703	43 297	95%
Thembisile Hani	R 890 000	R 890 000	R0	100%	R934 000	R934 000	934 000	100%
<b>TOTAL</b>	<b>R 18 690 000</b>	<b>R18 690 000</b>	<b>R871 886</b>	<b>95%</b>	<b>R19 614 000</b>	<b>R14 321 365</b>	<b>R4 358 635</b>	<b>73%</b>

(Source: Section 46 reports from municipalities)

### Analysis

13 out of 21 municipalities managed to spend 100% of their MISG, while Steve Tshwete, Dr JS Moroka and Dr Pixley Ka Isaka Seme municipalities could not spend their entire allocation and their spending ranged between 53 and 95% of their allocations.

### Challenges

- Poor reporting
- Lekwa, Govan Mbeki, Umgjindi and Nkomazi municipalities did not provide information on the performance on MSIG

### Recommendations

That the Department encourages municipalities to adequately report on their activities

# Submission of Annual Financial Statements for 2014/15 Financial Year

**Table 3-43: Submission of AFS for 2014/15 FY**

Name of Municipality	2013/14			2014/15		
	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality
	Y	N		Y	N	
Chief Albert Luthuli	Yes		31/08/2014	Yes		31/08/2015
Msukaligwa		No	No	Yes		31/08/2015
Mkhondo	Yes		31/08/2014	Yes		31/08/2015
Dr. Pixley Ka Isaka Seme	Yes		31/08/2014	Yes		31/08/2015
Lekwa	Yes		31/08/2014	Yes		31/08/2015
Dipaleseng	Yes		31/08/2014	Yes		31/08/2015
Govan Mbeki	Yes		31/08/2014	Yes		31/08/2015
Gert Sibande District	Yes		31/08/2014	Yes		31/08/2015
Victor Khanye	Yes		31/08/2014	Yes		31/08/2015
Emalahleni	Yes		31/08/2014	Yes		31/08/2015
Steve Tshwete	Yes		31/08/2014	Yes		31/08/2015
Emakhazeni	Yes		31/08/2014	Yes		31/08/2015
Thembisile Hani	Yes		31/08/2014	Yes		31/08/2015
Dr. JS Moroka	Yes		31/08/2014	Yes		31/08/2015
Nkangala District	Yes		31/08/2014	Yes		31/08/2015
Bushbuckridge	Yes		31/08/2014	Yes		31/08/2015
Thaba Chweu	Yes		31/08/2014	Yes		31/08/2015
Mbombela	Yes		31/08/2014	Yes		31/08/2015
Umjindi	Yes		31/08/2014	Yes		31/08/2015
Nkomazi	Yes		31/08/2014	Yes		31/08/2015
Ehlanzeni District	Yes		31/08/2014	Yes		31/08/2015
Total	20	1		21		31/08/2015

(Source Auditor General Report: 2015)

### Analysis on the preparation and submission of AFS

All 21 municipalities met the statutory deadline of 31 August 2015 to submit the annual financial statements to the Auditor General.

### Use of consultants to prepare AFS

**Table 3-44: Indicate municipalities that utilized consultants to prepare AFS**

Name of Municipality	2013/14				2014/15			
	Did the municipality use a consultant to compile AFS?		CFO appointed		Did the municipality use a consultant to compile AFS?		CFO appointed	
	Yes	No	Yes	Acting	Yes	No	Yes	Acting
Chief Albert Luthuli			Yes		Yes		Yes	
Msukaligwa	Yes			Acting	Yes			Yes
Mkhondo	Yes			Acting	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes			Acting		No	Yes	
Lekwa	Yes		Yes		Yes		Yes	
Dipaleseng		No	Yes				Yes	
Govan Mbeki		No	Yes			No	Yes	
Gert Sibande District		No	Yes			No	Yes	
Victor Khanye	Yes		Yes			No	Yes	
Emalahleni	Yes		Yes		Yes			Yes
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni		No	Yes			No	Yes	
Thembisile Hani	Yes			Acting	Yes		Yes	
Dr.JS Moroka		No	Yes			No	Yes	
Nkangala District		No	Yes			No	Yes	
Bushbuckridge	Yes		Yes		Yes		Yes	
Thaba Chweu	Yes			Acting		No	Yes	
Mbombela		No		Acting		No	Yes	
Umjindi		No	Yes			No	Yes	
Nkomazi		No	Yes			No		Yes
Ehlanzeni District		No	Yes			No	Yes	
Total	10	11	15	6	7	14	19 (17)	2 (4)

(Source: Provincial Treasury Consolidated Municipal Report: 2015)

### Analysis on the use of consultants when preparing AFS

7 out of 21 municipalities used consultants to prepare annual financial statements. The following municipalities utilised consultants to compile annual financial statements Emalahleni, Thembisile Hani, Bushbuckridge, Mkhondo, Msukaligwa, Lekwa and Chief Albert Luthuli. Emalahleni and Nkomazi municipalities has acting Chief Financial Officers during the year under review.

#### 3.7.7 Timely submission of the Annual Report for the 2014/15 Financial Year

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



**Table 3-45: Submission of the 2014/15 Annual Report**

Name of Municipality	2013/14		2014/15	
	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2013?		Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2013?	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	No	No	Yes	
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalahleni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes		Yes	
Thembisile Hani	Yes		Yes	
Dr. JS Moroka	Yes		Yes	
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
Mbombela	Yes		Yes	
Umjindi	Yes		Yes	
Nkomazi	Yes		Yes	
Ehlanzeni District	-	-	Yes	
Total	20	1	21	

(Source: Auditor General Report 2015)

### Provincial Analysis

All 21 municipalities submitted the unaudited 2014/15 Annual Report together with the Annual Financial Statements by the statutory deadline of 31 August 2015

**Table 3-46: Performance analysis of the 21 auditees reported on 2014/15 FY**

	2013/14				2014/15			
	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings
<b>Improved</b>		Lekwa, Govan Mbeki, and Dipaleseng	Bushbuckridge		Nkangala District	Chief Albert Luthuli, Thembisile Hani, Dr Dr Pixley Ka Isaka Seme and Gert Sibande	Bushbuckridge, Mkhondo,	
<b>Unchanged</b>	Ehlanzeni District and Steve Tshwete	Nkangala District and Mbombela	Chief Albert Luthuli, Victor Khanye, Umjindi, Thembisile Hani, Dr Dr Pixley Ka Isaka Seme, Nkomazi, Dr JS Moroka	Thaba Chweu, Mkhondo, Emalahleni and Msukaligwa	Ehlanzeni	Mbombela, Nkomazi, Umjindi, Dipaliseng, Govan Mbeki, Lekwa,	Victor Khanye and Dr JS Moroka	Emalahleni, Emakhazeni Thaba Chweu Msukaligwa
<b>Regressed</b>			Gert Sibande	Emakhazeni		Steve Tshwete		
<b>Total auditees reported on</b>	<b>2</b>	<b>5</b>	<b>9</b>	<b>5</b>	<b>2</b>	<b>11</b>	<b>4</b>	<b>4</b>

(Source: Auditor General Report 2015)

### Status of compliance with legislation over the past three years

- ☐ In 2012/13 financial year 19 out of 21(90%) municipalities were with findings and only 2 were without findings;
- ☐ In 2013/14 financial year 19 out of 21 (90%) municipalities were with findings and only 2 were without findings;
- ☐ In 2014/15 financial year 19 (90%) out of 21 municipalities were with findings and only 2 were without findings.

### **Most common areas of qualifications**

- ☐ Property, plant and equipment;
- ☐ Irregular expenditure;
- ☐ Revenue.

### **Risk areas requiring attention from municipalities**

- ☐ Quality of submitted financial statements- 83% of auditees needed intervention and 17% were without findings;
- ☐ Quality of performance reports - 74 % of auditees needed intervention and 26% were without findings;
- ☐ Supply chain management- 70% of auditees needed intervention, 26% were concerning and 4% were without findings;
- ☐ Financial health- 65% of auditees were concerning , 22% needed intervention and 13% were without findings;
- ☐ Human resource management- 56% of auditees were concerning, 22% needed intervention and 22% were without findings;
- ☐ Information technology- 57% of auditees were concerning and 43% needed intervention.

### **Assurance provided by key role players**

#### **First level of assurance (Management/ Leadership)**

- ☐ 8% of Senior Management provided quality assurance, 70% provided some assurance and 22% provided limited or no assurance;
- ☐ 13% of Accounting Officers provided quality assurance, 70% provided some assurance, 13% provided limited or no assurance and 4% was either vacant or not established;
- ☐ 30% of Executive Mayors provided quality assurance, 61% provided some assurance, 9% provided limited or no assurance.

#### **Second level of assurance (internal independent assurance and oversight)**

- ☐ 26% Internal Audit units provided assurance, 61% provided some assurance, 9% provided limited or no assurance and 4% was either vacant or not established;
- ☐ 30% of Audit Committees provided assurance, 57% provided some assurance, 9% provided limited or no assurance and 4% was either vacant or not established;
- ☐ 100% of Coordinating or monitoring departments provided some assurance.

#### **Third level of assurance (External independent assurance and oversight)**

- ☐ 22% of Municipal Councils provided assurance, 65% provided some assurance and 13 % provided limited or no assurance;
- ☐ 22% of Municipal Public Accounts Committees (MPACs) provided assurance, 65% provided some assurance and 22% provided limited or no assurance.

### **Overall audit outcomes of the past four years**

- ☐ Slight improvements in the overall audit outcomes;
- ☐ Decrease in the number of disclaimed municipalities from 36% to 17%;
- ☐ Reduction in the number of auditees with financially unqualified with matters on Pre- determined Objectives (PDO) from 18% to 9%;
- ☐ Significant increase in the levels of irregular, unauthorised as well as fruitless and wasteful expenditure;
- ☐ Material misstatements in the annual financial statements and annual performance reports for audit purpose remain high;
- ☐ Continued over reliance on consultants as a short term to improve audit outcomes.

## **3.8 PUBLIC PARTICIPATION**

Section 152(1)(e) of the Constitution enjoins municipalities to encourage the involvement of communities and community organisations in the matters of local government. In order to formalise the involvement of the communities and community organisations in matters of local government, the Municipal Structures Act, 1998 (Act 117 of 1998) in terms of Section 73 provides for the establishment of Ward Committees, which must have members not more than ten representative of all the community sectors within the ward. Section 74 outlines the functions of the Ward Committee to include among others making recommendations on any matter affecting its ward to the ward councillor (as the chairperson of the ward committee) or through the ward councillor to the council.

The Executive Mayors of municipalities are expected to lead community engagement programmes to attend to matters of community service delivery. However, the Speaker is expected to co-ordinate the functioning of all Ward Committees in each ward within the municipality in order to ensure full participation of communities in matters of governance. This section therefore analyse the performance of municipalities in putting people first through the assessment of the existence of and effectiveness of ward committees in processing community needs. The Department must appoint Community Development Workers for each and every ward in the Province to assist the Ward Councillor in processing matters of service delivery in interaction with the Ward Committees.

### 3.8.1 Functional of Ward Committees

**Table 3-47: Indicate municipalities' with functional ward committees**

DISTRICT	Municipality	2012/13		2013/14		2014/15	
		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	37	100%	36	98%	22	56%
	Umjindi	9	100%	09	100%	06	67%
	Nkomazi	31	94%	32	98%	11	33%
	Bushbuckridge	37	100%	37	100%	16	43%
	Thaba Chweu	09	75%	12	96%	11	79%
NKANGALA	Emakhazeni	8	100%	07	98%	04	50%
	Steve Tshwete	29	100%	26	96%	26	90%
	Dr J S Moroka	28	96%	26	94%	25	81%
	Emalahleni	15	44%	23	88%	33	97%
	Thembisile Hani	27	94%	27	93%	32	100%
	Victor Khanye	06	96%	04	48%	09	100%
GERT SIBANDE	Chief Albert Luthuli	16	88%	24	98%	23	92%
	Msukaligwa	10	87%	12	89%	17	89%
	Lekwa	09	65%	08	63%	12	80%
	Govan Mbeki	21	68%	02	03%	25	78%
	Dipaleseng	04	92%	05	98%	04	67%
	Mkhondo	08	53%	12	88%	17	84%
	Dr Pixley Ka Isaka Seme	07	64%	11	100%	11	100%
<b>TOTAL</b>		<b>289</b>	<b>72%</b>	<b>289</b>	<b>72%</b>	<b>304</b>	<b>76%</b>

(Source: Section 46 reports from municipalities)

#### Analysis of Performance on Public Participation

In the 2014/15 financial year 304 out of 400 Ward committees were functional which shows an improvement from the 2013/14 financial year wherein only 289 were functional.

#### 3.8.1.1 Challenges

- ☐ Non-functionality of 96 Ward Committees
- ☐ Inadequate convening of Community Meetings
- ☐ Lack in the implementation of Ward Operational Plans

#### 3.8.1.2 Intervention

Engagement between the Departments, Municipal Speakers, affected Ward Councillors and Committees.

#### Recommendation

The Department to capacitate ward committees on their roles and responsibilities to improve their functionality.

#### 3.8.1.3 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.

## Analysis of Performance on CDWs

### Challenges

- ☐ 52 Wards were without Community Development Workers;
- ☐ Poor working relations between CDWs and ward Councillors;
- ☐ Lack of supervision of CDWs in Local Municipalities.

### Intervention

- ☐ Appointment of CDWs in all wards where vacancies exist;
- ☐ Appointment of CDWs supervisors in Local Municipalities.

### Recommendation

- ☐ Appointment of CDWs in all vacant positions

## 3.9 ADMINISTRATIVE & INSTITUTIONAL CAPACITY

### Institutional Development and Transformation

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

### Objectives of the KPA

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

#### 3.9.1 Performance of Municipalities on Institutional Development

##### 3.9.1.1 Vacancy Rate in Senior Management approved posts as of June 2015

Table 3-48: Vacancy Rate in Senior Management Posts as of June 2015 per District

	2013/14						2014/15					
District	Total no. posts	Post filled	Males	Females	Post vacant	% Vacancy rate	Total no. posts	Post filled	Males	Females	Post vacant	% Vacancy rate
Ehlanzeni	39	29	24	5	10	26%	38	33	26	7	5	13%
Gert Sibande	47	41	34	7	6	13%	49	45	37	8	4	8%
Nkangala	37	28	15	13	9	24%	38	26	17	9	12	31%
<b>Total</b>	<b>123</b>	<b>98</b>	<b>73</b>	<b>25</b>	<b>25</b>	<b>20%</b>	<b>125</b>	<b>104</b>	<b>80</b>	<b>24</b>	<b>21</b>	<b>17%</b>

(Source: Section 46 reports from municipalities)

The total vacancy rate has significantly improved from 20% in the 2013/14 financial year to 17% in the 2014/15 financial year

### 3.9.1.2 Vacancy rate on filling of Section 54/56 Managers per District

**Table 3-49: Vacancy Rate on Filling of S54 and S56 Managers Ehlanzeni District**

Posts	2013/14			2014/15		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	6	4	2	6	5	1
Chief Financial Officer	6	4	2	6	5	1
Technical	7	4	3	6	4	3
Corporate Services	6	5	1	6	6	0
Community Services	7	5	2	6	6	0
Development and Planning	5	5	0	2	2	0
Chief Operations Officer	2	2	0	2	2	0
LED & Tourism				2	2	0
Manager Human settlements	-	-	-	1	1	0
<b>Total</b>	<b>39</b>	<b>29</b>	<b>10</b>	<b>38</b>	<b>33</b>	<b>5</b>

(Source: Section 46 reports from municipalities)

The table above depicts that in Ehlanzeni out of 36 section 56/57 approved posts 32 were filled showing a slight improvement of 13.5%.as compared to 25.6% in the 2013/14 financial year. In the whole Ehlanzeni District the following posts were vacant: 1 Municipal Manager post, 1 Chief Financial Officer post and 3 Technical Services Managers posts were vacant.

**Table 3-50: Filling of S54 and S56 Managers in Gert Sibande**

Posts	2013/14			2014/15		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	8	7	1	8	7	1
Chief Financial Officer	8	5	3	8	7	1
Technical	8	8	0	8	7	1
Corporate Services	8	7	1	8	8	0
Community Services	10	9	1	8	8	0
Development and Planning	5	5	0	6	6	0
Public Safety	-	-	-	2	2	0
Human Settlement	-	-	-	1	0	1
<b>TOTAL</b>	<b>47</b>	<b>41</b>	<b>6</b>	<b>49</b>	<b>45</b>	<b>4</b>

(Source: Section 46 reports from municipalities)

The table above depicts that in Gert Sibande out of 49 section 56/57 approved posts 45 were filled showing a slight improvement of 8%.as compared to 12% in the 2013/14 financial year. In the whole Gert Sibande District the following post were vacant: 1 Municipal Manager post, 1 Chief Financial Officer post, 1 Technical Services Managers and 1 General Manager Human Settlement posts were vacant.

### Nkangala District

**Table 3-51: Filling of S54 and S56 Managers in Nkangala**

Posts	2013/14			2014/15		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	7	6	1	7	2	5
Chief Financial Officer	7	7	0	7	6	1
Technical	7	4	3	7	6	1
Corporate Services	7	3	4	7	5	2
Development Planning	2	2	0	2	2	0
Community Services	7	6	1	7	5	2
Environmental waste management	-	-	-	1	0	1
<b>TOTAL</b>	<b>37</b>	<b>28</b>	<b>9</b>	<b>38</b>	<b>26</b>	<b>12</b>

(Source: Section 46 reports from municipalities)

The table above depicts that in Nkangala out of 38 section 56/57 approved posts 26 were filled showing a slight decline of 32% as compared to 24% in the 2013/14 financial year. In the whole Nkangala District the following post were vacant: 5 Municipal Manager post, 1 Chief Financial Officer post and 1 Technical Services Managers post, 2 Corporate Services Managers, 1 Director Environmental Waste Management and 2 Community Services Managers were vacant.

### 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 the end of June 2015:

- ☐ The following Municipal Managers posts were vacant in Victor Khanye, Emalahleni, Steve Tshwete, Thembisile Hani, Emakhazeni, Thaba Chweu and Mkhondo municipalities;
- ☐ 3 CFO posts were vacant in Emalahleni, Nkomazi and Msukaligwa municipalities;
- ☐ 5 Technical Services Directors posts were vacant in Nkomazi, Gert Sibande District, Thaba Chweu, Dr. JS Moroka and Umjindi municipalities;
- ☐ 2 Corporate Services Directors posts were vacant in Steve Tshwete and Dr. JS Moroka municipalities;
- ☐ 2 Community Services Directors posts were vacant in Dr. JS Moroka and Nkangala District municipalities;
- ☐ 1 Environmental Waste Management Services Director posts was in vacant in Emalahleni municipality;
- ☐ 1 General Manager Human Settlement post was in vacant in Gert Sibande District municipality.

#### Challenges on the filling of vacant positions

- ☐ Non-disclosure of remuneration packages when advertising posts thereby failing to attract suitably qualified people;
- ☐ Delays by municipalities in advertising and filling vacant posts;
- ☐ Municipal recruitment and retention strategies and salary packages are ineffective in attracting suitably qualified individuals

#### Recommendation

- ☐ Municipalities to explicitly state the salary package on the advertised posts
- ☐ That the Department continue to providing support and monitoring municipalities in the filling of vacant senior managers posts in complying with Section 54 (a), 56 & 57 Municipal Systems Act

### Implementation of Performance Management Systems Framework

#### EHLANZENI

Table 3-52: Performance Management System Implementation in Ehlanzeni District

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	6	6	No	Yes	Yes	Yes	Yes	None
Mbombela	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	No	Financial
Nkomazi	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Financial
Thaba Chweu	Yes	Yes	Yes	5	5	No	No	Yes	Yes	No	Financial
Umjindi	Yes	Yes	Yes	6	6	Yes	No	Yes	Yes	No	Financial
Ehlanzeni District	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Financial
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>36</b>	<b>36</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>1</b>	Financial

(Source: Section 46 reports from municipalities)

**Gert Sibande District**
**Table 3-53: PMS implementation in Gert Sibande District**

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 April 2014	Yes	Yes	7	7	Yes	Yes	Yes	Yes	No	None
Dipaleseng	No	Yes	Yes	6	6	No	Yes	Yes	No	No	Financial constraints
Govan Mbeki	Yes		Yes	6	6	No	No	Yes	Yes	No	Staff compliment
Lekwa	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Financial constraints
Mkhondo	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
<b>Msukaligwa</b>	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	PMS function being established. Cascading planned for 2016/2017 financial year
<b>Dr. Pixley Ka Isaka Seme</b>	PMS Framework adopted in 2013	Communities were engaged during and after the drafting of the IDP.	01	05	05	Done on a quarterly basis	PAC appointed		Quarterly performance reports submitted	PMS only applicable to Section 56 and Section 57 Managers	PMS not cascaded down due to insufficient staff in the PMS unit
<b>Gert Sibande District</b>	27/05/2015	Yes	Yes	6	6	Yes as per 2014/15 approved Internal Audit Plan	Yes	Yes	Yes	No	N/A
<b>Total</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>None</b>

(Source: Section 46 reports from municipalities)

**NKANGALA**
**Table 3-54: PMS implementation in Nkangala District**

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	7	6	Yes	No	Yes	Yes	No	
Emakhazeni	Not Reviewed	Done	Done	5	5	Done	0	Done	Done	Not Done	The PMS framework was reviewed and approved by Council on the 27 <sup>th</sup> August 2015.  The municipality has requested assistance in terms of cascading PMS to lower levels.



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
Steve Tshwete	Yes	Yes	Yes	4	4	Yes	Yes	Yes	Yes	Yes	None
Victor Khanye	Yes	Yes	Yes	5	5	Yes	shared	Yes	Yes	No	Financial constraints
Dr. JS Moroka	Yes	Yes	Yes	4	4	Yes	No	Yes	Yes	No	Financial constraints
Thembisile Hani	1	1	1	5	5	1	1	1	1	0	Job evaluation has not been done
Nkangala District	Yes	Yes	Yes	5	5	Yes	No	Yes	Yes	No	Financial
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>35</b>	<b>34</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>1</b>	
<b>Provincial Total</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>78</b>	<b>77</b>	<b>18</b>	<b>15</b>	<b>20</b>	<b>20</b>	<b>2</b>	

(Source: Section 46 reports from municipalities)

### 3.9.2 Analysis on the implementation of PMS

- ☐ 19 municipalities in the province had PMS Frameworks except Emakhazeni and Dipaleseng which did not review their PMS frameworks;
- ☐ All section 57 managers signed performance contracts;
- ☐ There has been a slight improvement in cascading PMS to officials below S56/57 in the Province. In the 2014/15 financial year Ehlanzeni District municipality and Bushbuckridge were the only two municipalities cascading PMS to officials lower than S56/57, whereas in the 2013/14 financial only Bushbuckridge was cascading PMS to officials below S56/57.

#### Challenges

- ☐ Poor consultation of stakeholders in the when PMS Frameworks are reviewed in particular communities;
- ☐ Non review of PMS frameworks by some municipalities;
- ☐ Cascading PMS to lower levels of the organisation still remained a challenge in most municipalities;
- ☐ PMS is seen as compliance matter than an instrument to ensure optimal by the employees and therefore the organisation.

#### Recommendation

Municipalities to adhere to the guidelines provided in the approved Provincial Municipal PMS Framework

#### 3.9.2.1 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 3-55: Section 56 Manager's Female Appointments**

Districts	Municipality	2012/13			2013/14			2014/15		
		No. of Section 57 posts approved	Female appointed in Section 57 posts	No of vacancies for female Section 57 Managers	No. of Section 57 posts approved	Female appointed in Section 57 posts	No of vacancies for female Section 57 Managers	No. of Section 57 posts approved	Female appointed in Section 57 posts	No of vacancies for female Section 57 Managers
ENHLANZENI	Bushbuckridge	7	1	0	6	2	0	7	2	0
	Mbombela	8	1	0	8	1	0	8	2	0
	Nkomazi	6	1	0	6	1	0	6	1	0
	Thaba Chweu	5	0	0	5	0	0	5	1	0
	Umjindi	7	0	0	7	0	0	7	0	0
	Ehlanzeni	7	2	0	7	1	0	7	1	0
	<b>TOTAL</b>	<b>40</b>	<b>05</b>	<b>0</b>	<b>39</b>	<b>05</b>	<b>0</b>	<b>40</b>	<b>07</b>	<b>0</b>
GERT SIBANDE	Chief Albert Luthuli	7	0	0	7	0	0	7	0	0
	Dipaleseng	6	2	0	6	2	0	6	2	0
	Govan Mbeki	6	2	0	6	2	0	6	2	0
	Lekwa	6	0	0	6	1	0	6	2	0
	Mkhondo	5	0	0	5	0	0	6	0	0
	Msukaligwa	6	1	0	6	0	0	6	0	0
	Dr. Pixley Ka Isaka Seme	5	1	0	5	1	0	5	1	0
	Gert Sibande	6	1	0	6	1	0	7	1	0
	<b>TOTAL</b>	<b>47</b>	<b>07</b>	<b>0</b>	<b>47</b>	<b>07</b>	<b>0</b>	<b>49</b>	<b>08</b>	<b>0</b>
NKANGALA	Emalahleni	6	1	0	6	1	0	7	1	1
	Emakhazeni	5	2	0	6	3	0	6	2	1
	Steve Tshwete	5	3	0	5	3	0	5	2	0
	Victor Khanye	5	3	0	5	3	0	5	1	0
	Dr. JS Moroka	5	1	0	5	1	0	5	0	0
	Thembisile Hani	5	0	0	5	0	0	5	1	0
	Nkangala	5	2	0	5	3	0	5	3	0
	<b>TOTAL</b>	<b>36</b>	<b>12</b>	<b>0</b>	<b>37</b>	<b>14</b>	<b>0</b>	<b>38</b>	<b>10</b>	<b>02</b>

*(Source: Section 46 reports from municipalities)*

#### Analysis of municipalities meeting employment equity target

- There has been a slight decline in the appointment of female section 56/57 in 2014/15 financial year with only 25 appointments as compared to 26 appointments in 2013/14 financial year;
- Nkangala District Municipality had the highest female section 56/57 and Ehlanzeni District Municipality had the lowest female section 56/57 appointments.

#### Challenges

- Municipalities are generally struggling to attract candidates who meet the employment equity criteria.

#### Recommendation

The Department will monitor if municipal managers' performance agreements contains an indicator on meeting employment equity targets.

### 3.9.3 Employment of people with disabilities

Table 3-56: Employment of People with Disabilities

DISTRICTS	Municipality	2012/13			2013/14			2014/15		
		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 posts approved people with disabilities	No. of people with disabilities	No of vacancies for people with disabilities
EHLANZENI	Bushbuckridge	3	3	0	3	3	0	4	4	0
	Mbombela	8	8	0	15	15	0	6	6	0
	Nkomazi	6	6	0	5	5	0	4	4	0
	Thaba Chweu	4	4	0	4	4	0	4	4	0
	Umjindi	3	3	0	3	3	0	3	3	0
	Ehlanzeni	0	0	3	0	0	0	0	0	0
	<b>TOTAL</b>	<b>24</b>	<b>42</b>	<b>3</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>21</b>	<b>21</b>	<b>0</b>
GERT SIBANDE	Chief Albert Luthuli	1	1	0	1	1	0	1	1	0
	Dipaleseng	4	4	0	2	2	0	5	5	0
	Govan Mbeki	12	12	0	13	13	0	13	13	0
	Lekwa	3	3	0	3	3	0	5	5	0
	Mkhondo	4	4	0	4	4	0	4	4	0
	Msukaligwa	7	7	10	7	7	0	6	6	0
	Dr. Pixley Ka Isaka Seme	4	4	0	4	4	0	4	4	0
	Gert Sibande	2	2	1	2	2	0	1	1	0
	<b>TOTAL</b>	<b>20</b>	<b>20</b>	<b>11</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>38</b>	<b>38</b>	<b>0</b>
NKANGALA	Emalahleni	13	13	0.9	20	20	0	21	21	0
	Emakhazeni	0	1	0	1	1	0	0	0	0
	Steve Tshwete	23	23	0	23	23	0	24	24	0
	Victor Khanye	5	5	1.3	5	5	0	7	7	0
	Dr. JS Moroka	7	7	0	2	2	0	2	2	0
	Thembisile Hani	3	3	0	7	7	0	5	5	0
	Nkangala	0	0	0	1	1	0	2	2	0
	<b>TOTAL</b>	<b>51</b>	<b>51</b>	<b>22</b>	<b>59</b>	<b>59</b>	<b>0</b>	<b>61</b>	<b>61</b>	<b>0</b>

(Source: Section 46 reports from municipalities)

#### Analysis on employment of people with disability

- Mbombela had the highest number (6) of people with disabilities;
- Ehlanzeni District Municipality was the worst performing with zero employment of people with disabilities;
- Govan Mbeki had a highest number (13) of people with disabilities;
- Gert Sibande District Municipality was the poor performer with only 1 person with disability;
- Steve Tshwete had a highest number (24) of people with disabilities;
- Emakhazeni was the worst performing with zero employment of people with disabilities.

#### Challenges

- Difficulty in attracting people from the designated groups.

#### Recommendation

- The Department to organize workshops on implementation of employment equity and disability policy in the work place.

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

Table 3-57: Employees aged between 35 or younger

Districts	Municipality	2012/13			2013/14			2014/15		
		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	928	352	38%	1113	186	17%	1029	229	22%
	Mbombela	1855	460	25%	2063	444	22%	2210	479	22%
	Nkomazi	960	345	36%	1500	379	25%	1500	385	27%
	Thaba Chweu	447	94	21%	760	64	8%	541	100	18%
	Umjindi	343	91	27%	345	165	49%	405	77	19%
	Ehlanzeni	132	28	21%	135	39	29%	145	35	24%
	<b>TOTAL</b>	<b>2363</b>	<b>1276</b>	<b>54%</b>	<b>5916</b>	<b>1277</b>	<b>21%</b>	<b>5830</b>	<b>1305</b>	<b>22%</b>
GERT SIBANDE	Chief Albert Luthuli	470	156	33%	470	156	33%	454	0	0
	Dipaleseng	487	87	18%	424	34	8%	334	0	0
	Govan Mbeki	1 319	322	24%	894	321	40%	2005	271	14%
	Lekwa	874	105	12%	692	105	14%	606	91	15%
	Mkhondo	754	213	28%	662	171	26%			
	Msukaligwa	837	139	17%	837	143	17%	854	123	14.40%
	Dr. Pixley Ka Isaka Seme	347	23	7%	375	75	20%	375	74	20%
	Gert Sibande	322	120	37%	322	12	4%	328	249	46%
	<b>TOTAL</b>	<b>5410</b>	<b>1165</b>	<b>22%</b>	<b>4676</b>	<b>1017</b>	<b>21%</b>	<b>4956</b>	<b>808</b>	<b>16%</b>
NKANGALA	Emalahleni	1625	284	17%	1625	307	19%	1711	319	19%
	Emakhazeni	529	134	25%	529	139	26%	507	144	28%
	Steve Tshwete	1415	444	31%	1442	379	26%	1477	401	27%
	Victor Khanye	359	99	28%	523	95	18%	459	124	27%
	Dr. JS Moroka	842	180	21%	903	136	15%	986	159	17%
	Thembisile Hani	533	86	16%	544	78	14%	587	141	24%
	Nkangala	243	46	19%	254	92	36%	287	87	30%
	<b>TOTAL</b>	<b>4171</b>	<b>1007</b>	<b>24%</b>	<b>5820</b>	<b>1226</b>	<b>21%</b>	<b>6014</b>	<b>1375</b>	<b>23%</b>
<b>GRAND TOTAL</b>		<b>11944</b>	<b>3448</b>	<b>29%</b>	<b>16412</b>	<b>3520</b>	<b>22%</b>	<b>16800</b>	<b>3488</b>	<b>21%</b>

(Source: Section 46 reports from municipalities)

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

The table above shows that in the 2014/15 financial year the percentage of youth employment in the province declined by 1% which remains an area of concern.

#### Challenges

- ☐ Municipalities set targets to employ youth but do not reserve specific posts for this purpose

#### Recommendations

- ☐ Municipal managers' contracts to contain an indicator on the employment of people on the designated groups
- ☐ Municipalities to start complying with the employment equity policies

Table 3-58: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	Management level	2012/13		2013/14		2014/15	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
EHLANZENI	Bushbuckridge	Councillors	74	22	28	28	130	48
		Senior Management level	41	6	4	4	33	41
		Lower level employees	953	52	853	111	154	123
		Technicians and professional	72	12	6	6	352	148
		<b>TOTAL</b>	<b>1140</b>	<b>92</b>	<b>891</b>	<b>149</b>	<b>669</b>	<b>360</b>
	Mbombela	Councillors	78	39	78	53	39	39
		Senior Management level	41	18	35	30	48	40
		Lower level employees	724	138	500	359	610	110
		Technicians and professional	79	42	59	50	131	118
		<b>TOTAL</b>	<b>922</b>	<b>237</b>	<b>672</b>	<b>492</b>	<b>828</b>	<b>307</b>
	Thaba Chweu	Councillors	-	-	28	10		
		Senior Management level			6	3	INP	INP
		Lower level employees	-	-	349	75	INP	INP
		Technicians and professional	-	-	45	18	INP	INP
		<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>428</b>	<b>106</b>	<b>INP</b>	<b>INP</b>
	Umjindi	Councillors	18	15	12	12	18	16
		Senior Management level	7	5	10	9	7	0
		Lower level employees	237	43	222	118	222	5
		Technicians and professional	52	19	62	38	64	10
		<b>TOTAL</b>	<b>314</b>	<b>82</b>	<b>306</b>	<b>177</b>	<b>311</b>	<b>33</b>
	Nkomazi	Councillors	65	65	21	21		51
		Senior Management level	20	16	8	8		30
		Lower level employees	130	78	100	100		65
		Technicians and professional	494	45	7	7		117
		<b>TOTAL</b>	<b>709</b>	<b>204</b>	<b>136</b>	<b>136</b>		<b>263</b>
	EHLANZENI DISTRICT	Councillors	28	8	30	10	28	14
		Senior Management level	26	8	22	9	26	10
		Lower level employees	48	50	45	45	47	37
		Technicians and professional	55	6	60	8	55	25
		<b>TOTAL</b>	<b>157</b>	<b>72</b>	<b>157</b>	<b>72</b>	<b>156</b>	<b>86</b>
GERT SIBANDE DISTRICT	Chief Albert Luthuli	Councillors	49	43	50	32	49	3
		Senior Management level	18	13	18	10	28	10
		Lower level employees	348	75	348	68	342	20
		Technicians and professional	55	28	32	10	35	25
		<b>TOTAL</b>	<b>470</b>	<b>159</b>	<b>448</b>	<b>120</b>	<b>454</b>	<b>58</b>
	Dipaleseng	Councillors	12	10	12	12	12	1
		Senior Management level	11	5	16	16	13	13
		Lower level employees	157	56	89	65	20	10
		Technicians and professional	11	4	27	27	150	35
		<b>TOTAL</b>	<b>191</b>	<b>75</b>	<b>144</b>	<b>120</b>	<b>195</b>	<b>59</b>
	Govan Mbeki	Councillors	63	74	60	59	63	18
		Senior Management level	34	8	30	29	34	6
		Lower level employees	1 033	57	1015	989	1075	59
		Technicians and professional	255	51	152	76	188	32
		<b>TOTAL</b>	<b>1 448</b>	<b>264</b>	<b>1257</b>	<b>1153</b>	<b>1350</b>	<b>115</b>
	Lekwa	Councillors	30	20	20	20	30	20
		Senior Management level	21	6	5	5	27	5
		Lower level employees	309	39	41	41	433	41
		Technicians and professional	160	4	12	12	57	12
		<b>TOTAL</b>	<b>520</b>	<b>69</b>	<b>78</b>	<b>78</b>	<b>547</b>	<b>78</b>

DISTRICT	Municipality	Management level	2012/13		2013/14		2014/15	
			Total No of staff approved	Total No of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
	Mkhondo	Councillors	37	12	25	25	25	25
		Senior Management level	4	4	3	3	3	3
		Lower level employees	411	151	320	312	320	312
		Technicians and professional	18	6	15	12	15	12
		<b>TOTAL</b>	<b>470</b>	<b>173</b>	<b>363</b>	<b>352</b>	<b>363</b>	<b>352</b>
	Msukaligwa	Councillors	8	7	14	10	INP	10
		Senior Management level	4	1	16	7	INP	4
		Lower level employees	385	20	71	41	INP	16
		Technicians and professional	80	65	46	15	INP	0
		<b>TOTAL</b>	<b>557</b>	<b>93</b>	<b>147</b>	<b>73</b>	INP	<b>30</b>
	Dr. Pixley Ka Isaka Seme	Councillors	21	11	65	65	21	11
		Senior Management level	24	12	21	19	21	21
		Lower level employees	308	68	66	66	328	88
		Technicians and professional	15	0	25	25	5	5
		<b>TOTAL</b>	<b>368</b>	<b>91</b>	<b>177</b>	<b>175</b>	<b>375</b>	<b>125</b>
	GERT SIBANDE DISTRICT	Councillors	07	07	18	18	19	8
		Senior Management level	05	05	12	6	5	5
		Lower level employees	00	00	134	134	179	55
		Technicians and professional	35	35	12	12	41	18
		<b>TOTAL</b>	<b>47</b>	<b>47</b>	<b>176</b>	<b>170</b>	<b>244</b>	<b>86</b>
NKANGALA DISTRICT	Emalahleni	Councillors	68	30	4	4	67	23
		Senior Management level	62	62	7	7	69	37
		Lower level employees	1001	92	538	389	1121	324
		Technicians and professional	191	159	50	23	331	106
		<b>TOTAL</b>	<b>1322</b>	<b>343</b>	<b>599</b>	<b>423</b>	<b>1588</b>	<b>490</b>
	Emakhazeni	Councillors	10	1	-	-	15	6
		Senior Management level	6	0	4	4	6	5
		Lower level employees	46	9	31	31	28	19
		Technicians and professional	33	37	5	5	9	6
		<b>TOTAL</b>	<b>95</b>	<b>47</b>	<b>40</b>	<b>40</b>	<b>58</b>	<b>36</b>
	Steve Tshwete	Councillors	18	07	7	5	5	28
		Senior Management level	40	25	8	12	13	5
		Lower level employees	306	191	114	202	253	162
		Technicians and professional	188	98	54	48	80	102
		<b>TOTAL</b>	<b>552</b>	<b>321</b>	<b>183</b>	<b>267</b>	<b>351</b>	<b>297</b>
	Victor Khanye	Councillors	17	3	15	10	17	4
		Senior Management level	42	8	22	6	42	8
		Lower level employees	271	45	260	113	169	60
		Technicians and professional	46	40	40	27	152	25
		<b>TOTAL</b>	<b>376</b>	<b>116</b>	<b>337</b>	<b>156</b>	<b>380</b>	<b>97</b>
	Dr. JS Moroka	Councillors	-	-	55	19	64	46
		Senior Management level	-	-	10	6	5	23
		Lower level employees	-	-	310	66	320	56
		Technicians and professional	-	-	86	40	90	44
		<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>461</b>	<b>131</b>	<b>479</b>	<b>148</b>
	Thembisile Hani	Councillors	64	64	69	59	64	11
		Senior Management level	5	21	14	14	5	4
		Lower level employees	356	213	122	122	325	10
		Technicians and professional	15	5	28	28	75	18
		<b>TOTAL</b>	<b>440</b>	<b>303</b>	<b>233</b>	<b>223</b>	<b>469</b>	<b>43</b>
	NKANGALA DISTRICT	Councillors	54	22	65	18	59	24
		Senior Management level	24	8	52	12	33	27
		Lower level employees	68	20	119	150	136	28
		Technicians and professional	42	11	117	101	57	25
		<b>TOTAL</b>	<b>182</b>	<b>61</b>	<b>353</b>	<b>281</b>	<b>285</b>	<b>104</b>

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

### **Analysis of performance on Institutional Development and Transformation**

The table above shows a total number of staff approved and a number of those that were trained:

- In Ehlanzeni District there was a total of 1964 staff approved out of which 1049 received training;
- In Gert Sibande District there was a total of 3528 staff approved out of which 903 received training;
- In Nkangala District there was a total of 3710 staff approved out of which 1215 received training.

### **Challenges**

In Ehlanzeni District Thaba Chweu and Nkomazi did provide in their section 46 report information on their staff compliment as well as those that were trained.

### **Recommendation:**

- The Department to workshop the municipalities on reporting



## PART C

### 4 SUMMARY OF FINDINGS

#### 4.1 KEY CHALLENGES AND RECOMMENDATIONS PER MUNICIPALITY

Table 4.1: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 1: Institutional Development and Transformation	Filling of S56/57 posts	Ehlanzeni, Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> <li>□ Municipalities generally don't disclose remuneration packages when advertising senior management posts</li> <li>□ Municipal recruitment and retention strategies are not effective</li> <li>□ Delays in advertising vacant posts</li> </ul>	<ul style="list-style-type: none"> <li>□ Municipalities to disclose remuneration packages when advertising senior management posts</li> <li>□ Municipalities to immediately advertise posts when the need arises</li> <li>□ Municipalities to review their recruitment and retention strategies</li> </ul>
	PMS	Ehlanzeni, Nkangala and Gert Sibande	Emakhazeni and Dipaleseng	Did not review their PMS Frameworks	The Department to support and monitor the municipalities to review their PMS Frameworks

Table 4.2: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 2: Service Delivery and Infrastructure Development	Access to water and Sanitation	Ehlanzeni, Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> <li>□ Bulk water supply</li> <li>□ Illegal connections</li> <li>□ Poor planning</li> </ul>	Effective monitoring and support of municipalities in planning
	Electricity	Ehlanzeni, Nkangala and Gert Sibande	Thaba Chweu, Emalahleni, Lekwa, Msukaligwa, Mkhondo and Emakhazeni	In ability to service ESKOM debt	The Department and Provincial Treasury to continue to monitor municipalities to honour their obligations to ESKOM.

Table 4.3: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 3: Local Economic development	LED Forums	Ehlanzeni, Nkangala and Gert Sibande	Umgindi, Dr. JS Moroka and Msukaligwa	LED Stakeholder Forums not in place	The Department and the District municipalities to support the three municipality in re-establishing the LED Forums
	LED Strategies	Ehlanzeni and Nkangala	Umgindi	Lack of funding to implement LED Strategy	The Department to support the municipalities in applying for funding
			Emakhazeni	LED Strategy obsolete	The Department to support the municipalities to review LED Strategy
	EPWP	Ehlanzeni, Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> <li>□ Underreporting</li> <li>□ In adequate budget to support EPWP programmes</li> </ul>	District municipalities to support its constituent municipalities in reporting EPWP projects in line with DORA requirements and incentive grant conditions.
	LED Budget	Ehlanzeni, Nkangala and Gert Sibande	Chief Albert Luthuli, Msukaligwa, Emalahleni, Emakhazeni, Dr. JS Moroka, Thembisile and Victor Khanye	Do not budget sufficiently for LED	The Department and the District municipalities to support struggling municipalities to develop credible budgets

**Table 4.4: Key challenges and recommendations per Key Performance Area (KPA)**

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 4:	Focal Area	District	Municipality	Challenges	Recommendations
Municipal Financial Viability and Management	Capital Budget Spending	Ehlanzeni Nkangala and Gert Sibande	All	In ability to plan for projects	The Department and Provincial Treasury to provide technical support to municipalities in financial planning and project management
	Municipal Infrastructure Grant	Ehlanzeni Nkangala and Gert Sibande	All	Utilisation of MIG funding for non MIG related projects and municipal operations	Districts to support municipalities to ring-fence MIG funds
	Revenue Collection	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> <li>□ Poor enforcement of credit control and collection policies</li> <li>□ Lack of financial management By-laws</li> <li>□ Slow progress in data cleansing result in inaccurate billing</li> <li>□ Illegal connections (Electricity and water).</li> </ul>	<ul style="list-style-type: none"> <li>□ The Department to speed up the roll-out of generic By-laws</li> <li>□ Municipalities to establish inspection teams to monitor illegal connections and inspect properties where services are disconnected</li> <li>□ Municipalities to speed up the process of data cleansing</li> </ul>
	Municipal Debtors	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> <li>□ Late allocation of receipts due to late financial closure</li> <li>□ Failure to issue invoices to correct departments</li> <li>□ Incorrect allocation of funds resulting in credit balances</li> </ul>	<ul style="list-style-type: none"> <li>□ Municipalities to abide by Municipal Finance Management Act 56 of 2003 by ensuring that correct billing information is issued to its debtors</li> <li>□ Provincial Treasury coordinates arrangements for sector departments and municipalities enter into payment arrangements of historical debts</li> </ul>

**Table 4.5: Key challenges and recommendations per Key Performance Area (KPA)**

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 5:	Focal Area	District	Municipality	Challenges	Recommendations
Good Governance and Public Participation	Political Stability	Ehlanzeni Nkangala and Gert Sibande	All except Msukaligwa, Emakhazeni and Steve Tshwete	Deficiency in the delivery of basic	Ensure the monitoring of the delivery of services on a regular basis
	Functional Oversight Committees	Ehlanzeni and Gert Sibande	All except Nkomazi, Thaba Chweu, Msukaligwa and Dipaliseng	The three municipalities had no functional audit committees	The Department to provide support in the resuscitation of the dysfunctional audit committees
	Anti-corruption strategies	Nkangala	Dr. JS Moroka	Non adoption of the anti-corruption strategy	The Department to provide support to the municipality to adopt the strategy
	Functionality of IGR structures	Ehlanzeni Nkangala and Gert Sibande	All	Lack of participation in IGR structures by sector departments and delegation of officials with decision making powers	Municipal Managers to report defaulting sector departments

**Table 4.6: Key challenges and recommendations per Key Performance Area (KPA)**

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 6:	Focal Area	District	Municipality	Challenges	Recommendations
Cross cutting Interventions	Spatial Development Frameworks	Ehlanzeni Nkangala and Gert Sibande	All	<ul style="list-style-type: none"> <li>□ Non alignment of municipal SDFs with SPLUMA</li> <li>□ Implementation of SDFs in municipalities</li> </ul>	<ul style="list-style-type: none"> <li>□ Municipalities to budget for the review of SDFs to align with SPLUMA</li> <li>□ The Department and to support municipalities to implement SDFs</li> </ul>
	Disaster Management	Ehlanzeni Nkangala and Gert Sibande	All	In adequate relief funding	The Department to consider increasing the relief funding
	IDP	Ehlanzeni Nkangala and Gert Sibande	All	Poor attendance of IDP stakeholder representative forums by sector departments	Municipalities to report defaulting municipalities to PCF

# Functional Audit Committees on performance information

**Table 4.7: Indicate functional Audit Committees**

Name of Municipality	2013/14		2014/15	
	Presentation of performance information to the Audit Committee		Presentation of performance information to the Audit Committee	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes		Yes	
Mkhondo	Yes		Yes	
Dr Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalaheni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes		Yes	
Thembisile Hani	Yes		Yes	
Dr JS Moroka	Yes		Yes	
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
Mbombela	Yes		Yes	
Umgjindi	Yes		Yes	
Nkomazi	Yes		Yes	
Ehlanzeni District	Yes		Yes	
<b>Total</b>	<b>21</b>	<b>0</b>	<b>21</b>	

(Source: Consolidated Municipal Report, April 2015: Provincial Treasury)





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