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PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

PROVINCIAL NOTICE 4 OF 2016



co-operative governance
& traditional affairs

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA SECTION 47 REPORT

CONSOLIDATED ANNUAL MUNICIPAL
PERFORMANCE REPORT
2013/14 FINANCIAL
YEAR

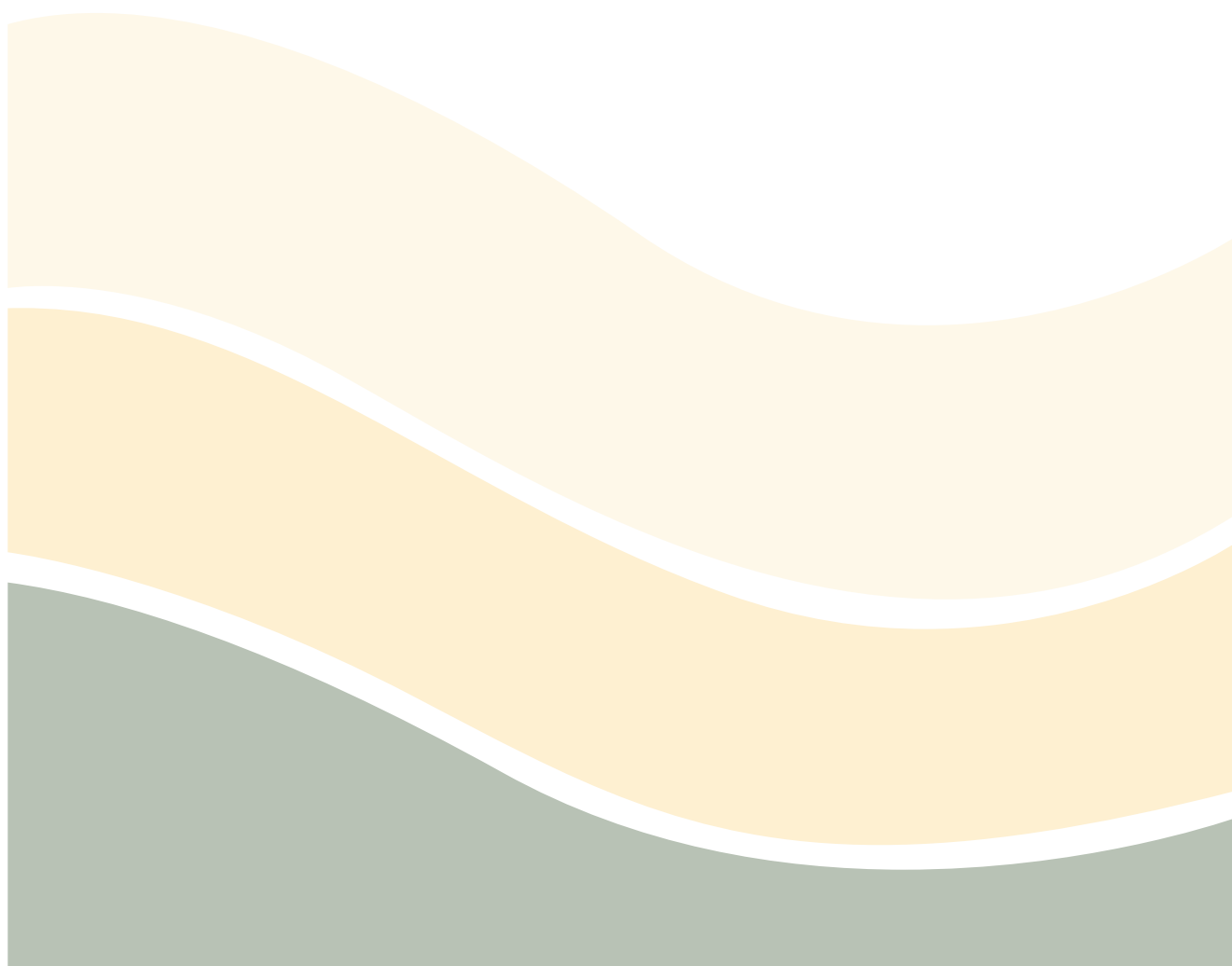


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ABBREVIATIONS

5YLGSA	Five-year Local Government Strategic Agenda
AFS	Annual Financial Statements
CDW	Community Development Worker
CMIP	Consolidated Municipal Infrastructure Programme
DBSA	Development Bank of Southern Africa
DIF	District Mayors Intergovernmental Forum
DIM	District information management system
DM	District municipality
DORA	Division of Revenue Act
COGTA	Department of Cooperative Governance and Traditional Affairs
DWAF	Department of Water Affairs and Forestry
FBE	Free Basic Electricity
FBS	Free Basic Services
FBW	Free Basic Water
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IGRFA	Intergovernmental Relations Framework Act
ISRDP	Integrated Sustainable Rural Development Programme
KPA	Key Performance Area
KPI	Key performance indicator
LLF	Local Labour Forum
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
MEC	Member of Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure grant
MIIP	Municipal Infrastructure Investment Plans
MIIU	Municipal Infrastructure Investment Unit
MSA	Municipal Systems Act
NCBF	National Capacity Building Framework
NSDP	National Spatial Development Perspective
PDIs	Previously Disadvantaged Individuals
PGDS	Provincial Growth and Development strategy
PMS	Performance Management Systems
PMU	Project Management Unit
SALGA	South African Local Government Association
SAPI	South African Planning Institute
SDF	Spatial Development Framework
SEDA	Small Entrepreneurship Development Agencies
SMME	Small, Medium and Micro-enterprises
SSP	Sector Skills Plan
URP	Urban Renewal Programme

MEC'S EXECUTIVE SUMMARY



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

In 2013/14 financial year government recommitted to improving municipal performance through the introduction of programmes like the Outcome based approach, Operation Clean Audit by 2014 and Municipal Turnaround Strategy (MTAS). This 2013/14 Consolidated Annual Municipal Performance Report provides an insight on how municipalities have performed in the year under review.

In 2013/14 we continued to monitor and support Emalahleni and Bushbuckridge local municipalities who were placed under Administration in terms of Section 139 1(b) of the Constitution. These two municipalities have since continued to make significant strides on their way to full recovery. We have also continued to provide both administrative and political support to all municipalities.

The oversight function played by the section 80 committees has continued to improve, especially the Municipal Public Accounts Committees (MPACS) which have strengthened the overall performance of our municipalities.

Whilst the financial positions and the large grant dependence of municipalities remains a matter of concern, good progress has been registered on the increased revenue collection base. There has been an increase in the payment rate by government departments towards their municipal debts.

Financial and Performance Management:

The 2013/14 audit outcomes reflected only two regressions in Emakhazeni Local Municipality and Gert Sibande District Municipality with some notable improvements in five municipalities including Bushbuckridge who moved out of a disclaimer position. This has represented a measure of improvement as compared to the previous year. There is still a lot of work that needs to be done. Areas of asset register, irregular expenditure, and supply chain management remain a great challenge and have contributed to the poor audit outcomes. Dependency on consultants is one of the critical areas of concern for municipalities this financial year, which has seriously had an impact or caused a regression on audit outcomes of Gert Sibande District and Emakhazeni municipalities. The value for money of the work provided by the consultants is questionable.

There must be an improvement in the role played by the municipal leadership to address the cause of poor audit outcomes. There also needs to be consequences for poor performance and transgressions.

Credibility of Performance Information

In terms of the Municipal Planning and Performance Regulations, internal audit units must continuously audit the performance measures of the municipalities and the report to the Municipal Managers and performance audit committees. This is aimed at ensuring that the submitted reports to the council and other decision makers of the municipality are credible. Failure by the internal auditors to audit the quarterly performance reports of municipalities, or their inability to identify significant weakness in the internal controls over the collecting and reporting of performance where audited, combined with slow response by senior management to address findings identified by the internal auditors during the audit of the quarterly performance reports, contributed to the lack of significant improvement in the audit outcomes.

The Overall performance of municipalities is analysed based on the five (5) KPA's which can be highlighted as follows;

(a) Institutional Development

Most municipalities in the province had PMS Framework except Thaba Chweu, Dipaleseng, Emalahleni, Mkhondo, Umjindi, Govan Mbeki and Msukaligwa. All Municipal Section 57 managers signed performance contracts except those that were in an acting capacity.

(b) Service Delivery and Infrastructure Development

- Only 5 municipalities had adequate bulk water: Victor Khanye, Bushbuckridge, Nkomazi, Thaba Chweu and Emakhazeni
- All municipalities do not have sufficient Bulk Infrastructure for sanitation service
- All municipalities have insufficient electricity sub-stations whilst there is a need for additional capacity.

(c) Local Economic Development

In the year under review 18 municipalities had developed LED strategies, however budgetary constraints remain a major challenge. Municipalities have also established LED forums. These forums should involve all material stakeholders in LED related matters. These forums should also be used to mobilise resources for LED programmes.

We must create Public Private Partnerships (PPP) that will help address the triple challenges of poverty, unemployment and inequality. Thaba Chweu Local Municipality, is a good example of an effective PPP as evidenced by the creation of 158 jobs through the redevelopment of the Mashishing Park.

(d) Public Participation and Good Governance

Community Development Workers (CDWs) continue to play a very important part in bringing government closer to the people. There are still some wards that do not have CDWs and this makes it very difficult to ensure that all wards receive services. Through the CDW programme we have managed to ensure that our targeted groups especially our elder citizens, children, orphans and disabled are able to access essential governmental services.

The community unrests in some of our areas remain a concern. It calls for the strengthening of our public participation programmes. The CDW's and the ward committees must ensure that information reaches our communities. The lack of an efficient feedback mechanism on issues raised by ward committees through the ward councilor still poses a challenge. To address this challenge a provincial monitoring and implementation ward operational plan and complaint management system will be developed.

In conclusion, we remain committed to ensuring that we improve the performance of all our municipalities. We want to ensure that all communities enjoy the benefits of living in their municipalities. Our key target is to ensure that all communities have access to clean water and decent sanitation and that these are provided in a sustainable manner.

Working with the Provincial Treasury and SALGA we will ensure that all municipalities fully implement the action plans developed to address the poor audit outcomes. We will also ensure that our municipalities remain stable.

Working together we are indeed committed to moving South Africa Forward.



HON. REFILWE MTSHWENI (MPL)
MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 10/07/15

HOD'S EXECUTIVE SUMMARY OF PERFORMANCE



MR CAIN CHUNDA

**HOD: CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

Ensuring the provision of basic services remains an area of attention for us as government. The statistics as made available from Statistics South Africa through Census 2011 indicated much improvement in terms of household accessibility to sanitation services, water, electricity and refuse. Whilst these figures seem to have comparatively improved from the previous financial years, the pertinent factors such as lack of maintenance, ageing infrastructure, poor asset management skills, inadequate planning to extend infrastructure provision to new settlements and deficient financial planning to respond to community needs are some of the limitations that have been encountered.

Regional Planning by District municipalities through the Integrated Development Planning has seen a significant paradigm shift from compliance planning to priority responsive planning in each ward. IDP's conform to legislative requirements as the primary obligation, however the most important area of improvement has been to cater for urgent community priorities such as water services.

We are concerned in the manner in which Local Government has missed the targets for achieving Clean Audit outcome for the 2013/14 financial year. The rate at which the deterioration from good results in the year under review indicates a great deal of required close monitoring working closely with Provincial Treasury, Municipal Public Accounts Committees (MPAC's), Internal and External Audit Committees as well as the Office of the Auditor General. We should all find avenues to make The Operation Clean Audit a success.

Other concerns related to continuation of the under spending of Grant funds meant to accelerate service delivery such as Municipal Infrastructure Grant, and the Integrated National Electrification Programme (INEP) to name just a few. Under spending and perennial roll-overs are some of the adverse factors that National and Provincial supervision needs to focus on in the oncoming years in order to deal head-on with this escalating trend.

The Department derives better understanding of the critical challenges faced by local government in the province based on the Section 46 reports submitted and analysed. Whilst challenges were raised for the late submission of reports by some municipalities in order to guide the analysis and the final consolidation of MEC's Section 47 report, we are determined to see even better improvements and punctuality for the reporting of performance for the 2014/15 and subsequent years to come.

As Administrators, we are all here entrusted with the responsibility to serve. We would like to again re-commit, dedicate and pledge our efforts in making this responsibility of making local government a responsive, effective, efficient and accountable governance system a success.

MR CM CHUNDA

HOD: COGTA

DATE: 18/07/15



PART A

1 INTRODUCTION

1.1 Legislative Background

1.1.1 *RSA Constitution, 1996*

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

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

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

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

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

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

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

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

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

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

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

Informed and empowered by the legislative provisions summarised above, the MEC for local government in Mpumalanga has prepared the consolidated S47 report on municipal performance for the 2013/14 Municipal Financial Year.

1.2 **Limitations of the Report**

- The quality and accuracy of statistical data on demographics and socio-economic profile in the various municipalities is suspect often inconsistent with the previous reports and Stats SA making it difficult to accurately measure and compare performance on service delivery, municipal ability to generate revenues, and evaluate the impact of local economic development strategies.
- The unavailability of all primary data required to evaluate, contrast and compare municipal performance for the year current and previous on certain targets and key performance areas.

2 OVERVIEW OF THE DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILES

2.1 DEMOGRAPHIC PROFILE

Based on Statistics SA, 2011, the total population in Mpumalanga is 4,04 million residing in just over a million households accounting for an estimated 7,8% of the country's population. Of the above population in the province, Ehlanzeni District Municipality accounts for 41,8% at 1,69 million, followed by Nkangala District Municipality at 34,4% for an estimate 1,31 million people and lastly, the Gert Sibande District Municipality accounting for the remainder of 25,8% of the population at 1,04 million people. Table 2.1 below provides a summary of the population in the province per district including the household breakdown. Sub-sections 2.1.1 to 2.1.3 provides a local level population breakdown per district area.

Table 2-1: Demographic Profile for Mpumalanga as per National Census, 2011

NAME	POPULATION	%	HOUSEHOLDS	%
Ehlanzeni District Municipality	1 688 614	41.8	445 087	41.4
Nkangala District Municipality	1 308 129	32.4	356 911	33.2
Gert Sibande District Municipality	1 043 094	25.8	273 490	25.4
Mpumalanga	4 039 837	100	1 075 488	100

2.1.1 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 2.2 below provides a summary of the population estimates in the Ehlanzeni District Municipality as per the National Census by Stats SA, 2011.

Table 2-2: Ehlanzeni District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS	%
Mbombela Municipality	588 794	35	161 773	36
Bushbuckridge Municipality	541 248	32	134 197	30
Nkomazi Municipality	393 030	23	96 202	22
Thaba Chweu Municipality	98 387	5.8	33 352	7.5
Umjindi Municipality	67 156	4.1	19 563	5

2.1.2 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 310458 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 75452 or 5.8% and Emakhazeni Local Municipality at 47216 or 3.6% are the two smallest municipalities within the District. Table 2.3 below provides a summary of the population estimates in the Nkangala District Municipality as per the National Census by Stats SA, 2011.

Table 2-3: Nkangala District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS	%
Emalahleni Municipality	395 466	30	119 874	34
Thembisile Hani Municipality	310 458	24	75 634	21
Dr JS Moroka Municipality	249 705	19	62 162	17
Steve Tshwete Municipality	229 831	18	64 971	18
Victor Khanye Municipality	75 452	6	20 548	6
Emakhazeni	47 216	4	13 722	4

2.1.3 Gert Sibande District Demographic Profile

Gert Sibande District Municipality is comprised of seven local municipalities namely, Chief Albert Luthuli, Msukaligwa, Mkhondo, Lekwa, Dr Pixley Ka Isaka Seme, Dipaleseng and Govan Mbeki local municipalities. Govan Mbeki Local Municipality accounts for the largest population estimate at 294 538 or 28% followed by Chief Albert Luthuli Local Municipality with a population estimate of 186 010 or 18%, Mkhondo Local Municipality at 171 982 or 17%, Msukaligwa Local Municipality at 149 377 or 14 %, Lekwa Local Municipality at 115 662 or 11%. Dr Pixley Ka Isaka Seme Local Municipality at 83 235 or 8% and Dipaleseng Local Municipality at 42 390 or 4% are the two smallest municipalities within the District. Table 2.4 below provides a summary of the population estimates in the Gert Sibande District Municipality as per the National Census by Stats SA, 2011.

Table 2-4: Gert Sibande District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS	%
Govan Mbeki Municipality	294 538	28	83 874	31
Chief Albert Luthuli Municipality	186 010	18	47 705	18
Mkhondo Municipality	171 982	17	37 433	14
Msukaligwa Municipality	149 377	14	40 932	15
Lekwa Municipality	115 662	11	31 071	11
Dr Pixley Ka Isaka Seme	83 235	8	19 838	7
Dipaleseng	42 390	4	12 637	5

2.2 SOCIO-ECONOMIC PROFILE

2.2.1 Household Income

Table 2.5 below provides a summary of the average household income in the province broken down per local municipality as adapted from the Statistics SA figures of 2011 National Census. Steve Tshwete Local Municipality 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 2-5: Average Household Income Per Municipality

MUNICIPALITY	Stats SA Census (2001)	Stats SA Census (2011)	Rank
Steve Tshwete	R55 369	R134 026	1
Govan Mbeki	R47 983	R125 480	2
Emalahleni	R51 130	R120 492	3
Mbombela	R37 779	R92 663	4
Lekwa	R38 113	R88 440	5
Thaba Chweu	R35 795	R82 534	6
Msukaligwa	R31 461	R82 167	7
Umgindi	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

2.2.2 Unemployment and Socio-economic challenges

Ehlanzeni's household income of R64 4403 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 R84177 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 S47 report focus 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 S152 (1) (a) 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.

3.1.1 *Political Stability*

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



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

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
ENHLANZENI	Bushbuckridge	<ul style="list-style-type: none">There was good working relationship among the Executive Mayor, Speaker and Chief Whip with regular sittings of Troika as planned.	<ul style="list-style-type: none">All quarterly council sittings were convened as per annual calendar schedule.	<ul style="list-style-type: none">There were 13 protest actions within the Municipality on service delivery.
	Mbombela	<ul style="list-style-type: none">The Troika met regularly as programmed and with the MM invited in the case of Nkomazi.		<ul style="list-style-type: none">There were 09 protest actions within the Municipality on service delivery.
	Nkomazi			<ul style="list-style-type: none">There were 08 protest actions within the Municipality on service delivery.
	Thaba Chweu			<ul style="list-style-type: none">There is a good working relationship of Troika with regular meetings held as planned.However, the relations within council requires improvement.
	Umjindi	<ul style="list-style-type: none">The working relations of the Troika need to improve as there were sometimes disagreements which affected the regular sittings of Troika to process service delivery matters.		<ul style="list-style-type: none">There was 01 protest action within the Municipality on service delivery.
	Ehlanzeni	<ul style="list-style-type: none">The working relations between the Executive Mayor, Chief Whip and Speaker were excellent.Weekly meetings were held prior to Mayoral Committee sittings.	<ul style="list-style-type: none">All quarterly council sittings were convened as per calendar schedule.Council resolutions were implemented as resolved.	<ul style="list-style-type: none">Inclusively, the District had in excess of 30 protest actions on service delivery.
GERT SIBANDE	Chief Albert Luthuli	<ul style="list-style-type: none">Troika relations between the Executive Mayor, Speaker and Chief Whip were good and sittings convened frequently, in partical weekly.	<ul style="list-style-type: none">All quarterly council sittings were convened as per calendar schedule.	<ul style="list-style-type: none">There were 05 registered protest actions within the Municipality on service delivery.
	Dipaleseng			<ul style="list-style-type: none">There was 01 registered protest action within the Municipality on service delivery.
	Govan Mbeki			<ul style="list-style-type: none">There were 04 registered protest actions within the Municipality on service delivery.
	Lekwa			<ul style="list-style-type: none">There were 01 registered protest action within the Municipality on service delivery.
	Mkhondo			<ul style="list-style-type: none">There were no registered protest actions within the Municipality on service delivery.
	Msukaligwa			<ul style="list-style-type: none">There were no registered protest actions within the Municipality on service delivery.
	Dr. Pixley Ka Isaka Seme			<ul style="list-style-type: none">There were no protest actions within the Municipality on service delivery.
	Gert Sibande	<ul style="list-style-type: none">Troika relations between the Executive Mayor, Speaker and Chief Whip were good and sittings convened frequently, in partical weekly.		<ul style="list-style-type: none">Inclusively, the District had a total of 11 protest actions on service delivery.

Districts	Municipality	Political Stability		
		Troika Relations	Council sittings	Protest Action
NKANGALA	Emalahleni	<ul style="list-style-type: none">Troika relations between the Executive Mayor, Speaker and Chief Whip were not good and sittings not convened as frequent as required.	<ul style="list-style-type: none">All quarterly council sittings were convened as per calendar schedule.	<ul style="list-style-type: none">There were 2 protests within the Municipality on service delivery.
	Emakhazeni	<ul style="list-style-type: none">Troika relations between the Executive Mayor, Speaker and Chief Whip were good and sittings convened frequently.		<ul style="list-style-type: none">There were 4 protests within the Municipality on service delivery.
	Steve Tshwete			<ul style="list-style-type: none">There were 2 protests within the Municipality on service delivery.
	Victor Khanye			<ul style="list-style-type: none">There was 1 protest action within the Municipality on service delivery.
	Dr. JS Moroka			<ul style="list-style-type: none">There were no protests within the Municipality on service delivery.
	Thembisile Hani	<ul style="list-style-type: none">Troika relations between the Executive Mayor, Speaker and Chief Whip were good . However, sittings were not convened as frequent as required.		<ul style="list-style-type: none">There were no protests within the Municipality on service delivery.
	Nkangala	<ul style="list-style-type: none">Troika relations between the Executive Mayor, Speaker and Chief Whip were good health and sittings convened frequently.		<ul style="list-style-type: none">Inclusively, the District had a total of 9 protest actions on service delivery.

3.1.2 Functional Oversight Committees

In order to assess the functionality of the oversight committees in municipalities, the existence and functioning of Municipal Public Accounts Committees (MPACs), other S79 and S80 Committees and Internal Audit Committees were assessed in each of the municipalities. Table 3.2 below illustrates a summary of the analysis of the Functionality of Oversight Committees. As can be deduced from Table 3.2 all the MPAC's were in place and functional except for Thaba Chweu municipality in the Ehlanzeni District Area, where the MPAC was not sitting as planned.

Section 79 and Section 80 Committees were also in place and fully functional in all the Municipalities except for Lekwa Local Municipality in the Gert Sibande District and Thembisile Hani Municipality in the Nkangala District Areas where the Mayoral Committees were not sitting and an intervention to assist the municipality to address this oversight had to be made.

Audit Committees were functional and in place. In two Municipalities Mbombela and Steve Tshwete the Audit Committee function was outsourced to Sithole Consulting and Price Water Coopers respectively.

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	<ul style="list-style-type: none"> MPACs were in place and fully functional. 	<ul style="list-style-type: none"> Section 79 and 80 Committees were in place and functional. 	<ul style="list-style-type: none"> The Audit Committee existed and functional with 3 members and supported by the Internal Audit Unit that has 5 staff members.
	Mbombela			<ul style="list-style-type: none"> The Audit Committee existed and functional with 4 members and supported by the Internal Audit Unit outsourced to Sithole Consulting Pty (Ltd).
	Nkomazi			<ul style="list-style-type: none"> The Audit Committee existed and functional with 5 members and supported by the Internal Audit Unit that has 3 staff members.
	Thaba Chweu	<ul style="list-style-type: none"> MPAC was in place, but did not adhere to the schedule of sittings. 	<ul style="list-style-type: none"> Section 79 and 80 Committees were in place and functional. 	<ul style="list-style-type: none"> The Audit Committee existed and functional with 4 members and supported by the Internal Audit Unit that has 2 staff members.
	Umgindi	<ul style="list-style-type: none"> MPAC was in place and fully functional. 		<ul style="list-style-type: none"> The Audit Committee existed and functional with 5 members which is a shared service with the District municipality and supported by the Internal Audit Unit that has 2 staff members.
	Ehlanzeni	<ul style="list-style-type: none"> MPACs were in place and fully functional. 		<ul style="list-style-type: none"> The Audit Committee existed and functional with 5 members and supported by the Internal Audit Unit that has 3 staff members.
GERT SIBANDE	Chief Albert Luthuli	<ul style="list-style-type: none"> MPACs were in place and fully functional. 	<ul style="list-style-type: none"> Section 79 and 80 Committees were in place and functional. 	<ul style="list-style-type: none"> The Audit Committee existed and functional with 4 members and supported by the Internal Audit Unit that has 3 staff members.
	Dipaleseng			<ul style="list-style-type: none"> The Audit Committee existed and functional with 3 members and supported by the Internal Audit Unit that has 1 staff members.
	Govan Mbeki			<ul style="list-style-type: none"> The Audit Committee existed and functional with 5 members and supported by the Internal Audit Unit that has 4 staff members.
	Lekwa	<ul style="list-style-type: none"> MPACs were in place and fully functional. 	<ul style="list-style-type: none"> Section 79 committee was not in place; hence, Section 80 Committee was in place and functional. 	<ul style="list-style-type: none"> The Audit Committee existed with 2 members and supported by the Internal Audit Unit that has 3 staff members.
	Mkhondo		<ul style="list-style-type: none"> Section 79 and 80 Committees were in place and functional. 	<ul style="list-style-type: none"> The Audit Committee existed and functional with 4 members and supported by the Internal Audit Unit that has 3 staff members.
	Msukaligwa			<ul style="list-style-type: none"> The Audit Committee existed and functional with 3 members and supported by the Internal Audit Unit that has 1 staff member.
	Dr. Pixley Ka Isaka Seme		<ul style="list-style-type: none"> Section 79 and 80 Committees were in place and functional. 	<ul style="list-style-type: none"> The Audit Committee existed and functional with 4 members and supported by the Internal Audit Unit that has 3 staff members.
	Gert Sibande	<ul style="list-style-type: none"> MPACs was in place and fully functional. 		

Districts	Municipality	Functionality of Oversight Committees		
		Municipal Public Account Committees (MPAC)	S79 and S80 Committees	Audit Committee
NKANGALA	Emalahleni	• MPACs were in place and fully functional.	• Section 80 committees were not in place; hence, Section 79 Committees were in place and functional.	• The Audit Committee did not exist and there was no Internal Audit Unit supporting the Audit Committee.
	Emakhazeni		• Section 79 and 80 Committees were in place and functional.	• The Audit Committee existed and functional with 4 members which is a shared service with the District municipality and supported by the Internal Audit Unit that has 2 staff members.
	Steve Tshwete			• The Audit Committee existed and functional with 4 members which is a shared service with the District municipality and supported by the Internal Audit Unit outsourced to PWC.
	Victor Khanye		• Section 79 and 80 Committees were in place and functional.	• The Audit Committee existed and functional with 4 members which is a shared service with the District municipality and supported by the Internal Audit Unit that has 2 staff members.
	Dr. JS Moroka			• The Audit Committee existed and functional with 4 members which is a shared service with the District municipality and supported by the Internal Audit Unit that has 4 staff members.
	Thembisile Hani	• MPACs were in place and fully functional.	• Section 80 committees were not in place; hence, Section 79 Committees were in place and functional.	• The Audit Committee existed and functional with 3 members and supported by the Internal Audit Unit that has 3 staff members.
	Nkangala		• Section 79 and 80 Committees were in place and functional.	• The Audit Committee existed and functional with 4 members and supported by the Internal Audit Unit that has 5 staff members.

Challenges with Internal Audit Units and Audit Committees

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

- Internal Audit Units are being used to conduct Special Investigations and therefore do not have the requisite time to perform their primary duty, i.e. Internal Audits;
- Internal Audit Units are under staffed;
- Some municipalities have Internal Audit Units with all positions filled, but still appoint service providers to perform their Internal Audits;
- Lack of implementation of the findings reached by Internal Audit units.

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

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

Intervention

- Municipalities should do away with service providers if they have fully staffed Internal Audit Units. If Internal Audit staff are not performing disciplinary processes should be followed;
- Internal Audit vacancies should be filled timeously;
- Municipal Managers should refrain from giving Internal Audit Units Investigations to do if the main function of doing Internal Audits are not done;

Audit Committees must report to Council at least once per quarter and report to Council whereas Internal Audit recommendations are not implemented.

3.1.3 Anti-corruption Measures & Policies

Table 3-3: Anti-Corruption prevention plans implemented

District	Municipality	2011/12			2012/13			2013/14		
		Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan	Anti-corruption Plan compiled	Has council adopted the Anti-corruption Plan	Anti-corruption Plan implemented
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	No	No	No	No	No	No	Yes	Yes	Yes
	Umgjini	No	No	No	Yes	No	No	Yes	Yes	Yes
	Ehlanzeni district	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	No	No	No	Yes	No	No	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	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	No	No	No	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
	Gert Sibande	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalaheni	No	No	No	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	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	No	No	No	No	No	No	Yes	Yes	No
	Thembisile Hani	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala district	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

Challenges

- Unavailability of anti-corruption strategies in the Dr JS Moroka Local Municipality.
- Outdated anti-corruption plans or policies.

Intervention

- Continuous support to Dr JS Moroka to get their anti-corruption strategy adopted through Council and subsequently implemented.
- COGTA to support municipalities via the annual review of each Municipality's anti-corruption policy.

Recommendations

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

3.1.4 Intergovernmental Relations Forum

3.1.4.1 Existence of an effective IGR strategy

Intergovernmental Relations Framework Act was promulgated in 2005 to provide a framework for National, Provincial and Local Government to promote and facilitate intergovernmental relations in order to achieve the coherent government, effective service delivery, and monitoring implementation of legislation, policies and realization of national priorities and provide for dispute resolution mechanism amongst all spheres of government. It also provides for the facilitation, integration and alignment of planning, budgeting, implementation and reporting across the three spheres of government. In this regard, the province has established IGR structures to facilitate coordination and monitoring of programmes between local, district and provincial government.

The role of the District IGR structures both technical and political where the District Municipal Manager meets all local Municipal Managers and the District Executive Mayors meets all Executive Mayors on quarterly basis to share best practice as well as service delivery.

The Department (COGTA) has entered into Memorandum of Understanding with Provincial Treasury, to promote coordination of activities and optimal utilisation of resources particularly with the implementation of MFMA where the two departments (COGTA and Provincial Treasury) have distinct roles and responsibilities.

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

3.1.4.2 Effectiveness IGR structural meetings

Table 3-4: Indicate effectiveness of IGR structural meetings

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				
EHLANZEN	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 IGR structural meetings

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)

3.1.5 Analysis of Performance on IGR Structure Meetings

Provincial analysis

- Fifteen (15) out of 21 municipalities have reviewed and adopted their delegations register.
- All municipalities have defined the roles of committees and political office bearers.
- All municipal councils convene quarterly and special sittings as per legislative requirements.
- Mayoral, Section 79 and 80 Committees are sitting as per their schedule, except where indicated otherwise.

Challenges

- 6 municipalities had not reviewed the delegation registers as at June 2014.
- Though roles have been defined committees and political bearers still encounter some challenges when attempting to effectively perform their duties.
- 7 out of 21 municipalities have not established Section 80 Committees due to the frequent changing of Section 79 C chairpersons, more especially the MPAC chairperson.

Recommendations

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

3.1.5.1 Functionality of IGR Structures

- The three (3) districts Ehlanzeni, Gert Sibande and Nkangala during the 2013/14 financial year had the following functional IGR Forums:
 - Executive Mayors and Municipal Managers Forums;
 - IDP Representative Forums; and
 - IDP Technical, Clusters and Working Groups.
- Local municipalities also convene IGR structures in a form of IDP Representative Forums, therefore the Department (COGTA) ensure that sector departments participate in the integrated development planning processes of municipalities.
- Technical MUNIMAN and MUNIMEC forums are coordinated at provincial level on a quarterly basis to share best practices as well as effective service delivery models with municipalities.

Challenges

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

Intervention

- Escalate reporting on the functionality of district and provincial IGR structures to Premier's Coordinating Forum (PCF).
- COGTA is currently working in tandem with the Office of the Premier to facilitate participation of sector departments during IDP process in municipalities.

Recommendations

- Development of a Provincial IGR Framework to encourage all stakeholder participation including national, provincial and local government structures including business forums, civic organization and so forth.
- Support the effective functionality of the existing Provincial Planners Forum that is coordinated by the Office of the Premier.

3.2 BASIC SERVICES**3.2.1 Service Delivery and Infrastructure Development**

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

Performance of municipalities on Service Delivery and Infrastructure Development

Households with access to Potable Water: Ehlanzeni District

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

Municipality	2012/13						2013/14					
	Total No of Households	Water		To date	Sanitation		Total No of Households	Water		To date	Sanitation	
Mbombela	161 772	126 051	77.9%	86%	150 150	92.8%	181 309	130 063	71.2%	72%	161 773	100%
Bushbuckridge	134 199	106 072	79.0%	95.7%	117 230	87.4%	134 199	110 656	82.5%	42%	111 983	83.4%
Nkomazi	96 201	77 829	80.9%	95%	80 777	84.0%	96 201	77 829	80.9%	69%	64 286	66.8%
Umgjini	19 563	18 467	94.4%	98%	19 269	98.5%	19 563	18 467	94.4%	90%	19 563	100%
Thaba Chweu	33 352	31 623	94.8%	97.7%	32 372	97.1%	33 352	31 623	94.8%	87%	33 052	99.1%
EHLANZENI	445 087	360 042	80.9%	94.34%	399 798	89.8%	464 624	368 638	82.8%	72%	390 657	87%

(Source: Section 46 reports from municipalities)

Ehlanzeni District has 445 088 households and 368 638 (82.8%) of the households had access to potable water as at June 2014. Between 2013/14 financial year, the number of households with access to water increased by 1.7% from 80.9 % to 82.8%. In the current financial year, there is a decline of 10.8% as a result of population growth and increase of informal settlements.

It is evident that there is an increase on the number of households from 445 088 to 464 624 this has resulted in the decline of the overall municipal supply from 94.34% to 72% access to water and from 94.2% to 78% access to sanitation. In 2013/14 financial year, a total of 390 657 (87.8%) households had access to sanitation and to date only 78% have access to sanitation and this presents a decline in the number of households with access by 54 431, which is 9.8%.

Gert Sibande District

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

Municipality	2012/13						2013/14					
	Total No of Households	Water		To date	Sanitation		Total No of Households	Water		To date	Sanitation	
Govan Mbeki	83 874	82 989	98.9%	99%	82 355	98.2%	83 874	82 989	98.9%	97.3%	61 792	73.7%
Chief Albert Luthuli	47 705	39 016	81.8%	91%	45 229	94.8%	48 421	46 144	96.7%	96.7%	48 315	101.3%
Msukaligwa	40 932	37 090	90.6%	93%	38 944	95.1%	40 932	38 665	94.5%	89.5%	31 845	77.8%
Lekwa	31 071	30 340	97.6%	100%	29 791	95.9%	32 822	30 138	97.0%	91.5%	29 570	95.2%
Mkhondo	37 433	29 394	78.5%	92%	32 610	87.1%	37 433	36 617	97.8%	83.4%	34 248	91.5%
Dipaleseng	12 637	11 949	94.6%	95%	11 870	93.9%	12 637	11 949	94.6%	95%	8 520	67.4%
Dr Pixley Ka Isaka Seme	19 838	18 428	92.9%	98%	18 931	95.4%	21 688	19 555	98.6%	100%	19 838	100%
GERT SIBANDE	273 490	249 206	91.1%	95%	259 730	95.5%	277 807	266 057	97.3%	93.5%	234 128	85.6%

(Source: Section 46 reports from municipalities)

A total number of 266 057(97.3%) had access to potable water as at June 2014 and to date number of households with access to water has declined by 17 394, which is 3. 8% due to population growth which has resulted in the increase of number of households.

In 2013/14 access to sanitation in Gert Sibande District has declined by 9.9 % from 95.5% to 85.6 from the previous financial year, Dipaleseng and Govan Mbeki municipalities had shown to have a major decline in the delivery of sanitation services.

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

Municipality	2012/13							2013/14						
	Total No of Households	Water		To date		Sanitation	To date	Total No of Households	Water		To date	Sanitation	To date	
Emalahleni	119 874	113 602	94.8%	94.8%	116 888	97.5%	97.5%	119 874	115 079	96.0%	60%	71 760	59.9%	66%
Thembeisile Hani	75 635	72 175	95.4%	97.5%	73 671	97.4%	97.9%	107 354	72 175	95.4%	80%	75 090	99.3%	27%
Dr JS Moroka	62 162	48 411	77.9%	88.25%	60 947	98.0%	98%	62 162	61803	99.4%	99%	60 204	96.9%	88%
Steve Tshwete	64 971	63 778	98.2%	98.2%	63 591	97.9%	97.9%	64 971	61 484	94.6%	99%	41 125	63.3%	98%
Emakhazeni	13 721	13 080	95.3%	97%	12 827	93.5%	93.5	14 315	13 167	96.0%	95%	8 441	61.5%	81%
Victor Khanye	20 548	19 665	95.7%	97%	20 083	97.7%	99%	20 548	19665	95.7%	76%	15 533	75.6%	76%
NKANGALA	356 911	330 711	92.7%	95.5%	348 007	97%	97.3	389 224	115 079	95.5%	85%	272 153	76.3%	73%
PROVINCIAL TOTAL	1 075 488	939 959	87.4%	94.9%	1 007 535	93.7%	95%	1 132 500	876 876	83%	83%	896 938	79%	69%

(Source: Section 46 reports from municipalities)

In Nkangala District there was decline in the total number of households with access to water from 95.5% to 85% in 2013/14.

In terms of sanitation there was a decline from 97.3% to 73% with access to sanitation.

Currently Steve Tswete and Dr. J.S. Moroka municipalities are leading in the provision of access to water with 99% followed by Emakhazeni municipality with 95%. Due to population growth in the Province, number of households have increased from 1 075 488 to 1 132 500 resulting into a decline in terms of households with access to services.

Households with access to Free Basic Water**Status Quo on Free Basic Water Ehlanzeni District****Table 3-9: Status Quo on Free Basic Water in Ehlanzeni District**

Local Municipality	2012/13				2013/14			
	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	9 637	9637	100%	161 772	13443	13443	100%
Bushbuckridge	134 199	83 020	77 477	93.3%	134 199	6500	6500	42.9%
Nkomazi	96 201	11 442	11 442	100%	96 201	11923	0	0%
Umjindi	19 563	1 973	1 391	70.5%	19 563	1498	1206	80%
Thaba Chweu	33 352	13 466	11 126	82.6%	33 352	1572	8675	26%
TOTAL	445 087	119 538	111 073	92.9%	445 087	34936	29824	62.2%

(Source: Section 46 reports from municipalities)

In Ehlanzeni District only Mbombela local municipality had served 100% of the indigents. Nkomazi Local municipality did not provide information on the number of households served with FBW.

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

Local Municipality	2012/13				2013/14			
	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	6 370	6 370	100%	83 874	21695	21695	100%
Chief Albert Luthuli	47 705	4 076	213	5.2%	47 705	8136	8136	37%
Lekwa	31 071	4 367	4 367	100%	31 071	2991	2991	100%
Mkhondo	37 433	3 237	12 654	381.7%	37 433	973	973	100%
Dipaleseng	12 637	227	227	100%	12 637	990	990	100%
Dr Pixley Ka Isaka Seme	19 838	2 646	2 034	76.9%	19 838	2021	2021	100%
Msukaligwa	40 932	20 007	20 007	100%	40 932	9200	9200	100%
TOTAL	273 490	40 930	45 572	111.3%	273 490	46 006	46 006	91%

(Source: Section 46 reports from municipalities)

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

Status Quo on Free Basic Water Nkangala District

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

Local Municipality	2012/13				2013/14			
	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	5 394	500	9.27%	75 635	0	0	0%
Dr JS Moroka	62 162	4 832	4832	100%	62 162	4878	1629	33.3%
Steve Tshwete	64 971	16 432	16 102	98%	64 971	17934	14000	78.1%
Victor Khanye	15 129	2 720	2 720	100%	15 129	2720	2720	100%
Emalahleni	75 635	39 975	39 975	100%	75 635	12250	12250	98.5%
Emakhazeni	13 721	4 911	4 738	96.5%	13 721	984	984	100%
Total	356 911	74 264	68 867	92.7%	307 253	38766	31583	68%

(Source: Section 46 reports from municipalities)

Two out of Six municipalities in Nkangala District served 100% of indigent households with free basic water as per the table above.

Households with access to Sanitation

Table 3-12: Households with access to sanitation

Municipality	2012/13			2013/14		
	Total No of Households	Sanitation		Total No of Households	Sanitation	
Mbombela	161 772	150 150	92.8%	181309	161 773	100%
Bushbuckridge	134 199	117 230	87.4%	134197	111.983	83.4%
Nkomazi	96 201	80 777	84.0%	100746	64 286	66.8%
Umgindi	19 563	19 269	98.5%	20408	19 563	100%
Thaba Chweu	33 352	32 372	97.1%	36852	33052	99.1%
EHLANZENI	445 087	399 798	89.8%	473512	390 657	87.8%
Emalahleni	119 874	116 888	97.5%	135972	71 760	59.9%
Thembisile Hani	75 635	73 671	97.4%	107354	75 090	99.3%
Dr JS Moroka	62 162	60 947	98.0%	62162	60 204	96.9%
Steve Tshwete	64 971	63 591	97.9%	73395	41 125	63.3%
Emakhazeni	13 721	12 827	93.5%	14315	8 441	61.5%
Victor Khanye	20 548	20 083	97.7%	22148	15 533	75.6%
NKANGALA	356 911	348 007	97.5%	415346	272 153	76.3%
Govan Mbeki	83 874	82 355	98.2%	83874	61 792	73.7%
Chief Albert Luthuli	47 705	45 229	94.8%	48421	48 315	101.3%
Msukaligwa	40 932	38 944	95.1%	47517	31 845	77.8%
Lekwa	31 071	29 791	95.9%	32822	29 570	95.2%
Mkhondo	37 433	32 610	87.1%	38125	34 248	91. 5%
Dipaleseng	12 637	11 870	93.9%	12637	8520	67.4
Dr Pixley Ka Isaka Seme	19 838	18 931	95.4%	21688	19 838	100.0%
GERT SIBANDE	273 490	259 730	95.0%	273 490	234 128	85.6%
PROVINCIAL TOTAL	1 075 488	1 007 535	93.7%	1 075 488	896 938	79%

(Source: Section 46 reports from municipalities)

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

Households with access to Free Basic Sanitation

Status Quo on Free Basic Sanitation at Ehlanzeni District

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

Local Municipality	2012/13				2013/14			
	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	9 637	9637	100%	161 772	13434	2194	16%
Bushbuckridge	134 199	83 020	11 126	13.4%	134 199	6500	6500	100%
Nkomazi	96 201	11 442	11 442	100%	96 201	11293	0	0%
Umgindi	19 563	1 973	1 652	83.7%	19 563	1498	1228	82%
Thaba Chweu	33 352	13 466	8 302	61.7%	33 352	3098	3098	100%
TOTAL	445 087	119 538	42 159	35.3%	445 087	35823	13020	60%

(Source: Section 46 reports from municipalities)

Status Quo on Free Basic Sanitation Gert Sibande District

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

Local Municipality	2012/13				2013/14			
	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	6 370	6 370	100%	83 874	21695	21695	100%
Chief Albert Luthuli	47 705	4 076	2 909	5.2%	47 705	8136	4212	52%
Lekwa	31 071	4 367	4 367	100%	31 071	8318	2426	29%
Mkhondo	37 433	3 237	0	0%	37 433	246	246	100%
Dipaleseng	12 637	227	227	100%	12 637	175	175	100%
Dr Pixley Ka Isaka Seme	19 838	2 646	2 034	77%	19 838	2400	2400	100%
Msukaligwa	40 932	20 007	20 007	100%	40 932	9200	9200	100%
TOTAL	273 490	40 930	33 218	81.2%	273 490	50998	41182	83%

(Source: Section 46 reports from municipalities)

Status Quo on Free Basic Sanitation Nkangala District

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

Local Municipality	2012/13				2013/14			
	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	5 394	500	9.27%	75 635	0	0	0%
Dr JS Moroka	62 162	4 832	4832	100%	62 162	4878	1282	26%
Steve Tshwete	64 971	16 432	16 102	98%	64 971	16739	16739	100%
Victor Khanye	15 129	2 720	2 720	100%	15 129	2720	0	0%
Emalahleni	75 635	39 975	39 975	100%	75 635	11800	11800	100%
Emakhazeni	13 721	4 911	4 738	96.5%	13 721	984	984	100%
Total	356 911	74 264	68 867	92.7%	307 253	37571	31255	54%

(Source: Section 46 reports from municipalities)

Bucket System Eradication**Table 3-16: Indicate Bucket System**

Municipality	2012/13				2013/14			
	Village / Town	Number of Buckets	Project Value	Comments	Village / Town	Number of Buckets	Project Value	Comments
Victor Khanye	Ma-waag, Mandela and Nkanini	1849	R 31 123 000	Water and sanitation infrastructure complete and Houses still outstanding	None	0	0	Bucket system eradicated
Dipaleseng	Nthorwane	38	R 286 000	Municipalities currently installing Proper toilets	None	0	0	Bucket system eradicated

(Source: Section 46 reports from municipalities)

The bucket system in Victor Khanye and Dipaleseng municipalities has been eradicated.

Households with access to Electricity Services**Ehlanzeni District****Table 3-17: Households with access to electricity at Ehlanzeni**

Municipality	2012/13				2013/14			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Mbombela	161 772	146 716	90.7%	91.26%	161 772	147 501	91.18 %	91.18 %
Bushbuckridge	134 199	129 902	96.8%	97.65%	134 199	131 059	97.66 %	97.66 %
Nkomazi	96 201	90 416	94.0%	96.81%	96 201	92 237	96.57 %	96.57 %
Umgindi	19 563	17 006	86.9%	87.78%	19 563	17 006	83.96 %	83.96 %
Thaba Chweu	33 352	32 551	97.6%	97.67%	33 352	32 551	97.60 %	97.60 %
EHLANZENI	445 087	416 591	93.6%	94.23%	445 087	420 354	94.44%	94.44%

(Source: Section 46 reports from municipalities)

The percentage of households that had access to electricity in 2012/13 was at 93.6% and the year 2013/14 percentage improved to 94.44 % of households with access to electricity in Ehlanzeni district.

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

Municipality	2012/13				2013/14			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Emalahleni	119 874	88 732	74.0%	75.15%	119 874	88 732	74.2%	74.2%
Thembisile Hani	75 635	71 154	94.1%	95.01%	75 635	71 863	95.1%	95.1%
Dr JS Moroka	62 162	60 091	96.7%	99.21%	62 162	61 677	99.22%	99.22%
Steve Tshwete	64 971	59 477	91.5%	92.08%	64 971	59 827	92.08%	92.08%
Emakhazeni	13 721	11 474	83.6%	86.18%	13 721	11 824	86.17%	86.17%
Victor Khanye	20 548	17 501	85.2%	85.22%	20 548	17 501	85.17%	85.17%
NKANGALA	356 911	308 429	86.4%	88.81%	356 911	311 424	87.26%	87.26%

(Source: Section 46 reports from municipalities)

Household with access to electricity were 308 429 (86.4%) during 2012/13 financial year in Nkangala and 2013/14 financial year percentage improved to 87.26%.

Gert Sibande District

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

Municipality	2012/13				2013/14			
	Total No of Households	Electricity		To date	Total No of Households	Electricity		To date
Govan Mbeki	83 874	76 332	91.0%	91.01%	83 874	76 332	91.0%	91.0%
Chief Albert Luthuli	47 705	42 920	90.0%	91.37%	47 705	43 590	91.37%	91.37%
Msukaligwa	40 932	31 947	78.1%	81.87%	40 932	33 020	80.67%	80.67%
Lekwa	31 071	27 585	88.8%	90.01%	31 071	27 838	89.59%	89.59%
Mkhondo	37 433	25 058	66.9%	68.83%	37 433	25 385	67.81%	67.81%
Dipaleseng	12 637	10 719	84.8%	85.08%	12 637	10 749	85.06%	85.06%
Dr Pixley Ka Isaka Seme	19 838	16 907	85.2%	85.43%	19 838	16 907	85.23%	85.23%
GERT SIBANDE	273 490	231 468	84.6%	84.80%	273 490	233 821	85.50%	85.50%
PROVINCIAL TOTAL	1 075 488	956 488	88.9%	89%	1 075 488	965 599	89.07%	89.07%

(Source: Section 46 reports from municipalities)

Gert Sibande access to electricity has increased from 84.80% to 85.50% with account for 2353 additional households which were provided with electricity in the financial year 2013/14. **Households with access to Free Basic Electricity**

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

HOUSEHOLDS WITH ACCESS TO FREE BASIC SERVICES								
Municipality	2012/13				2013/14			
	Total H/H	Total indigents	Total served energy	%	Total H/H	Total indigents	Total served energy	% FWS Served
Govan Mbeki	83 874	6 370	6 370	100%	83 874	22523	21695	96.3%
Chief Albert Luthuli	47 705	4 076	2 909	71.4%	47 705	8136	8136	100%
Msukaligwa	40 932	20 007	20 007	100%	40 932	9200	9200	100%
Lekwa	31 071	4 367	4 367	100%	31 071	8318	2426	29%
Mkhondo	37 433	3 237	3 237	100%	37 433	246	246	100%
Dipaleseng	13 637	227	227	100%	13 637	175	175	100%
Dr Pixley Ka Isaka Seme	19 838	2 646	2 034	76.9%	19 838	2400	2400	100%
Gert Sibande District	274 490	40 930	39 151	95.7%	274 490	50998	44278	89.3%
Emalahleni	119 874	39 975	10 954	27.4%	119 874	12250	12250	100%
Thembisile Hani	75 634	5 394	500	9.3%	75 634	0	0	0%
Dr JS Moroka	62 162	4 832	4 832	100%	62 162	4878	4878	100%
Steve Tshwete	64 971	16 432	16 102	98.0%	64 971	16739	15893	95%
Emakhazeni	13 722	4 911	4 738	96.5%	13 722	984	0	0%
Victor Khanye	20 548	2 720	2 720	100%	20 548	2720	2720	100%
Nkangala District	356 911	74 264	39 846	53.7%	356 911	37571	35741	83%
Mbombela	161 773	9 637	9 637	100%	161 773	13434	11249	84%
Bushbuckridge	134 197	83 020	7 660	9.2%	134 197	6500	6500	100%
Nkomazi	95 509	11 442	11 442	100%	95 509	11923	11293	95%
Umgjini	20 255	1 973	1 464	74.2%	20 255	2720	2720	100%
Thaba Chweu	33 352	13 466	1 594	11.8%	33 352	3098	3098	100%
Ehlanzeni District	445 086	119 538	31 797	26.6%	445 086	37675	34860	96%

(Source: Section 46 reports from municipalities)

11 out of 18 municipalities in the province provide 100% free basic electricity to indigents and two municipalities (Thembisile Hani and Emakhazeni are at zero). There two municipalities will be supported to improve the access of basic services.

Households with access to Roads**Ehlanzeni District****Table 3-21: Total KM of tarred and gravel roads in Ehlanzeni**

Municipality	2012/13			2013/14		
	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	2559.4	510	2049.7	2760	560	2200
Bushbuckridge	4314.2	287.2	4027	4650	938	3712
Nkomazi	2268	132	2136	1702	163	1539
Umjindi	396	120	176	0	0	0
Thaba Chweu	469	228.4	240.6	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	2012/13			2013/14		
	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	898	505	393	908	505.9	398.1
Chief Albert Luthuli	511	77	434	649.3	106.1	453.2
Msukaligwa	446	229	217	446.96	229.31	217.65
Lekwa	354	167	187	423	185.4	237.6
Mkhondo	761	156	605	951	461.8	490
Dipaleseng	325	87	238	0	0	0
Dr. Pixley Ka Isaka Seme	283	89	194	278	85	198

*(Source: Section 46 reports from municipalities)***Nkangala District****Table 3-23: Total KM of tarred and gravel roads in Nkangala**

Municipality	2012/13			2013/14		
	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	1282	799	483	1400.8	843.96	566.84
Thembisile Hani	902	31	871	0	0	0
Dr. JS Moroka	2251	2431	181	0	0	0
Steve Tshwete	702	593	109	819.3	626	174.4
Emakhazeni	210	158	52	0	0	0
Victor Khanye	310	109	201	0	0	0

*(Source: Section 46 reports from municipalities)***3.2.2 Analysis of performance on Service Delivery and Infrastructure Development****Challenges on access to water**

- The province is still experiencing a challenge in addressing bulk and storage facilities in all municipalities except in Steve Tshwete which poses serious challenges on the provision of uninterrupted water supply. Municipalities were advised to prioritise implementation of bulk water projects in order to address the remaining backlogs by December 2015.
- Planning for infrastructure projects is still a challenge as there is continuous prioritization of reticulation in areas where there is no bulk infrastructure.
- There are acute challenges in budgeting for O&M and upgrading of ageing infrastructure.

- Lack of Technical Capacity such as Engineers, Technicians, Operators is still prevalent.

Challenges on access to Sanitation

- All municipalities do not have sufficient Bulk Infrastructure for sanitation services.
- Poor planning on infrastructure projects is still a major set-back in increasing access to basic services.
- Over-loaded WWTW's and spillages are on a continuous rise in municipalities.

Challenges on access to Electricity

- Maintenance of Sub-stations and proper operations not done due to poor O&M Plans.
- All municipalities have insufficient sub-stations whilst there is a need for additional capacity.
- Theft of transformers, cables and other electricity infrastructure/ equipment poses a huge challenge on provision of electricity.
- There is ageing infrastructure which hinders increase of access to more households.
- Weak electricity Grid both in urban and rural areas affects increase of households with access to electricity.
- **Challenges on access to refuse removal.**
- Lack of funding for waste projects and initiatives by municipalities.
- COGTA has assisted at least 9 municipalities with its continued Youth Waste Management Programme and CWP's; however this Programme needs to be sustained.

Support interventions by National and Provincial government

Plans for interventions on access to water

- All municipalities are redirecting resources to resolve bulk water infrastructure and storage facilities and large proportion of MIG, MWIG, RBIG and district funding will be utilized for this purpose;
- Rand Water has been appointed in the Province to fast track the implementation of water and sanitation projects;
- There will be comprehensive provincial infrastructure functional assessment to properly direct scarce resources to areas of critical need; and
- 9 Steel Tanks Reservoirs constructed in Bushbuckridge, Mbombela and Nkomazi.

Plans for interventions on access to Sanitation

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

Plans for interventions access to Electricity

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

Plans for interventions on access to refuse removal

- Improved municipal waste management and licensed disposal sites; and

Link CWP, EPWP and YWMP initiatives with Clean Cities and Towns Programme.

3.2.3 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.

3.2.3.1 Performance of municipalities on Spatial Rationale

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

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

Table 3-24: Indicate municipalities with approved SDFs

DISTRICTS	Municipality	2011/12			2012/13			2013/14			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	
	Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Umjindi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

(Source: Section 46 reports from municipalities)

3.2.3.2 Analysis of performance on Spatial Rationale

All 21 municipalities had SDFs approved as at June 2014.

Challenges

The dominant challenges on spatial rationale is the misalignment between the IDP projects which are implemented outside the SDF proposals. Furthermore, the Spatial Planning and Land Use Management Act, Act 16 of 2013 has been signed into law on the 5th of August 2013. Similarly, the national SPLUMA regulations have been gazetted and these provide guidance on the content and structure of SDFs. The challenge is that most SDFs are not SPLUMA compliant in their current form.

Recommendations

It is recommended that the linkages between municipal IDPs and SDFs be strengthened throughout the province. This can be achieved through SDF proposals finding translation in the IDP, in the form of projects. The SDF should be utilised as the base strategic plan in all municipalities to ensure the appropriate location of projects, spatially. This process will aid in the positive realisation of the spatial vision of all municipalities in the province. Furthermore, the current municipal SDFs need to be reviewed to be SPLUMA compliant. A number of municipalities have already started to review their SDFs to be SPLUMA compliant (i.e. Dr JS Moroka, Thembekele Hani, Emakhazeni, Victor Khanye, Steve Tshwete and Nkangala District Municipality). Moreover, District Action Teams have been formed to assist municipalities to prepare for the implementation of SPLUMA and officials from the department (Spatial Planning and Land Use Management units) have been appointed to serve in Municipal Planning Tribunals, assisting municipalities in considering and approving land use applications.

3.2.4 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 entrenched the integrated development planning process as a legislated requirement for all municipalities to engage in and develop Integrated Development Plans.

The IDP is a municipality's 5-year strategic plan that must be reviewed on an annual basis to track progress in implementation of the development programmes and inform future years' development planning. It has become the central pillar for development planning in South Africa, as it seeks to integrate development planning and programmes across all the three spheres of government into one document.

During the first years of the implementation of Chapter of the MSA, many municipalities failed to submit their 5-year IDP's and others submitted very late. However, the main deficiency of the IDP's was the lack of integration and credibility in the strategic plans. DCOG developed a credibility framework and provincial COGTA facilitated an intergovernmental IDP engagement process that was intended to improve the submission rate and credibility of IDP's.

Table 3-25: Indicate municipalities with reviewed IDPs

DISTRICTS	Municipality	2011/12		2012/13		2013/14	
		No of municipalities that reviewed their IDP's	No of stakeholders who participated	No of municipalities that reviewed their IDP's	No of stakeholders who participated	No of municipalities that reviewed their IDP's	No of stakeholders who participated
EHLANZENI	Bushbuckridge	Reviewed		Reviewed		Reviewed	1458
	Mbombela	Reviewed		Reviewed		Reviewed	
	Nkomazi	Reviewed		Reviewed		Reviewed	
	Thaba Chweu	Reviewed		Reviewed		Reviewed	
	Umjindi	Reviewed		Reviewed		Reviewed	
	Ehlanzeni District	Reviewed		Reviewed		Reviewed	14
GERT SIBANDE	Chief Albert Luthuli	Reviewed		Reviewed		Reviewed	
	Dipaleseng	Reviewed		Reviewed		Reviewed	
	Govan Mbeki	Reviewed		Reviewed		Reviewed	
	Lekwa	Reviewed		Reviewed		Reviewed	
	Mkhondo	Reviewed		Reviewed		Reviewed	
	Msukaligwa	Reviewed		Reviewed		Reviewed	
	Dr. Pixley Ka Isaka Seme	Reviewed		Reviewed		Reviewed	
	Gert Sibande	Reviewed		Reviewed		Reviewed	
NKANGALA	Emalahleni	Reviewed		Reviewed		Reviewed	
	Emakhazeni	Reviewed		Reviewed		Reviewed	
	Steve Tshwete	Reviewed		Reviewed		Reviewed	
	Victor Khanye	Reviewed		Reviewed		Reviewed	
	Dr. JS Moroka	Reviewed		Reviewed		Reviewed	
	Thembisile Hani	Reviewed		Reviewed		Reviewed	
	Nkangala District	Reviewed		Reviewed		Reviewed	

(Source: Section 46 reports from municipalities)

3.2.4.1 Analysis of performance on IDP

A number of municipalities have improved in the compilation of the IDP and there is increased municipal responsiveness to community priorities as raised by the communities. The main challenge that remains is the alignment of IDP, budget, SDBIP and PMS due to inadequate annual strategy review consequently causing IDPs to be developed rather than reviewed annually.

Recommendations

- Ensure functionality of IDP technical committee to ensure proper strategy review by departments which feeds to the organizational strategy review and IDP/Budget Steering committees which monitors and ensure implementation of the IDP and budget processes.
- Capacity building by province and district on municipal performance planning to improve alignment of IDP, budget, SDBIPs and PMS.

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

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

3.2.6 District Municipalities with developed Disaster Management Policy Frameworks and Plans

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

Objective

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

a) Developed Disaster Management Policy Frameworks and Plans

Table 3-26: Indicate municipalities with Disaster Management Policy Framework and Plans

Districts	Municipality	2012/13			2013/14		
		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	No	Not a statutory obligation	Yes
	Umjindi	No	Not a statutory obligation	Yes	No	Not a statutory obligation	Yes
	Ehlanzeni District	Yes	Yes (not aligned)	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	No	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Dipaleseng	No	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Govan Mbeki	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Lekwa	No	Not a statutory obligation	Yes	No	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	Not a statutory obligation	Yes
	Dr. Pixley Ka Isaka Seme	No	Not a statutory obligation	Yes	No	Not a statutory obligation	Yes
	Gert Sibande	No	Yes	Yes	No	Yes	Yes

Districts	Municipality	2012/13			2013/14		
		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
NKANGALA	Emalahleni	No	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Emakhazeni	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Steve Tshwete	No	Adopted	Yes	Yes	Not a statutory obligation	Yes
	Victor Khanye	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Dr. JS Moroka	No	Not a statutory obligation	Yes	No	Not a statutory obligation	Yes
	Thembisile Hani	No	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Nkangala District	Yes	Yes not aligned	Yes	Yes	Yes not aligned	Yes
Total		11/ 21	3/3	21/21	15/21	20/21	21/21

(Source: Section 46 reports from municipalities)

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

15 out of 21 municipalities had disaster management centres established and fully functional. All 3 districts have disaster management frameworks and only 1 local municipality adopted this framework, as it is not a statutory obligation for local municipalities to have a disaster management framework. All 21 municipalities had Disaster management Plans finalized as at June 2014.

Ehlanzeni District

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

Gert Sibande District

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

Nkangala District

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

Challenges Experienced

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

Support Interventions by National and Provincial government

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

3.2.7 Local Economic Development

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

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

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

3.2.7.1 Performance of municipalities on the Local Economic Development**3.2.7.1.1 Capacity for planning and implementing LED functions in municipalities through an effective LED Unit**

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

Table 3-27: % Capacity of planning and implementing LED functions in municipalities through effective LED Unit

Districts	Municipality	2011/12		2012/13		2013/14	
		No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
EHLANZENI	Bushbuckridge	4	4	7	4	7	4
	Mbombela	41	11	41	11	41	11
	Nkomazi	10	10	4	9	5	5
	Thaba Chweu	1	1	1	1	1	1
	Umgindi	3	2	3	3	3	3
	EHLANZENI	15	15	15	15	57	24
GERT SIBANDE	Chief Albert Luthuli	8	3	8	3	8	3
	Dipaleseng	1	1	7	1	7	2
	Govan Mbeki	3	3	1	1	3	3
	Lekwa	1	-	1	1	2	2
	Mkhondo	3	2	3	2	3	3
	Msukaligwa	3	3	3	3	3	3
	Dr. Pixley Ka Isaka Seme	2	2	3	2	3	2
	GERT SIBANDE	2	2	2	2	30	18
NKANGALA	Emalahleni	2	2	4	4	4	4
	Emakhazeni	2	2	-	-	2	2
	Steve Tshwete	2	1	2	2	3	3
	Victor Khanye	2	1	2	1	2	1
	Dr. JS Moroka	-	-	-	-	2	2
	Thembisile Hani	2	1	-	-	2	2
	NKANGALA	9	9	9	9	15	14

(Source: Section 46 reports from municipalities)

3.2.7.2 Budget spent on LED related activities**Table 3-28: % of budget spent on LED related activities**

Districts	Municipality	2011/12			2012/13			2013/14		
		Budget	Amount spent	Percentage %	Budget	Amount spent	Percentage %	Budget	Amount spent	Percentage %
EHLANZENI	Bushbuckridge	-	-	-	-	-	-	R1 305 000	R290 478	22,25%
	Mbombela	-	-	-	-	-	-	R12100000	R1331000	11%
	Nkomazi	-	-	-	-	-	-	-	-	-
	Thaba Chweu	-	-	-	-	-	-	-	-	-
	Umjindi	-	-	-	-	-	-	R1 465 256	R709 189	49%
	Ehlanzeni	-	-	-	-	-	-	R13 464 347.00 (LED, Tourism & Rural Development, including operational budget)	R11 499 541.00 (LED, Tourism & Rural Development, including operational budget)	85%
GERT SIBANDE	Chief Albert Luthuli	-	-	-	-	-	-	0	0	0
	Dipaleseng	-	-	-	-	-	-	0	0	0
	Govan Mbeki	-	-	-	-	-	-	0	0	0
	Lekwa	-	-	-	-	-	-	0	0	0
	Mkhondo	-	-	-	-	-	-	R1 000 000.00	R600 000.00	60%
	Msukaligwa	-	-	-	-	-	-	0	0	0
	Dr. Pixley Ka Isaka Seme	-	-	-	-	-	-	0	0	0
	Gert Sibande	-	-	-	-	-	-	0	0	0
NKANGALA	Emalahleni	-	-	-	-	-	-	0	0	0
	Emakhazeni	-	-	-	-	-	-	0	0	0
	Steve Tshwete	-	-	-	-	-	-	0	0	0
	Victor Khanye	Not available-	-	-	R875 693	R1360775-	Overspent 52%	R3624 726	R3 198 348	88%
	Dr. JS Moroka	-	-	-	-	-	-	0	0	0
	Thembisile Hani	-	-	-	-	-	-	R2 700 000	R2 595 205	96.1%
	Nkangala	-	-	-	-	-	-	0	0	0

3.2.7.3 Existence of LED strategies and plans

Table 3-29: Indicate municipalities with LED strategies and plans

DISTRICTS	Municipality	2011/12			2012/13			2013/14			Reasons for no strategy in place
		LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Mbombela	No	No	No	No	No	No	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	No	No	No	No	No	No	Yes	Yes	Yes	None
	Umgindi	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Financial constraints
	Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Inadequate funding
	Dipaleseng	No	No	No	No	Yes	Yes	Yes	Yes	No	Inadequate funding
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Lekwa	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	None
	Mkhondo	Yes	Yes	Yes	No	No	No	Yes	No	No	Service provider withdrawn on site
	Msukaligwa	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Financial constraints
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	No	No	No	Yes	No	No	financial constraints to finalise the draft strategy
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
NKANGALA	Emalahleni	No	No	No	No	No	No	Yes	Yes	Yes	None
	Emakhazeni	No	No	No	No	No	No	Yes	Yes	Yes	Financial constraints to finalise draft LED strategy.
	Steve Tshwete	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	None
	Victor Khanye	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. JS Moroka	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	None
	Thembisile Hani	No	No	No	No	No	No	Yes	No	No	Financial constraints to finalise the draft LED strategy
	Nkangala	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

3 out of 21 municipalities did not have approved LED strategies and thus were not implementing LED, due to financial constraints. Affected municipalities did not have adequate allocation towards LED strategy development. From the table above it is also clear that municipalities are struggling to implement the projects and programmes identified in the LED strategies setting financial constraints to be a challenge.

3.2.7.4 Functionality of LED stakeholder forum

Table 3-30: Municipalities with functional LED stakeholder forum

Districts	Municipality	2011/12	2012/13	2013/14
EHLANZENI	Bushbuckridge	Yes	Yes	Yes
	Mbombela	No	No	Yes
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Umgindi	Yes	Yes	Yes
	Ehlanzeni	Yes	Yes	Yes

Districts	Municipality	2011/12	2012/13	2013/14
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes
	Lekwa	No	Yes	Yes
	Mkhondo	Yes	Yes	Yes
	Msukaligwa	No	No	No
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes
	Gert Sibande	No	No	Yes
NKANGALA DISTRICT	Emalahleni	No	No	Yes
	Emakhazeni	Yes	No	Yes
	Steve Tshwete	Yes	No	Yes
	Victor Khanye	Yes	Yes	Yes
	Dr. JS Moroka	No	No	No
	Thembisile Hani	No	No	No
	Nkangala	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

3.2.7.5 Plans to stimulate second economy

% of SMMEs supported

The following activities were undertaken to create opportunities for Small, Medium and Micro Enterprise by the unit in the 2013 / 2014 financial year:

Table 3-31: Indicate activities in support of SMME

Districts	Municipality	Activity	Outcome
GERT SIBANDE	Chief Albert Luthuli	Capacity building to SMME on basic business skills	40 SMME to be trained in Partnership with Small business Development Agency.
		Mentoring	Signed MOU with SEDA to mentor a cooperative to run a bakery and confectionery.
		Provision of a bakery facility to a cooperatives through SLP programme	The facility is 90% completed
		Provision of market stalls to informal trading	Signed commitment from private sector to build the market stalls.
		funding for Cooperatives to establish a feedlot plant	Commitment from DTI to mobilise all its agents to fund and work with the cooperative.(SEDA)
		Provide access for guards/washers administrators to use parking bays of the Municipality.	Signed contracts between the municipality and the administrators as per the carwash/car watchers by-law.
	Dipaleseng	Coordinated workshops with various stakeholders on different topics (co-orps registration, database registration, supply chain management etc.).	Active and well informed SMMES on requirements for a well-established business.
		Avukile Amakhesani cooperatives were supported with 3000 chick lets, 50 starter feeds, 50 growers and 50 finisher.	Created 10 jobs .
		Yenzanawe cooperatives was supported with fence for their garden.	There were 7 participants.

Districts	Municipality	Activity	Outcome
NKANGALA	Victor Khanye	60 SMMEs trained in taxation matters by SARS.	SMMEs are now knowledgeable tax compliance matters.
		Training in business management skills by SEDA, DTI and other service providers.	Improved SMMEs business management .
		Municipal Council allocated 100 hectares farming land to 10 local co-ops .	Employment opportunities created Contribution to food security.
		One youth co-operative project funded under local economic development social labour plan project hydroponic farming project(+/- R2m).	Six direct employment opportunities created, contribution to national food security.
	Emakhazeni	Contractor development (SMME) development.	27 subcontractors developed though infrastructure development to ensure that they move to a higher CIDB level.
		SMMEs Training .	SMME's were provided with training.
		SMME (Tourism) exposure at NDM and SA Tourism Indaba .	One SMME was exposed at Nkangala District Municipality Indaba and one was also exposed through SA Tourism Indaba.
	Thembisile	Training of SMME and cooperatives.	Better managed businesses.
		Training of tourism product owners.	More informed staff and better meals cooked for tourists.
		Reservation of tenders for SMME and Cooperatives.	Job creation and income generation.
EHLANZENI	Thaba Chweu	Redevelopment of the Mashishing Park.	About 158 Jobs were created.
	Bushbuckridge	MOU was signed with Hand in Hand Southern Africa (HHSA) to support SMME.	SMME's were capacitated and jobs were created.
		The Municipality levelled the ground for NGO's, Financial institutions, etc (e.g. Transnet Foundation and Anglo Zimele) to support the SMME's.	Capacity building and job creation
	Umjindi	Training	Successful
		Skills Centre Built	Successful
		Monitor and Evaluate	Successful
	Mbombela	8 SMMEs were assisted with equipment and material for the business	8 SMMEs/cooperatives assisted

(Source: Section 46 reports from municipalities)

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

Table 3-32: Indicate No of employment opportunities created through EPWP and PPP

DISTRICTS	Municipality	2012/13						2013/14					
		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	-	-	1163	37%	25%	0,4%	225	0.00	567	65%	45%	0
	Mbombela	-	-	277	60%	25%	0	1,455	0.00	2,780	61%	42%	0
	Nkomazi	-	-	546	67%	57%	0	554	0.00	1,187	62%	52%	0.291%
	Thaba Chweu	-	-	47	63%	34%	0	82	0.00	289	56%	42%	-
	Umjindi	-	-	243	59%	31%	0	142	0.00	381	50%	58%	0.003%
	Ehlanzeni	-	-	132	66%	11%	0	214	0.00	547	46%	29%	0
GERT SIBANDE	Chief Albert Luthuli	-	-	150	61%	33%	0	182	0.00	495	64%	40%	0
	Dipaleseng	-	-	98	71%	59%	0	116	1.66	451	67%	69%	0
	Govan Mbeki	-	-	235	71%	49%	0	295	0.00	595	57%	42%	0.007%
	Lekwa	-	-	168	62%	36%	0	82	0.00	292	67%	43%	0.014%
	Mkhondo	-	-	151	70%	48%	0	298	0.00	679	68%	41%	0
	Msukaligwa	-	-	127	72%	40%	0	79	0.00	271	67%	48%	0
	Dr. Pixley Ka Isaka Seme	-	-	459	67%	44%	0	422	0.00	1,195	62%	53%	0
NKANGALA	Emalahleni	-	-	94	68%	43%	0	46	0.00	213	55%	45%	0
	Emakhazeni	-	-	87	73%	41%	0	47	0.00	186	80%	47%	0
	Steve Tshwete	-	-	208	63%	23%	0	235	0.00	2,377	49%	56%	0
	Victor Khanye	-	-	203	53%	42%	0	273	0.00	465	54%	34%	0
	Dr. JS Moroka	-	-	235	58%	43%	0	388	1.29	1,111	44%	57%	0.001%
	Thembisile Hani	-	-	254	57%	44%	0	507	0.00	1,433	63%	59%	0

(Source: 2013/14 Audited EPWP Annual Performance Report from Public Works)

3.2.8 Analysis of performance on LED and EPWP

For the 2013-14 financial year, municipalities have improved in terms of LED strategy development, review and implementation where only 3/21 municipalities did not have LED strategies in place and only 5/21 municipalities are not implementing the strategies due to lack of financial resources. It should, however, be noted that there is a general challenge to the municipal LED budget. Although municipalities have improved on LED stakeholder engagement and management through the LED forums, the sustainability of these forums is still a challenge, thus impeding on resource mobilisation for LED implementation. There is also significant improvement on job creation and poverty alleviation through EPWP performance. However, it should also be noted that municipalities need to intensify job creation and poverty alleviation by meeting the EPWP targets especially within the infrastructure sector through the Municipal Infrastructure Grant.

Challenges in LED

- a) Municipal LED challenges can be summarised as follows:
 - ❖ Inadequate resource availability to plan and implement Local Economic Development. This is further exacerbated by unsustainable LED Forums where there is minimum private sector engagement.
 - ❖ Insufficient prioritisation of LED as one of the main KPAs by municipalities. Although municipalities have LED institutional arrangements in place, municipalities are still struggling to prioritise LED as one of its main Key Performance Areas.

b) **Challenges on EPWP**

Although municipalities have institutionalised the implementation of EPWP, there are still challenges which can be summarised as follows:

- ❖ Under reporting on jobs created through infrastructure projects by Municipalities
- ❖ Inadequate optimization of EPWP Incentive Grant by some municipalities thus not impacting on poverty and unemployment alleviation.
- ❖ Inadequate municipal Budgets to support EPWP objective in labour intensive projects

c) **Recommendations**

- ❖ Municipalities to have adequate institutional arrangements (recruitment and appointment of suitably qualified personnel) to implement and report on EPWP projects.
- ❖ Intensification of planning and reporting on work opportunities created through Incentive Grants and MIG.
- ❖ Budgeting and resource allocation for municipal LED implementation facilitation and coordination.

d) **Support Interventions by National and Provincial government**

- ❖ District municipalities to accelerate plans to support its 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.
- ❖ Affected Municipalities to finalise the development and adoption of EPWP policies and appointment of EPWP champions as a matter of urgency.
- ❖ National Cogta in consultation with DTI to speedily finalise the professionalisation of LED to assist in recruiting relevant skills and competencies in LED units .
- ❖ Provincial Cogta to speed up the review of municipal LED Terms of Reference , develop the Forum Charter agreements to strengthen the vibrancy and sustainability of the municipal LED Forums .

3.3 FINANCIAL MANAGEMENT

3.3.1 *Municipal Financial viability and Management*

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

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

The financial performance of municipalities is based on the 20013/14 financial statements.

- Financial viability data is based on the 20012/13 financial statements of the municipalities. Municipal financial statements are not all in the same format, there are instances where it is difficult to compare the same items across municipalities. In instances of ambiguity, please refer to the municipality's individual financial statement.
- An attempt is made to ensure that the data tables in this report are for the status as at end June 2014.
- Audited financial statements were requested from municipalities and the statements received are considered audited unless unaudited set was received and it wasn't highlighted as such by the municipality.
- Interpretations of the annual financial statements were made based on the statements received from municipalities.

3.3.2 *Performance of municipalities on financial viability and management*

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

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

- Debt coverage** which denotes the rate at which a municipality to meet its debt service payments with the financial year from its own sources of revenue. A municipality should have 20% debt coverage.
- Outstanding service debts to revenue** 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.

3.3.3 Performance of municipalities on financial viability and management

3.3.3.1 Status of the audit outcome

Table 3-33: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2012/13				Audit Opinion 2013/14				Audit Opinion 2013/14			
		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				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				Yes (clean)			
	Victor Khanye	Yes					Yes				Yes		
	Dr. JS Moroka		Yes				Yes				Yes		
	Thembisile Hani		Yes				Yes				Yes		
	Nkangala district	Yes				Yes				Yes			

(Source: Section 46 reports from municipalities)

Analysis on the Audit Outcomes

- Lekwa, Govan Mbeki, Bushbuckridge and Dipaleseng improved in their audit outcomes
- Ehlanzeni District and Steve Tshwete sustained their clean audit status

- Gert Sibande and Emakhazeni regressed in their audit outcomes
- Msukaligwa, Emakhazeni, Emalahleni, Mkhondo and Mkhondo were disclaimed
- Chief Albert Luthuli, Victor Khanye, Umjindi, Thembisile Hani, Dr Pixley Ka Isaka Seme, Nkomazi, Nkangala, Mbombela and Dr JS Moroka remained unchanged in their audit outcomes

Intervention

- COGTA and Provincial Treasury supported municipalities during the mid year performance assessments
- Additional training was coordinated by COGTA, Provincial Treasury and Legislature for MPAC members during 2014;
- COGTA supported all municipalities with the development of Anti-Corruption Strategies; and
- Steering committee formed to assist with the implementation of clean audit.

Recommendations

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

3.3.3.2 Percentage of Capital budget expenditure

Table 3-34: Indicate % of municipal Capital Budget Expenditure

Districts	Municipality	2011/12 R'000				2012/13 R'000				2013/14 R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	681 258 00	474 258	253 078	53	510 808	443 668	167 243	55	645,328	682,554	561,536	80,9%
	Mbombela	640 400	535 595	253 078	47	541 568	523 096	70 610	13	1 849 620	1 777 472	1 749 244	98,4%
	Nkomazi	155 896	174 764	152 168	87	185 547	188 896	128 712	68	552,768	558,111	520 321	93,2
	Thaba Chweu	25 356	25 356	2 709	11	32 477	32 477	20 789	64	308,733	515,440	355 096	68,9%
	Umgindi	49 851	49 851	41 137	83	43 117	43 117	35 082	81	256,744	252,409	210 155	83,3
	EHLANZENI	1 552 761	1 259 824	702 170	56	1 313 517	1 231 253	422 436	34	3 613 193	3 103 432	3 396 352	78%
GERT SIBANDE	Chief Albert Luthuli	126 765	213 564	13 422	6	132 916	101 719	126 540	124	281 889	355 864	236 206	66,4%
	Dipaleseng	32 517	32 517	24 501	75	43 091	43 091	10 873	25	207 832	221 763	117 744	53,1%
	Govan Mbeki	124 404	150 476	83 132	55	261 809	249 932	126 898	51	1 445 002	1 711 781	1 120 648	65,5%
	Lekwa	44 066	75 747	44 990	59	56 847	51 558	36 066	70	614 440	634 252	257 077	40,5%
	Mkhondo	61 287	61 342	50 865	83	96 747	96 213	61 533	64	373 274	375 674	286 086	76,2%
	Msukaligwa	83 967	83 967	75 070	89	81 863	91 442	35 344	39	541 965	480 872	406 268	84,5%
	Dr. Pixley Ka Isaka Seme	50 172	50 172	24 278	48	32 237	38 966	27 715	71	238 949	344 534	169 051	49,1%
	GERT SIBANDE	523 178	667 785	316 258	47	705 510	672 921	424 969	63	3 703 351	4 124 740	2 593 080	77,6%
	GERT SIBANDE	523 178	667 785	316 258	47	705 510	672 921	424 969	63	3 703 351	4 124 740	2 593 080	77,6%
NKANGALA	Emalahleni	212 031	213 960	115 445	54	175 921	252 812	97 295	38	1 694 847	1 746 385	289 551	70,5%
	Emakhazeni	13 131	13 704	7 728	56	17 582	18 742	13 385	71	215 075	219 633	127 393	58%
	Steve Tshwete	208 480	364 067	193 770	53	195 689	292 734	184 301	63	1 210 473	1 242 801	1 121 711	96,7%
	Victor Khanye	36 567	36 567	34 006	93	58 444	58 444	27 269	47	292 001	277 051	289 694	104,6%
	Dr. JS Moroka	214 900	174 070	94 536	54	143 487	169 131	74 314	44	332 583	554 139	336 305	60,7%
	Thembisile Hani	93 620	126 487	81 646	65	124 822	147 231	139 252	95	334 691	502 600	416 426	82,9%
	NKANGALA	778 729	928 855	527 131	57	715 944	939 094	535 816	60	4 079 670	4 542 609	2 581 080	10,9%
Provincial	TOTALS	2 854 668	2 856 464	1 545 559	54	2 734 971	2 843 268	1 383 220	52				

(Source: Section 46 reports from municipalities)

Provincial Analysis

Challenges identified on municipal capital budget expenditure are:

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

Intervention

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

Recommendations

- Municipalities to plan in advance for projects to start with implementation by July;
- Municipalities to keep grant funding in dedicated account;
- Municipalities to implement revenue generating strategies to improve cash flow status. **Total municipal own revenue as a percentage of the actual budget**

Table 3-35: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2011-2012				2012-2013 R'000				2013-2014 R'000			
		Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%
Ehlanzeni	Bushbuckridge	1 154 548	970 030	404 145	42%	605 179	778 855	823 799	106%	671 741	694 023	561 536	80,9%
	Mbombela	1 607 257	1 599 731	1 419 960	89%	1 759 289	1 816 945	1 652 339	91%	1 611 452	1 649 742	1 552 283	94,1%
	Nkomazi	376 114	374 556	343 748	92%	461 647	438 436	416 747	95%	483 916	484 564	470 416	97,1%
	Thaba Chweu	276 668	276 668	194 283	70%	253 607	315 296	297 198	94%	294 560	325 268	286 025	87,9
	Umgjindi	210 967	210 967	148 035	70%	234 076	211 422	185 047	88%	214 333	209 669	189 837	90,5%
	Ehlanzeni DM	176 572	176 572	128 619	73%	184 684	186 884	180 380	97%	194 001	197 022	192 980	979%
Total		3 802 126	3 608 524	2 638 790	73%	3 498 482	3 747 838	3 555 510	95%	3 470 003	3 560 288	3 253 077	
Gert Sibande	Chief Albert Luthuli	222 471	228 935		0%	246 744	234 647	294 281	125%	273 721	274 964	279 228	101,6%
	Dipaleseng	114 960	114 960	110 868	96%	156 720	156 720	201 617	129%	144 145	141 577	144 663	102,2%
	Govan Mbeki	1 065 098	1 055 979	1 191 319	113%	1 179 014	1 219 829	1 340 854	110%	1 369 466	1 411 600	1 269 722	89,9%
	Lekwa	378 440	377 127	321 002	85%	417 686	417 686	380 606	91%	457 091	436 065	313 939	72,0%
	Mkhondo	236 289	250 369	211 232	84%	278 309	268 456	248 381	93%	299 542	306 521	269 756	88,0%
	Msukaligwa	369 988	447 516	411 388	92%	459 076	42 2018	421 911	100%	463 855	435 915	55 348	88,6%
	Dr Pixley Ka Isaka Seme	202 564	182 543	162 778	89%	196 481	187 462	199 047	106%	197 838	216 152	225 564	104,4%
	Gert Sibande	300 226	304 986	285 524	94%	359 503	328 127	285 328	87%	403 486	364 330	290 314	79,7%
Total		2 890 036	2 962 415	2 694 111	91%	3 293 533	3 234 945	3 372 025	104%	3 615 144	3 587 124	2 848 534	
Nkangala	Emalahleni	1 440 188	1 440 485	1 358 731	94%	1 595 762	1 595 762	1 433 631	90%	1 682 396	1 702 582	1 658 759	97,4%
	Emakhazeni	161 638	171 447	133 811	78%	157 720	164 013	160 664	98%	156 516	176 078	183 312	104,6%
	Steve Tshwete	851 780	847 347	844 921	100%	967 102	975 646	975 448	100%	1 141 136	1 160 440	1 121 711	946,7%
	Victor Khanye	218 829	218 829	224 436	103%	260 114	266 098	249 621	94%	292 029	288 194	306 181	106,2%
	Dr. JS Moroka	299 876	410 627	372 725	91%	402 387	462 720	392 778	85%	371 055	335 840	301 508	89,8%
	Thembisile Hani	222 887	381 798	214 394	56%	325 552	389 169	276 970	71%	341 642	334 832	437 800	130,8%
	Nkangala DM	325 207	325 434	315 456	97%	328 204	324 963	346 338	107%	339 623	335 642	331 385	98%
Total		3 520 405	3 795 967	3 464 474	91%	4 036 841	4 178 371	3 835 450	92%	4 324 397	2 631 026	4 340 656	
TOTAL INCOME AGAINST BUDGET		10 212 567	10 366 906	8 797 375	85%	10 828 856	11 161 154	10 762 985	96%				

(Source: Section 46 reports from municipalities)

Provincial Analysis

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

Challenges

- Slow procurement process and poor planning.

Recommendations

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

Interventions

- Constant monitoring by COGTA and PT.

3.3.3.3 Rate of municipal debt reduction

Table 3-36: Indicate % rate of municipal debt reduction

Districts	Municipality	2011-2012 R'000						2012-2013 R'000						2013-2014 R'000						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	Water & Electricity	Sewerage & Refuse	Rates & Other	Total debts			
Ehlanzeni	Bushbuckridge	280 685	171 275	2 601	237 352	691 913	41%	119021	37480	841132	997 633	31%		141,099	-	779,785	958,109			
	Mbombela	74 742	88 674	113 805	117 763	277 221	41%	82044	79625	270104	431 773	36%		20,630	61,834	122,737	346,662			
	Nkomazi	10 077	1 897	-	30 351	42 325	12%	10130	10370	50795	71 295	41%		3,424	6,564	60,525	83,888			
	Thaba Chweu	46 555	11 592		94 768	152 915	54%	45048		41510	86 558	-77%		27,055	31,229	23,073	111,184			
	Unjini	19 568	14 563		30 242	64 373	16%	24665	19719	31404	75 788	15%		18,081	7,966	21,634	84,179			
	Ehlanzeni				121 521	121 521	1%	0	0	0		0%		-	-	-	-			
Total		431 627	288 001	116 406	631997	1 350 268	37%	280 908	147 194	1 234 945	1 663 047	19%								

Districts	Municipality	2011-2012 R'000						2012-2013 R'000						2013-2014 R'000						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	Water & Electricity	Sewerage & Refuse	Rates & Other	Total debts			
Gert Sibande	Chief Albert Luthuli	18 137			228 632	246 769	16%	21091	68944	197904	287 939	14%		3,846	15,736	211,316	323,791			
	Dipaleseng	54 637	61 387		89 505	205 529	24%			237583	237 583	13%		50,929	21,724	43,727	266,095			
	Govan Mbeki	269 615	183 386		151 644	604 645	11%	321355	212769	154778	688 902	12%		256,068	98,501	68,872	773,734			
	Lekwa	103 127	67 445		147 970	318 542	7%	98062	58740	167125	323 927	2%		68,276	44,489	80,527	385,597			
	Mkhondo	29 929	25 952		32 382	88 263	32%			107976	107 976	18%		18,152	14,795	28,732	123,368			
	Musukaligwa	100 864	85 739		59 595	246 198	17%	97330	69329	118804	285 463	14%		47,395	54,248	44,999	302,631			
	Dr Pixley Ka Isaka Seme	43 125	39 010	27 120	16 260	125 515	26%	57852		87928	145 780	14%		43,644	19,216	21,832	198,482			
	Gert Sibande	-					0%			3263	3263	100%		-	-	6,571	6,571	-		
	Total	619 434	462 919	27 120	725 988	1 835 461	15%	595 690	409 782	1 075 361	2 080 833	12%								
	Nkangala	Emalahleni	446 026	170 686		69 031	685 743	13%	540779	198182	222539	961 500	29%		358,229	107,483	140,316	1,270,621		
Emakhazeni		25 267	23 343	-	38 814	87 424	11%	26090	24237	49018	99 345	12%		19,666	9,744	67,395	139,022			
Steve Tshwete		25 893	7 559	291	36 783	70 526	-69%	24665	8010	35590	68 265	-3%		4,981	16,979	21,111	74,358			
Victor Khanye		95 849	21 260	-	43 513	160 622	3%	99976	22651	140958	263 585	39%								
Dr. JS Moroka		38 814	23 818	-	41 206	103 838	6%	47024	29480	77682	154 186	33%		52,602	-	28,957	167,054			
Thembelele Hani		79 544	19 215	-	74 527	173 286	27%	103807	22863	97081	223 751	23%		120,526	220	43,651	299,669			
Nkangala DM					139 153	139 153	100%		-	18713	18 713	644%		-	-	18	23,068			
Total		711 393	265 881	291	443 027	1 420 592	17%	842341	305423	641581	1 789 345	21%								
Total Debts		1 762 454	1 016 801	143 817	1 683 249	4 606 321	22%	1 718 939	862 399	2 951 887	5 533 225	17%								

(Source: Section 46 reports from municipalities)

Provincial Analysis

- The total outstanding debt for municipalities in Mpumalanga province amounted to R5.5 billion as at June 2013 and R4.6 billion as at June 2012 which indicates a total increase of R926 million or 17%. In generally there is no reduction in Municipal Debts.
- In terms of the Debt Per Income Source for 2013 against 2012 financial year, the highest contributor is Property Rates and other at R2.9 billion an increase of R1,3 billion or 43% followed by Water and Electricity at R1.7 billion a 3% (R43 million) decrease by R43Million, Sewer and Refuse Removal at R862Ma R154 million decrease Decrease by R-154M -15%.
- The highest contributor to the total outstanding debt was Gert Sibande at R2billion , a R245 million or 12% followed by Nkangala R.1.7billion, an increase of R368 million or 21% and Ehlanzeni at R1.7billion , an increase of R312 million or 19%.

Challenges

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

Recommendation

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

Intervention

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

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

Table 3-37: Coordinated payments made to municipalities by sector Departments

Municipalities	2011-2012	2012-2013	2013-2014
	Jan-March 2012	April-March 2013	April 2013- March 2014
Gert Sibande DC	R21 171 697.66	R43 809 360	R62 890 892
Chief Albert Luthuli	R2 546 240.56	R6 667 749	R6 137 894
Msukaligwa	R3 036 162.95	R8 639 750	R13 161 417
Mkhondo	R2 635 867.76	R1 720 692	R9 606 114
Pixley Isaka Seme	R1 904 420.41	R3 867 965	R3 655 101
Lekwa	R6 925 058.52	R8 131 564	R8 120 743
Dipaleseng	R530 755.32	R124 325	R2 905 250
Govan Mbeki	R3 593 192.14	R14 657 316	R18 136 031
Nkangala DC	R21 914 545.52	R35 366 469	R57 895 531
Steve Tshwete	R7 226 078.89	R10 255 025	R25 105 033
Victor Khanye	R5 348 521.85	R7 241 578	R2 254 541
Emalaheni	R6 620 620.43	R8 449 706	R19 450 437
Thembisile Hani	R385 374.52	R1 270 491	R1 770 390
Dr JS Moroka	R187 953.81	R662 813	R1 792 648
Emakhazeni	R2 145 996.02	R7 486 857	R7 522 481
Ehlanzeni DC	R66 405 667.31	R85 885 816	R119 248 737
Bushbuckridge	R18 322 592.00	R10 506 384	R33 071 322
Mbombela	R37 020 518.56	R54 655 593	R59 610 431
Nkomazi	R4 754 958.59	R5 304 746	R9 706 144
Umgindi	R5 421 352.05	R10 250 890	R10 375 175
Thaba Chweu	R886 246.11	R5 168 202	R6 485 664
TOTAL	109 491 910.49	R165 061 645	R240 035 160

- The payment recorded by the municipalities from National Public Works and Provincial Public Works for the month of April to March amounts to R240 million ,which is largely contributed by Mbombela at R59 million followed Bushbuckridge at R33 million, Steve Tshwete at R25 million,, Emakhazeni and Govan Mbeki at R18 million each , Msukaligwa at R13 million, Umjindi at R10.3 million and Nkomazi at R9.7 million.
- The payment recorded by municipalities for the 4th quarter amount to R46Million
- The highest municipality received payment for Property Rates is Bushbuckridge at R32.8million followed by Mbombela at R22,8 Million,Steve Tshwete at R14,9Million,Emalaheni at R12million and Msukaligwa at R10million,Mkhondo at R7,6Million
- Out of R227, 3Million, R136.8Million paid by Provincial Public Works for Property Rates and R21million for Municipal Services, Dept of health paid 3.8Million.

Challenges

The following are the contributing factors to outstanding government debt:

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

Intervention

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

3.3.3.5 % Municipal Infrastructure Grant budget approximately spent

Table 3-38: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2011/12			2012/13			2013/14		
		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	235.8	185.46	79%	286.08	190.45	67%	317.79	317.79	100%
	Mbombela	155.03	110.96	71.5%	188.06	150.09	79%	241.16	95.01	39%
	Nkomazi	112.21	106.94	95%	136.12	67.99	50%	131.42	131.42	100%
	Thaba Chweu	26.69	26.59	100%				39.05	39.05	100%
	Umjindi	22.40	22.40	100%	28.0	23.6	84.3%	28.05	26.84	96%
	Ehlanzeni	552.17	444.62	81%				757.48	610.11	81%
GERT SIBANDE	Chief Albert Luthuli	63.67	63.67	100%	77.23	77.23	100%	134.26	104.95	78%
	Dipaleseng	17.88	14.85	83%	21.69	9.93	46%	20.59	15.87	77%
	Govan Mbeki	75.75	65.46	86%	91.89	100%	100%	102.03	102.03	100%
	Lekwa	35.88	25.26	70%	43.52	31.85	59%	41.32	41.32	100%
	Mkhondo	48.70	35.03	72%	-	-	-	65.62	65.62	100%
	Msukaligwa	33.28	29.56	89%	57,377	40,33	70%	38.48	38.48	100%
	Dr. Pixley Ka Isaka Seme	26.58	21.56	81%	38.86	32.60	84%	30.61	30.61	100%
	Gert Sibande	301.75	255.39	85%				432.91	398.87	92%

Districts	Municipality	2011/12			2012/13			2013/14		
		Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent
NKANGALA	Emalahleni	78.12	47.20	60%	94.76	85.62	90.4%	76.10	76.10	100%
	Emakhazeni	13.13	13.13	97%	15.92	14.65	92%	13.32	13.32	100%
	Steve Tshwete	29.719	29.719	100%	37.72	37.60	99.7%	41.76	38.36	92%
	Victor Khanye	20.52	20.52	100%	24.89	24.89	100%	23.63	23.63	100%
	Dr. JS Moroka	91.32	57.47	63%	-	-	-	111.24	111.24	100%
	Thembisile Hani	89.11	68.15	76%	108.0	108.0	100%	109.28	88.57	81%
	Nkangala	323.17	236.87	73%				375.33	317.78	85%

(Source: Section 46 reports from municipalities)

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

Provincial Interventions

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

3.3.3.6 % 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' 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 3-39: Indicate % spent on total MISG budget per municipality

Name of municipality	2012/13				2013/14			
	Allocation 2012/13	Expenditure 2012/13	Balance	Percentage	Allocation 2012/13	Expenditure 2012/13	Balance	Percentage
Ehlanzeni district	R1 000 000	R1 000 000	R0	100%	R 890 000	R 890 000	R0	100%
Bushbuckridge	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Mbombela	R800 00	R800 00	R0	100%	R 890 000	R 685 206	R204 794	77%
Nkomazi	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Thaba Chweu	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Umjindi	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Gert Sibande District	R1 000 000	R1 000 000	R0	100%	R 890 000	R 890 000	R0	100%
Chief Albert Luthuli	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Dipaleseng	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Govan Mbeki	R800 00	R800 00	R0	100%	R 890 000	R 269 160	R 620 840	30%
Lekwa	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Mkhondo	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Msukaligwa	R800 000	R800 000	R0	100%	R 890 000	R 890 000	R0	100%
Dr. Pixley Ka Isaka Seme	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Nkangala district	R1 000 000	R1 000 000	R0	100%	R 890 000	R 890 000	R0	100%
Emalahleni	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Emakhazeni	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Steve Tshwete	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Victor Khanye	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
Dr. JS Moroka	R800 00	R800 00	R0	100%	R 890 000	R 843 748	R46 252	95%
Thembisile Hani	R800 00	R800 00	R0	100%	R 890 000	R 890 000	R0	100%
TOTAL	R 18 690 000	R 18 690 000	R0	100%	R 18 690 000	R18 690 000	R871 886	95%

(Source: Section 46 reports from municipalities)

Analysis

- Mbombela, Govan Mbeki and Dr JS Moroka could not utilise the entire allocation

Challenges

- Poor reporting by municipalities
- Long commitment by municipalities

Recommendations

- Quarterly performance review sessions will be held with all municipalities

Submission of Annual Financial Statements for 2013/14 Financial Year

Table 3-40: Submission of AFS for 2013/14FY

Name of Municipality	2012/13			2013/14		
	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		31/08/2013	Yes		31/08/2014
Msukaligwa	Yes		31/08/2013		No	No
Mkhondo	Yes		31/08/2013	Yes		31/08/2014
Dr. Pixley Ka Isaka Seme	Yes		31/08/2013	Yes		31/08/2014
Lekwa	Yes		31/08/2013	Yes		31/08/2014
Dipaleseng	Yes		31/08/2013	Yes		31/08/2014
Govan Mbeki	Yes		31/08/2013	Yes		31/08/2014
Gert Sibande District	Yes		31/08/2013	Yes		31/08/2014
Victor Khanye	Yes		31/08/2013	Yes		31/08/2014
Emalahleni	Yes		31/08/2013	Yes		31/08/2014
Steve Tshwete	Yes		31/08/2013	Yes		31/08/2014
Emakhazeni	Yes		31/08/2013	Yes		31/08/2014
Thembisile Hani	Yes		31/08/2013	Yes		31/08/2014
Dr. JS Moroka	Yes		31/08/2013	Yes		31/08/2014
Nkangala District	Yes		31/08/2013	Yes		31/08/2014
Bushbuckridge	Yes		31/08/2013	Yes		31/08/2014
Thaba Chweu	Yes		31/08/2013	Yes		31/08/2014
Mbombela	Yes		30/08/2013	Yes		31/08/2014
Umjindi	Yes		31/08/2013	Yes		31/08/2014
Nkomazi	Yes		31/08/2013	Yes		31/08/2014
Ehlanzeni District	Yes		31/08/2013	Yes		31/08/2014
Total	21	0		20	1	

(PT Consolidated Municipal Report: 2014)

3.3.4 Analysis on the preparation and submission of AFS

It is encouraging that all Mpumalanga municipalities submitted their annual financial statements to Auditor General within the required timeframe (with the exception of Msukaligwa)

3.3.4.1 Use of consultants to prepare AFS

Table 3-41: Indicate municipalities that utilized consultants to prepare AFS

Name of Municipality	2012/13		CFO appointed		2013/14		CFO appointed	
	Did the municipality use a consultant to compile AFS?				Did the municipality use a consultant to compile AFS?			
	Yes	No	Yes	Acting	Yes	No	Yes	Acting
Chief Albert Luthuli	Yes		Yes				Yes	
Msukaligwa	Yes			Acting	Yes			Acting
Mkhondo	Yes		Yes		Yes			Acting
Dr. Pixley Ka Isaka Seme	Yes		Yes		Yes			Acting
Lekwa	Yes			Acting	Yes		Yes	
Dipaleseng	Yes		Yes			No	Yes	

Name of Municipality	2012/13				2013/14			
	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
Govan Mbeki	Yes		Yes			No	Yes	
Gert Sibande District		No		Acting		No	Yes	
Victor Khanye	Yes			Acting	Yes		Yes	
Emalahleni		No	Yes		Yes		Yes	
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni	Yes			Acting		No	Yes	
Thembisile Hani		No	Yes		Yes			Acting
Dr.JS Moroka	Yes		Yes			No	Yes	
Nkangala District		No	Yes			No	Yes	
Bushbuckridge	Yes		Yes		Yes		Yes	
Thaba Chweu	Yes			Acting	Yes			Acting
Mbombela		No		Acting		No		Acting
Umgindi		No	Yes			No	Yes	
Nkomazi		No	Yes			No	Yes	
Ehlanzeni District		No	Yes			No	Yes	
Total	12	9	14	7	10	11	15	6

(PT Consolidated Municipal Report: 2014)

Analysis on the use of consultants when preparing AFS

10 out of 21 municipalities utilized consultants to prepare the 2013/14 AFS. 15 municipalities had appointed CFOs and 6 had acting CFOs. The following municipalities have utilised consultants to compile the 2013/14 AFS: Chief Albert Luthuli, Msukaligwa, Mkhondo, Dr Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Emalahleni, Thembisile Hani, Bushbuckridge, Thaba Chweu and local municipalities. 15 Municipalities had appointed Chief Financial Officers for the year under review.

3.3.4.2 Timely submission of the Annual Report for the 2013/14 Financial Year

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

Table 3-42: Submission of the 2013/14 Annual Report

Name of Municipality	2012/13		2013/14	
	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	Yes		No	No
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalahleni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes		Yes	
Thembisile Hani	Yes		Yes	

Name of Municipality	2012/13		2013/14	
	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
Dr. JS Moroka	Yes		Yes	
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
Mbombela	Yes		Yes	
Umjindi		No	Yes	
Nkomazi	Yes		Yes	
Ehlanzeni District	Yes		-	-
Total	21	1	20	1

(Provincial Treasury Consolidated Municipal Report: 2014)

Provincial Analysis

20 municipalities in the Province submitted the draft Annual Report for 2012/13 together with the AFS to AG by 31 August 2014. Msukaligwa could not meet the prescribed deadline

Challenges

- Some municipalities not complying to legislated time frames on the submission of annual reports;
- Municipalities did not adhere fully to MFMA circular 63 as adopted by some municipal councils;
- Section 46 component of the annual report inadequate to compile section 47 report.

Intervention

- Further consultation among stakeholders necessary on circular 63 of the MFMA;
- Provincial Treasury and COGTA to formulate a synchronised reporting on performance information

ANALYSIS OF OVERALL AUDIT OUTCOMES FOR THE PAST THREE (3) YEARS (2011-2014):

The Audit General report on the audit outcome 2013/14 raises the following questions for performance analysis;

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

Table 3-43: Performance analysis of the 21 auditees reported on 2013/14 FY

	2012/13				2013/14			
	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings
Improved			Lekwa and Nkomazi			Lekwa, Govan Mbeki, and Dipaleseng	Bushbuckridge	
Unchanged	Ehlanzeni District, and Steve Tswete	Mbombela, Gert Sibande, and Nkangala	Chief Albert Luthuli, DR JS Moroka, Emakhazeni, Govern Mbeki, Dr. Pixley Ka Isaka Seme, Thembisile Hani and Umjindi		Ehlanzeni District and Steve Tshwete	Nkangala District and Mbombela	Chief Albert Luthuli, Victor Khanye, Umjindi, Thembisile Hani, Dr Pixley ka Isaka Seme, Nkomazi, Dr JS Moroka	Thaba Chweu, Mkhondo, Emalahleni and Msukaligwa
Regressed			Dipaleseng, and Victor Khanye	Mkhondo			Gert Sibande	Emakhazeni
Total auditees reported in	2	3	11	5	2	5	9	5

(Source: AG 2013/14 Audit Outcomes)

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

- In 2011/12 financial year 18 (86%) out of 21 municipalities were with finding and only 3 (14%) were without findings; and
- In 2012/13 financial year 19 (90%) out of 21 municipalities were with findings and only 2 (10%) were without finding.
- In 2013/14 financial year 19 (90%) out of 21 municipalities were with findings and only 2 (10%) were without findings.

Most common areas of qualifications

- Property, infrastructure plant and equipment
- Revenue
- Irregular expenditure
- Payables, accruals and borrowings
- Supply chain management

Most common areas of qualifications

- Property, infrastructure plant and equipment
- Revenue
- Irregular expenditure
- Payables, accruals and borrowings
- Supply chain management

Most auditees did not comply with legislation in the following areas

- Submission of quality financial statements for auditing 82% (18)
- Management of procurement and/or contracts 82% (18)
- . Prevention of unauthorised, irregular and fruitless and wasteful expenditure 68% (15)
- Management of assets and investments 59% (13)
- Expenditure control 59% (13)

Status of performance management

- Access to water- Only 24% of 17 municipalities responsible for providing water were able to deliver as planned
- Access to sanitation- Only 18% of 17 municipalities responsible for providing sanitation were able to deliver as planned
- Access to electricity-Only 6% of 17 municipalities responsible for providing electricity were able to deliver as planned
- Access to refuse removal- Only 12.5% of 17 municipalities responsible for providing refuse removal were able to deliver as planned

Risk areas to receive attention from municipalities

- Supply Chain Management - 82% of auditees needed intervention, 9% were concerning and 9% were without findings;
- Quality of performance reports - 73% of auditees needed intervention and 27% were without findings;
- Human Resource Management - 59% of auditees were concerning, 27% needed intervention and 14% were without findings;
- Quality of submitted financial statements - 73% of needed intervention and 27% were without findings;
- Information technology controls - 80% of auditees were concerning and 20% needed intervention;
- Financial health – 77% of auditees were concerning and 23% needed intervention.

Municipalities assisted by consultants with Financial Reporting

- 10 auditees were assisted by consultants to the amount of R63 million with financial reporting.

Concerns relating to municipalities assisted by consultants:

- Poor project management;
- Consultants appointed too late;
- Lack of records and document management.

3.3.5 Extensive assurance that should be provided by the key role players**a) First level of assurance at Management/leadership**

- 18% of Senior Managers provided quality assurance, 55% provided some quality assurance, 27% provided limited or no quality assurance
- 18% of Municipal Managers provided quality assurance, 50% provided some quality assurance, 27% provided limited or no quality assurance while 5% was caused by vacancies in municipalities; and
- 25% of Executive Mayors provided quality assurance, 65% provided some quality assurance and 10% provided limited or no quality assurance.

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

- 14% of Internal Audit provided quality assurance, 67% provided some quality assurance, 14% provided limited or no quality assurance and 5% Internal Audits were not established;
- 23% of Audit Committees provided quality assurance, 63% provided some quality assurance, 9% provided limited or no quality assurance and 5% of Audit committees were not established; and
- 67% of critical oversight departments (Provincial Treasury, Office of the Premier and COGTA) provided some assurance and 33% provided limited or no quality assurance.

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

- 14% of Municipal Councils provided quality assurance, 68% provided some quality assurance and 18% provided limited or no quality assurance;
- 14% of Municipal Public Accounts Committees provided assurance, 63% provided some assurance and 23% provided limited or no quality assurance; and
- 100% of Legislature and Portfolio Committees provided some quality assurance.

The drivers of internal control

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

a) Leadership

- In 2012/13 financial year, 14% of municipalities were highlighted to be providing good leadership which was 2% less than what was performed in the previous year, 67% of municipalities were of a concern and 19% of municipalities required leadership intervention
- In 2013/14 financial year, 15% of municipalities were highlighted to be providing good leadership which was 2% more than what was performed in the previous year, 58% of municipalities were of a concern and 27% of municipalities required leadership intervention

b) **Financial and performance management**

- In 2012/13 financial year, 10% of auditees were assessed to be good with financial and performance management which was 1% lesser than the previous financial year, no change with some municipalities at 47% which were a concern in the previous financial year. A slight regress of 43% by 1% of municipalities which required intervention as far as financial and performance management system as concerned.
- In 2013/14 financial year, 10% of auditees were assessed to be good with financial and performance management which is 1% more than the previous financial year, with some municipalities at 45% which was a concern in the previous financial year. A slight increase from 43% to 45% from municipalities which required intervention as far as financial and performance management system is concerned.

c) **Governance**

- During 2012/13 financial year, there was a regress of 7% of municipalities who were unable to manage their finance and performance management good, leaving only 19% of municipalities who managed, 6% improvement were highlighted from the previous financial year as only 57% municipalities were a concern in managing their finances and performance management systems comparatively to the previous 63%. A regress of 11% of municipalities was assessed comparatively to the previous financial year leaving 24% of municipalities requiring interventions.
- Governance improved from 13% to 18%. Municipalities that were of concern increased from 57% to 64% and those that required intervention decreased from 30% to 18%.

Unauthorised, irregular or fruitless and wasteful expenditure

- Unauthorised expenditure increased from R680 million in 2013 FY to R742 million in 2014 FY
- Irregular expenditure increased from R618million in 2013 FY to R660million in 2014 FY
- Wasteful and fruitless expenditure increased from R78million in 2013 FY to R148million in 2014 FY

Overall analysis of root causes to the regress of municipal performance

- Slow response by leadership in addressing the root causes of poor audit outcomes, which is a major challenge as 65% of the auditees deteriorated since previous year;
- Lack of consequences for poor performance and transgressions is a major challenge as 61% of the auditees deteriorated when compared to the previous year;
- Key officials lack appropriate competencies which amounts to 61% of the auditees;
- Instabilities or vacancies in key positions i.e. Municipal Managers, CFOs and Heads of SCM.

3.4 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 analyses the performance of municipalities in putting people first through the assessment of the existence of and effectiveness of ward committees in processing community needs. Furthermore, the Department has appointed Community Development Workers for each and every Ward in the province to assist the Ward Councillor in processing matters of service delivery in liaison with and interaction with the Ward Committees.

3.4.1 Functional of Ward Committees

Table 3-44: Indicate municipalities' with functional ward committees

DISTRICT	Municipality	2011/12		2012/13		2013/14	
		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	34	95%	37	100%	36	98%
	Umgindi	07	100%	9	100%	09	100%
	Nkomazi	26	89%	31	94%	32	98%
	Bushbuckridge	30	92%	37	100%	37	100%
	Thaba Chweu	09	75%	09	75%	12	96%
NKANGALA	Emakhazeni	07	97%	8	100%	07	98%
	Steve Tshwete	22	96%	29	100%	26	96%
	Dr J S Moroka	26	89%	28	96%	26	94%
	Emalahleni	29	90%	15	44%	23	88%
	Thembisile Hani	25	92%	27	94%	27	93%
	Victor Khanye	06	96%	06	96%	04	48%
	Chief Albert Luthuli	18	93%	16	88%	24	98%
GERT SIBANDE	Msukaligwa	11	89%	10	87%	12	89%
	Lekwa	08	53%	09	65%	08	63%
	Govan Mbeki	21	68%	21	68%	02	03%
	Dipaleseng	03	50%	04	92%	05	98%
	Mkhondo	06	40%	08	53%	12	88%
	Dr Pixley Ka Isaka Seme	05	45%	07	64%	11	100%
	TOTAL	293	73%	311	77%	289	72%

(Source: Section 46 reports from municipalities)

3.4.2 Analysis of Performance on Public Participation

a) Challenges

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

3.4.2.1 Intervention

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

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

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

- Lack of feedback mechanisms on issues raised by ward committees through ward councillors.
- Ward Councillors not convening ward meetings.
- Lack of community feedback by ward committees led by ward councillors.
- Increasing number of wards without CDWs.
- Lack of working relationship between some ward committees, ward councillors and CDWs.

Intervention

- Enforcement of legislations on the convening of ward committee meetings and community meetings
- Support municipalities on the development of complaints management system to enhance community feedback.
- Appointment of CDWs in vacant wards
- Implementation of role clarification workshops for ward committees, ward councillors and CDWs to enhance working relationship

Recommendations

- Enforcement of legislations on the convening of ward committee meetings and community meetings.
- Support municipalities on the development of a complaints management system to enhance community feedback.
- Appointment of CDWs in vacant wards.
- Implementation of role clarification workshops for ward committees, ward councillors and CDWs to enhance working relationship.

3.5 ADMINISTRATIVE & INSTITUTIONAL CAPACITY

3.5.1 Institutional Development and Transformation

The Department supports and monitors municipalities with respect to human resource issues with a particular focus on recruitment, selection, performance and retention of suitably qualified personnel. The Department also monitors and supports municipalities in order 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.

3.5.2 Performance of Municipalities on Institutional Development

3.5.2.1 Vacancy Rate in Senior Management approved posts as of June 2014

Table 3.45 below indicate the vacancy rate on all approved posts per district. It can be noted from table 3.45 that there has been a decline in performance with an increase in the vacancy rate in both the Ehlanzeni and Nkangala District Municipalities. Gert Sibande has moved closer to achieving the national target of 10% and below having reduced from 15% to 13%.

Table 3-45: Vacancy Rate in Senior Management Posts as of June 2014 per District

District	2012/13						2013/14					
	Total no. posts	Post filled	Males	Females	Post vacant	% Vacancy rate	Total no. posts	Post filled	Males	Females	Post vacant	% Vacancy rate
Ehlanzeni	40	32	28	4	8	20%	39	29	24	5	10	26%
Gert Sibande	47	40	33	7	7	15%	47	41	34	7	6	13%
Nkangala	36	29	17	12	7	19%	37	28	15	13	9	24%
Total	123	97	73	23	26	21%	123	98	73	25	25	20%

(Source: Section 46 reports from municipalities)

The total vacancy rate has slightly decreased from 21% during 2012/2013 financial year to 20% in 2013/2014. Ehlanzeni recorded the highest vacancy rate of 26% in the province contributed to by high vacancies in Thaba Chweu local municipality.

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

Ehlanzeni District

Table 3-46: Vacancy Rate on Filling of S54 and S56 Managers

Posts	2012/13			2013/14		
	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	5	1	6	4	2
Chief Financial Officer	6	3	3	6	4	2
Technical	7	6	1	7	4	3
Corporate Services	6	5	1	6	5	1
Community Services	7	6	1	7	5	2
Development and Planning	5	5	0	5	5	0
Chief Operations Officer	3	2	1	2	2	0
Total	40	32	8	39	29	10

(Source: Section 46 reports from municipalities)

The table above depicts that in Ehlanzeni District out of 39 approved Section 56/57 posts in the 2013/14 financial year 29 were filled and 10 were vacant (2) Municipal Managers posts in Mbombela and Thaba Chweu LM, (2) CFO posts in Mbombela and Thaba Chweu LM, (3) Technical Services posts in Umjindi (Civil Services), Ehlanzeni and Thaba Chweu, (1) Corporate Services post in Bushbuckridge LM and (2) Community Services posts in Bushbuckridge and Thaba Chweu LM.

Table 3-47: Filling of S54 and S56 Managers in Gert Sibande

Posts	2012/13			2013/14		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	8	8	0	8	7	1
Chief Financial Officer	8	8	0	8	5	3
Technical	8	6	2	8	8	0
Corporate Services	8	6	2	8	7	1
Community Services	10	8	2	10	9	1
Development and Planning	5	4	1	5	5	0
TOTAL	47	40	7	47	41	6

(Source: Section 46 reports from municipalities)

In Gert Sibande District out of 47 approved posts, 41 were filled and 6 posts were vacant as shown in the table above. The vacant post of a municipal manager was in Msukaligwa (1), (3) CFO posts vacant in Msukaligwa, Mkhondo and Pixley Ka Isaka Seme LM, (1) Corporate Services post in Dipaleseng LM and (1) Community Services post in Lekwa LM.

Nkangala District

Table 3-48: Filling of S54 and S56 Managers in Nkangala

Posts	2012/13			2013/14		
	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	4	3	7	6	1
Chief Financial Officer	7	5	2	7	7	0
Technical	7	7	0	7	4	3
Corporate Services	7	6	1	7	3	4
Development Planning	1	1	0	2	2	0
Community Services	7	6	1	7	6	1
TOTAL	36	29	7	37	28	9

(Source: Section 46 reports from municipalities)

Out of 37 approved senior managers' posts in Nkangala, 28 were filled and only 9 were vacant as at June 2014. One (1) municipal manager post in Emalahleni LM, Three (3) Technical Services posts, in Nkangala, Emakhazeni and Steve Tshwete LM. Four (4) Corporate Services posts in Nkangala, Emalahleni, Emakhazeni and Dr JS Moroka LM and One (1) Community Services post in Emalahleni LM.

3.5.3 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 March 2014 (refer to table 23, 24 and 25 above)

- Municipal Managers posts were vacant in Msukaligwa, Emalahleni, Mbombela and Thaba Chweu municipalities.
- 5 CFO posts were vacant in Msukaligwa, Mkhondo, Dr Pixley Ka Isaka Seme, Mbombela and Thaba Chweu.
- 4 Community Services posts were vacant in Lekwa, Emalahleni, and Bushbuckridge and Thaba Chweu municipalities.
- 6 Corporate Services posts were vacant in Bushbuckridge, Dipaleseng, Nkangala, Emakhazeni, Emalahleni and Dr JS Moroka municipalities.
- 6 vacant Technical Services posts in Nkangala District, Steve Tshwete, Emakhazeni, Ehlanzeni District, Umjindi and Thaba Chweu municipalities

Analysis of senior management positions and responsibilities

- Umjindi municipality had 2 senior positions for Technical services, one on Civil Engineering Services and the other on Electrical Services.
- Municipalities such as Ehlanzeni District, Chief Albert Luthuli and Msukaligwa had 2 positions on Community Services (1 responsible for Public Safety and the other responsible for Social Services including Health, Transversal Services etc.).
- There were only 12 out of 21 municipalities that had senior managers responsible for development and planning on their organizational structure. Eleven municipalities (11) had no senior managers responsible for the same function. Mbombela municipality is the only municipality that had 2 senior managers, i.e. one responsible for LED, Human Settlement, Urban and Rural Development and the other responsible for Planning, Performance Monitoring and Evaluation under Development and Planning.
- Mbombela and Umjindi municipalities had senior managers in the offices of Municipal Managers responsible for administration which is a duplication of functions and responsibilities of the municipal manager and director responsible for corporate services.

Challenges on the filling of vacant positions

- The 5 Local Municipalities within Nkangala District Municipality, with the exception of Steve Tshwete Local Municipality, relied on the District Municipality for the performance of town planning services. The Nkangala District Municipality could not provide this service as there were no professional registered town planners to provide meaningful support. Consultants were used instead.
- Inconsistencies between municipalities in the establishment and allocation of Section 56/57 positions and responsibilities;
- The vacancy rate is attributed to delay by municipal council in appointing suitable qualified candidates;
- Internal process for the filling of vacancies was not carried out on time; and
- Where interviews were conducted, the final step to take recommendations to council for appointment was not completed.

Recommendation

- COGTA to continue monitoring vacant senior managers' posts in municipality in order to comply with the requirements as per Section 54A, 56, & 57 of Municipal Systems Act, 2000 as amended on the conditions for vacant positions.

Implementation of Performance Management Systems Framework**EHLANZENI****Table 3-49: 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	4	4	No	No	Yes	Yes	Yes	None
Mbombela	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Financial
Nkomazi	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Financial
Thaba Chweu	No	Yes	No	1	0	No	No	Yes	No	No	Non-functional PMS
Umgindi	No	Yes	Yes	6	6	Yes	No	Yes	Yes	No	Financial
Ehlanzeni District	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Financial
Total	4	6	5	29	28	5	3	6	5	1	

(Source: Section 46 reports from municipalities)

Table 3-50: 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	Yes	Yes	7	7	No	No	Yes	Yes	No	Financial
Dipaleseng	No	Yes	Yes	5	6	No	No	Yes	No	No	Staff compliment and Financial
Govan Mbeki	No	Yes	No	6	6	No	No	Yes	Yes	No	Financial
Lekwa	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	None
Mkhondo	No	Yes	No	5	5	No	No	Yes	No	No	PMS Non-functional
Msukaligwa	No	Yes	Yes	4	4	No	Yes	Yes	Yes	No	None
Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	4	4	No	Shared	Yes	Yes	No	Financial
Gert Sibande District	Yes	Yes	Yes	5	5	Yes	No	Yes	Yes	No	Financial
Total	4	8	6	41	41	2	3	8	6	0	

(Source: Section 46 reports from municipalities)

NKANGALA**Table 3-51: 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	Draft	Yes	Yes	2	2	No	Yes	Yes	Yes	No	Financial
Emakhazeni	Yes	Yes	Yes	4	4	No	Shared	Yes	No	No	Staff Compliment
Steve Tshwete	Yes	Yes	Yes	4	4	Yes	Yes	Yes	Yes	Yes	None
Victor Khanye	Yes	Yes	Yes	4	4	Yes	Shared	Yes	Yes	No	Financial
Dr. JS Moroka	Yes, June 2013	Yes	Yes	4	4	Yes	Yes	No	Yes	No	Financial
Thembisile Hani	Yes, May 2013	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Financial
Nkangala District	Yes	Yes	Yes	3	3	No	Yes	Yes	Yes	No	Financial
Total	6	7	7	26	26	4	7	6	6	1	

(Source: Section 46 reports from municipalities)

Analysis on the implementation of PMS

- 14 municipalities in the province had PMS Frameworks except Thaba Chweu, Dipaleseng, Emalahleni, Mkhondo, Umjindi, Govan Mbeki and Msukaligwa.
- All municipal Section 57 managers signed performance contracts except those that were on acting capacity;
- Municipalities that were under administration, administrators were assessed by the MEC COGTA and the Executive Council; and
- Only Bushbuckridge municipalities has cascaded PMS to officials below S56/57 managers during the 2013/14 financial year.

Challenges

- No regular assessment conducted for Section 57 managers;
- Generally officials lower than Section 57 do not sign performance agreements which have an impact on the institutional performance as they cannot be held accountable for non or poor performance;
- Performance assessment and appraisal not included in the performance agreements of the MMs.

Recommendations

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

3.5.3.1 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 3-52: Section 56 Manager's Female Appointments

Districts	Municipality	2011/12			2012/13			2013/14		
		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	8	1	None	7	1	0	6	2	0
	Mbombela	6	1	None	8	1	0	8	1	0
	Nkomazi	6	0	None	6	1	0	6	1	0
	Thaba Chweu	5	0	None	5	0	0	5	0	0
	Umgjini	7	0	None	7	0	0	7	0	0
	Ehlanzeni	7	1	None	7	2	0	7	1	0
	TOTAL	39	03	None	40	05	0	39	05	0
GERT SIBANDE	Chief Albert Luthuli	7	2	None	7	0	0	7	0	0
	Dipaleseng	6	0	None	6	2	0	6	2	0
	Govan Mbeki	7	2	None	6	2	0	6	2	0
	Lekwa	6	1	None	6	0	0	6	1	0
	Mkhondo	5	0	None	5	0	0	5	0	0
	Msukaligwa	6	0	None	6	1	0	6	0	0
	Dr. Pixley Ka Isaka Seme	6	1	None	5	1	0	5	1	0
	Gert Sibande	5	1	None	6	1	0	6	1	0
	TOTAL	48	07	None	47	07	0	47	07	0
NKANGALA	Emalahleni	6	1	None	6	1	0	6	1	0
	Emakhazeni	5	1	None	5	2	0	6	3	0
	Steve Tshwete	5	2	None	5	3	0	5	3	0
	Victor Khanye	5	0	None	5	3	0	5	3	0
	Dr. JS Moroka	5	2	None	5	1	0	5	1	0
	Thembisile Hani	5	0	None	5	0	0	5	0	0
	Nkangala	5	1	None	5	2	0	5	3	0
	TOTAL	36	07	None	36	12	0	37	14	0

(Source: Section 46 reports from municipalities)

Analysis of municipalities meeting employment equity target

- There has been a slight improvement in the appointment of female senior managers as compared to the three (3) previous financial years the total for 2013/14 has gone up to 14 with an addition of two more females at senior management position (2); and
- Nkangala District has the highest female senior managers appointed.

Challenges

- Municipalities not complying with their employment equity targets in relation to women appointment.

Recommendation

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

3.5.3.2 Employment of people with disabilities

Table 3-53: Employment of People with Disabilities

DISTRICTS	Municipality	2011/12			2012/13			2013/14		
		Total no. of people with disabilities	No. of people with disabilities	% No of vacancies for people with disabilities	Total no. of people with disabilities	No. of people with disabilities	No of vacancies for people with disabilities	Total no. of people with disabilities	No. of people with disabilities	No of vacancies for people with disabilities
EHLANZENI	Bushbuckridge	5	5	0	3	3	0	3	3	0
	Mbombela	8	8	0	8	8	0	15	15	0
	Nkomazi	6	6	0	6	6	0	5	5	0
	Thaba Chweu	4	4	0	4	4	0	4	4	0
	Umgindi	3	3	0	3	3	0	3	3	0
	Ehlanzeni	0	0	0	0	0	3	0	0	0
	TOTAL	26	26	0	24	42	3	30	30	0
GERT SIBANDE	Chief Albert Luthuli	1	1	0	1	1	0	1	1	0
	Dipaleseng	3	3	0	4	4	0	2	2	0
	Govan Mbeki	10	10	0	12	12	0	13	13	0
	Lekwa	4	4	0	3	3	0	3	3	0
	Mkhondo	2	2	0	4	4	0	4	4	0
	Msukaligwa	7	7	0	7	7	10	7	7	0
	Dr. Pixley Ka Isaka Seme	4	4	0	4	4	0	4	4	0
	Gert Sibande	2	2	0	2	2	1	2	2	0
	TOTAL	33	33	0	20	20	11	36	36	0
NKANGALA	Emalahleni	3	3	0	13	13	0.9	20	20	0
	Emakhazeni	1	1	4	0	1	0	1	1	0
	Steve Tshwete	24	24	2	23	23	0	23	23	0
	Victor Khanye	5	5	0	5	5	1.3	5	5	0
	Dr. JS Moroka	7	7	0	7	7	0	2	2	0
	Thembisile Hani	3	3	0	3	3	0	7	7	0
	Nkangala	0	0	0	0	0	0	1	1	0
	TOTAL	43	43	06	51	51	22	59	59	0

(Source: Section 46 reports from municipalities)

Analysis on employment of people with disability

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

Challenges

- Non-implementation of recruitment strategies as contained in their Employment Equity Plans targeting people with disabilities.

Recommendations

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

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

Table 3-54: Employees aged between 35 or younger

Districts	Municipality	2011/12			2012/13			2013/14		
		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	988	210	21%	928	352	38%	1113	186	17%
	Mbombela	1855	563	30%	1855	460	25%	2063	444	22%
	Nkomazi	945	288	30%	960	345	36%	1500	379	25%
	Thaba Chweu	447	89	20%	447	94	21%	760	64	8%
	Umjindi	342	88	26%	343	91	27%	345	165	49%
	Ehlanzeni	130	43	33%	132	28	21%	135	39	29%
	TOTAL	4707	1281	27%	2363	1276	54%	5916	1277	21%
GERT SIBANDE	Chief Albert Luthuli	470	116	25%	470	156	33%	470	156	33%
	Dipaleseng	424	76	18%	487	87	18%	424	34	8%
	Govan Mbeki	1330	335	25%	1 319	322	24%	894	321	40%
	Lekwa	682	106	16%	874	105	12%	692	105	14%
	Mkhondo	754	213	28%	754	213	28%	662	171	26%
	Msukaligwa	808	178	22%	837	139	17%	837	143	17%
	Dr. Pixley Ka Isaka Seme	361	111	31%	347	23	7%	375	75	20%
	Gert Sibande	242	101	42%	322	120	37%	322	12	4%
	TOTAL	5 071	1 236	24%	5 410	1 165	22%	4 676	1 017	21%
NKANGALA	Emalahleni	1 550	223	14%	1 625	284	17%	1625	307	19%
	Emakhazeni	399	129	32%	529	134	25%	529	139	26%
	Steve Tshwete	1 354	320	24%	1 415	444	31%	1 442	379	26%
	Victor Khanye	366	95	26%	359	99	28%	523	95	18%
	Dr. JS Moroka	842	161	19%	842	180	21%	903	136	15%
	Thembisile Hani	533	78	15%	533	86	16%	544	78	14%
	Nkangala	243	40	16%	243	46	19%	254	92	36%
	TOTAL	5 287	1 046	20%	4 171	1 007	24%	5 820	1 226	21%
GRAND TOTAL		15 065	3 563	24%	11 944	3 448	29%	16 412	3 520	22%

(Source: Section 46 reports from municipalities)

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

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

Challenges

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

Recommendations

- COGTA to direct municipalities to adopt Policies for Youth Employment;
- Councils to take Resolutions on the minimum quotas allocated for Youth in terms of Employment Equity;
- Internship and Learner ship Programmes be promoted in partnership with Local Government SETA and other trade SETA's.

3.5.3.4 Communication strategy implemented

The Communication strategy is intended to;

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

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

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

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

3.5.4 Support Interventions by National and Provincial Government

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

Table 3-55: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	Management level	2011/12		2012/13		2013/14	
			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	18	74	22	28	28
		Senior Management level	39	8	41	6	4	4
		Lower level employees	608	156	953	52	853	111
		Technicians and professional	37	24	72	12	6	6
		TOTAL	758	206	1140	92	891	149
	Mbombela	Councillors	78	69	78	39	78	53
		Senior Management level	36	18	41	18	35	30
		Lower level employees	453	98	724	138	500	359
		Technicians and professional	60	46	79	42	59	50
		TOTAL	627	231	922	237	672	492
	Thaba Chweu	Councillors	24	0	-	-	28	10
		Senior Management level	4	0	-	-	6	3
		Lower level employees	92	0	-	-	349	75
		Technicians and professional	14	0	-	-	45	18
		TOTAL	134	0	-	-	428	106
	Umgindi	Councillors	18	16	18	15	12	12
		Senior Management level	9	0	7	5	10	9
		Lower level employees	238	17	237	43	222	118
		Technicians and professional	54	33	52	19	62	38
		TOTAL	319	66	314	82	306	177
	Nkomazi	Councillors	65	40	65	65	21	21
		Senior Management level	10	8	20	16	8	8
		Lower level employees	64	69	130	78	100	100
		Technicians and professional	158	28	494	45	7	7
		TOTAL	297	145	709	204	136	136
	EHLANZENI DISTRICT	Councillors	28	19	28	8	30	10
		Senior Management level	26	1	26	8	22	9
		Lower level employees	92	0	48	50	45	45
		Technicians and professional	14	0	55	6	60	8
		TOTAL	160	20	157	72	157	72

DISTRICT	Municipality	Management level	2011/12		2012/13		2013/14	
			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
GERT SIBANDE DISTRICT	Chief Albert Luthuli	Councillors	49	10	49	43	50	32
		Senior Management level	18	18	18	13	18	10
		Lower level employees	348	44	348	75	348	68
		Technicians and professional	34	5	55	28	32	10
		TOTAL	449	77	470	159	448	120
	Dipaleseng	Councillors	11	09	12	10	12	12
		Senior Management level	08	08	11	5	16	16
		Lower level employees	81	73	157	56	89	65
		Technicians and professional	0	0	11	4	27	27
		TOTAL	100	90	191	75	144	120
	Govan Mbeki	Councillors	60	12	63	74	60	59
		Senior Management level	4	0	34	8	30	29
		Lower level employees	36	60	1 033	57	1015	989
		Technicians and professional	2	12	255	51	152	76
		TOTAL	102	84	1 448	264	1257	1153
	Lekwa	Councillors	30	04	30	20	20	20
		Senior Management level	23	16	21	6	5	5
		Lower level employees	434	127	309	39	41	41
		Technicians and professional	62	27	160	4	12	12
		TOTAL	549	174	520	69	78	78
	Mkhondo	Councillors	37	12	37	12	25	25
		Senior Management level	4	4	4	4	3	3
		Lower level employees	411	151	411	151	320	312
		Technicians and professional	18	6	18	6	15	12
		TOTAL	470	173	470	173	363	352
	Msukaligwa	Councillors	38	38	8	7	14	10
		Senior Management level	27	04	4	1	16	7
		Lower level employees	520	22	385	20	71	41
		Technicians and professional	26	15	80	65	46	15
		TOTAL	611	79	557	93	147	73
	Dr. Pixley Ka Isaka Seme	Councillors	21	23	21	11	65	65
		Senior Management level	21	11	24	12	21	19
		Lower level employees	328	174	308	68	66	66
		Technicians and professional	12	-	15	0	25	25
		TOTAL	382	208	368	91	177	175
	GERT SIBANDE DISTRICT	Councillors	258	256	07	07	18	18
		Senior Management level	139	63	05	05	12	6
		Lower level employees	871	427	00	00	134	134
		Technicians and professional	131	100	35	35	12	12
		TOTAL	1399	840	47	47	176	170

DISTRICT	Municipality	Management level	2011/12		2012/13		2013/14	
			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
NKANGALA DISTRICT	Emalahleni	Councillors	64	63	68	30	4	4
		Senior Management level	22	07	62	62	7	7
		Lower level employees	312	43	1001	92	538	389
		Technicians and professional	30	07	191	159	50	23
		TOTAL	428	120	1322	343	599	423
	Emakhazeni	Councillors	64	63	10	1	-	-
		Senior Management level	22	07	6	0	4	4
		Lower level employees	312	143	46	9	31	31
		Technicians and professional	30	07	33	37	5	5
		TOTAL	428	220	95	47	40	40
	Steve Tshwete	Councillors	12	9	18	07	7	5
		Senior Management level	11	10	40	25	8	12
		Lower level employees	14	7	306	191	114	202
		Technicians and professional	16	5	188	98	54	48
		TOTAL	53	31	552	321	183	267
	Victor Khanye	Councillors	16	0	17	3	15	10
		Senior Management level	17	02	42	8	22	6
		Lower level employees	56	45	271	45	260	113
		Technicians and professional	47	13	46	40	40	27
		TOTAL	136	60	376	116	337	156
	Dr. JS Moroka	Councillors	62	20	-	-	55	19
		Senior Management level	26	11	-	-	10	6
		Lower level employees	363	99	-	-	310	66
		Technicians and professional	112	42	-	-	86	40
		TOTAL	226	172	-	-	461	131
	Thembisile Hani	Councillors	64	63	64	64	69	59
		Senior Management level	12	5	5	21	14	14
		Lower level employees	278	207	356	213	122	122
		Technicians and professional	07	5	15	5	28	28
		TOTAL	361	280	440	303	233	223
	NKANGALA DISTRICT	Councillors	68	64	54	22	65	18
		Senior Management level	43	19	24	8	52	12
		Lower level employees	127	89	68	20	119	150
		Technicians and professional	68	68	42	11	117	101
		TOTAL	306	240	182	61	353	281

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

Analysis of performance on Institutional Development and Transformation

The performance indicator does not give a sense of direction as to whether the support in terms of capacity building initiatives is increasing or declining. It is merely done for compliance purposes, impact cannot be measured.

Training is decentralized within municipalities, with a number of training interventions reflected on the municipalities' workplace skills plans. Finance departments and Infrastructure departments turn to conduct their own trainings which do not necessarily form part of the municipal work place skills plan.

Challenges Experienced

Skills Audit is not conducted before the compilation of the work place skills plan.

WSPs are used for compliance purposes and not dealing with real issues such as addressing scarce skills.

Employment of incompetent personnel/mismatched skills to the position is a challenge.

Stakeholders and Sector Departments use a blanket approach toward capacity development initiatives, which prove to be ineffective as Municipalities have different challenges.

Capacity development initiatives are often 'supply' driven rather than 'demand' driven, Municipalities do not want to use the GABSKILL Tool given to them.

Municipalities are not prioritizing skills development as some fail to allocate the requisite budget; they are dependent on the grants / capacity building programmes facilitated by the Department and other Stakeholders.

Lack of human capacity to support municipalities in both Provincial and National departments-(expertise in the financial and technical fields)

Municipalities do not prioritize scarce and critical skills which are hampering the delivery of services

An enabling environment is not created for officials to implement the acquired skills - Interference by politicians within the Supply Chain units, recruitment and selection processes

Fragmentation of capacity building support by all stakeholders including sector department

Recommendations:

- Municipalities to conduct Skills Audit before the compilation of the Work Place Skills Plans.
- Sector departments to thoroughly conduct skills gap analysis to cater for scarce and critical skills.
- Municipalities to use the GABSKILL Tool in order to guide them on skills required for the organisation.
- National and Provincial COGTA to appoint experts in order to support municipalities in technical and financial fields.

PART C**4. SUMMARY OF FINDINGS****4.1 Key challenges and recommendations as identified by municipalities per Key performance Area****Table 3-56: Key challenges and recommendations as identified by municipalities on Institutional Development and Transformation KPA**

Key challenges and recommendations as identified by municipalities per Key Performance Area					
KPA 1:	Focal Area	District	Municipality	Challenges	Recommendation
Institutional Development and Transformation	Vacancy rate and performance on filling of 4 MM's vacant posts	Gert Sibande Nkangala Ehlanzeni	Msukaligwa Emalahleni Mbombela and Thaba Chweu	Internal processes for filling of vacancies not being carried out on time. Inconsistencies between municipalities in establishing and allocating Section 56/7 positions and responsibilities	The department to continue monitoring vacant Senior Manager's post in municipalities in order to comply with the requirements as per S54A, 56, and 57 of MSA Act, 200 as amended on the conditions for vacant positions
	Vacancy rate and performance on filling of 5 CFO's vacant posts	Gert Sibande Nkangala Ehlanzeni	Msukaligwa Mkhondo Dr. Pixley Ka Isaka Seme Mbombela and Thaba Chweu	Vacancy rate is attributed to the municipal councils vis-a-vis delaying the appointment of suitable and qualified candidates.	
	Vacancy rate and performance on filling of 4 Community Services vacant posts	Gert Sibande Nkangala Ehlanzeni	Lekwa Emalahleni Bushbuckridge And Thaba Chweu	Municipalities relying on a district to perform town planning services, district itself unable to perform the service and appoint external consultants.	
	Vacant rate and performance on filling of 6 Corporate Services vacant posts	Gert Sibande Nkangala Ehlanzeni	Dipaleseng Bushbuckridge District Emakhazeni Emalahleni and Dr. JS Moroka		
	Implementation of PMS	Gert Sibande Nkangala Ehlanzeni	Dipaleseng Mkhondo Govan Mbeki Msukaligwa Emalahleni Thaba Chweu and Umjindi	No regular assessment conducted for S57 managers Generally officials lower than S57 do not sign performance agreements which have an impact on the institutional performance as they cannot be held accountable for non or poor performance	Reviewing the organisational structures of the municipalities to include PMS units that are directly accounting at the MM's office Scheduling of regular performance review sessions Provisioning of monetary and non-monetary rewards for recognition of excellent performance Incorporating performance management system as part of the MM's performance agreement

*(Source: Section 46 reports from municipalities)***Support interventions by National and Provincial Government**

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

Table 3-57: Key challenges and recommendations as identified by municipalities on Service delivery and Infrastructure development KPA

Key challenges and recommendations as identified by municipalities per Key Performance Area					
KPA 2: Service Delivery and Infrastructure Development	Focal Area	District	Municipality	Challenges	Recommendation
	Bulk water	Ehlanzeni Nkangala	Nkomazi Thaba Chweu Emakhazeni and Victor Khanye	Shortage of storage facilities , which possess serious challenges on the provisioning of uninterrupted water supply	All municipalities redirected resources to resolve bulk water infrastructure and storage facilities and large portion of MIG, MWIG, RBIG and district funding was utilised for the purpose.
				Projects had to be reprioritised to address bulk water supply and storage facilities challenges	
				Planning for infrastructure projects is still a challenge as there is a continuous prioritisation or reticulation in areas where there is no bulk infrastructure	
				There are acute challenges in budgeting for O&M and upgrading for aging infrastructure	
				Lack of technical capacity such as engineers, technicians, operators and project managers	
	Access to sanitation	Ehlanzeni Nkangala Gert Sibande	All municipalities	All municipalities do not have sufficient bulk infrastructure for sanitation	All municipalities have committed to invest on bulk infrastructure for sanitation
				Poor planning on infrastructure projects is still a major set-back in increasing access to basic services	COGTA, DWAE and OTP to find alternatives to address planning and roll-out of decent sanitation in the province
		Nkangala	Victor Khanye	Eradication of bucket system in Victor Khanye was not yet finalised as at the end of June 2013	There is a need to attract, train, retain and mentor professionals in the areas of sanitation infrastructure provision
	Access to Electricity	Gert Sibande Nkangala Ehlanzeni	All municipalities	All municipalities have insufficient sub-stations whilst there is a need for additional capacity	DOE and ESKOM to assist with proper bulk electricity infrastructure planning
	Access to refuse removal	Gert Sibande Nkangala Ehlanzeni	All municipalities	There is a lack of prioritisation of waste tools such as refuse removal trucks, and upgrading of landfill sites	Improved municipal waste management and licensed disposal sites
					Link CWP, EPWP and YWMP initiatives with clean cities and towns programmes

(Source: Section 46 reports from municipalities)

Table 3-58: Key challenges and recommendations as identified by municipalities on Integrated Capacity Building Plan Implemented KPA

KPA:	Focal Area	District	Municipalities	Challenges	Recommendation
Integrated Capacity Building Plan Implemented	% of municipalities implementing the Integrated Capacity Building Plan	Gert Sibande Nkangala Ehlanzeni	All	Skills audit not conducted before the compilation of work place skills plan	Skills audit to be conducted first
				Employment of incompetent personnel/mismatched skilled to the positions	The department to monitor employment of competent official in municipalities
				Non-prioritisation of budget, scarce and critical skills and development by municipalities	Capacity building Directorate to be part of Municipal IDP engagements to ensure the prioritisation

*(Source: Section 46 reports from municipalities)***Support Interventions by National and Provincial Government**

- National COGTA assisted municipalities with the development of HR strategies
- The Province supported municipalities with two accredited programmes namely; Further Education and Training Certificate (FETC) and National Certificate on Municipal Governance (NCMG)

Table 3-59: Key challenges identified by municipalities on Local Economic Development KPA

KPA 3:	Focal Area	District	Municipalities	Challenges	Recommendations
Local Economic Development	LED Strategy	Ehlanzeni Gert Sibande Nkangala	Umgindi Chief Albert Luthuli Dipaleseng Mkhondo Dr. Pixley Ka Isaka Seme Emakhazeni and Thembisile Hani	Minimum review and implementation of Municipal LED strategies due to inadequate financial and non-financial resources	Municipalities to have adequate institutional arrangements
	LED Fora	Ehlanzeni Gert Sibande Nkangala	All	Unsustainable municipal LED Forums to assist in resource mobilisation for LED implementation	
	% of budget spent on LED related activities	Gert Sibande Nkangala	Chief Albert Luthuli Dipaleseng Govan Mbeki Lekwa Emalahleni Emakhazeni Steve Tswete Dr. JS. Moroka	Lack of funds for effective implementation of LED strategies	Budget and allocation of resource for municipal LED implementation facilitation and coordination
	EPWP	Gert Sibande Nkangala	All	Under reporting on jobs created through infrastructure projects by municipalities	Establish an independent EPWP unit
				Failure to optimize the Incentive Grant by some reporting bodies to optimize Work Opportunities	Intensify planning and reporting on work opportunities created through Incentive Grants and MIG

*(Source: Section 46 reports from municipalities)***Support Interventions by National and Provincial Government**

- National DcoG in consultation with DTI to speedily finalise the professionalization of LED to assist in recruiting relevant and competent skills in LED units
- District municipalities to acceleration plans to support its constituent municipalities with LED strategy reviewal, planning, implementation and reporting of the EPWP projects in line with DORA requirements and incentive grant conditions

Table 3-60: Key challenges identified by municipalities on Financial Viability and Management KPA

KP4: Municipal Financial Viability and	Focal Area	District	Municipalities	Challenges	Recommendations
	Status of the Audit Outcome	Gert Sibande Nkangala	Gert Sibande Dipaleseng Mkhondo Victor Khanye and Emakhazeni	Regressed from the audit outcome	The department to track the implementation of audit action plans Strengthen capacity at all levels Apply consequences for transgression
		Ehlanzeni Gert Sibande Nkangala	All	Quality of performance reports	
	Percentage of Municipal Capital Expenditure	Ehlanzeni Gert Sibande Nkangala	All	There is poor municipal performance on capital budget spending. The ability to plan for projects remains the critical challenge that affect capital budget under spending. The delay in the Supply Chain management process further contributes to the slow spending of the Municipal Infrastructure Grants. Utilization of grant funding for operational expenditure due to cash flow challenges	Municipalities to plan in advance for projects to start with implementation by July Municipalities to keep grant funding in dedicated account; Municipalities to implement revenue generating strategies to improve cash flow status
	Total municipal own revenue as a percentage of the actual budget	Ehlanzeni Gert Sibande Nkangala	All	Slow procurement process Poor planning	The Provincial Supply Chain unit to provide support on contract management and SCM matters The department together with PT to continuously provide support
	Percentage of municipal debt reduction	Ehlanzeni Gert Sibande Nkangala	All	Incorrect data and inaccurate billing Data cleansing Lack credit control and debt collection policies and by-laws Unregistered properties Customer affordability Non-compliance with law; and Illegal connections/tampering	Accurate billing, timeous and understandable Linkage of valuation roll with billing system Update property database Community consultations And Physical inspection of properties where services are terminated The department to support municipalities to review and implement the revenue enhancement strategies
	Coordination of payment to municipalities by Sector departments	Ehlanzeni Gert Sibande Nkangala		Municipalities send invoices to incorrect responsible departments. The bulk of the outstanding amount is in relation to schools, which are receiving an operational budget to this effect. Payments done to municipalities end up in unallocated revenue accounts as result of bulk payments, which made it difficult for municipalities to allocate revenue to individual accounts. Unverified state properties results to bulk outstanding property rates debt. Unverified opening balances remain unpaid	Assist municipalities to allocate payments to correct individual accounts. Assisted municipalities with tariff policies and tariff setting to avoid incorrect billing

	Percentage of Municipal Systems Improved Grant spent as of March 2014	Ehlanzeni Gert Sibande Nkangala	Mbombela, Govan Mbeki and Dr JS Moroka	Could not utilise the entire allocation	Quarterly performance review sessions for municipalities to be conducted
			All	Poor reporting by municipalities Long commitment by municipalities	
	Percentage of Municipal Infrastructure Grant budget approximately spent	Ehlanzeni Gert Sibande Nkangala	All	<p>Poor Municipal Infrastructure Grant (MIG) performance by Water Service Authorities</p> <p>Poor planning leading to bad infrastructure development and implementation</p> <p>Slow municipal procurement processes delays the appointment of service providers</p> <p>Lack of capacity by municipalities to implement infrastructure projects</p> <p>Insufficient funding to eradicate the backlogs</p> <p>Maintenance is a major challenge as a result of not having asset management plan</p> <p>Ageing water infrastructure leading to continuous pipe bursts</p> <p>Illegal water and electricity connections</p> <p>Lack of Operation and maintenance budget; and</p> <p>Current focus is on delivery and not on Operation and Maintenance.</p>	Improve planning for municipalities for infrastructure implementation
	Percentage of Municipal Systems Improvement Grant spent as of total MSIG Budget	Ehlanzeni Gert Sibande Nkangala	Mbombela, Govan Mbeki and Dr JS Moroka	Municipalities could not utilise the entire allocation	Proper planning by municipalities
				Poor reporting by municipalities Long commitment by municipalities	Performance review sessions to be conducted
	Usage of consultants	Ehlanzeni Gert Sibande Nkangala	Chief Albert Luthuli, Msukaligwa, Mkhondo, Dr Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Emalahleni, Thembisile Hani, Bushbuckridge, Thaba Chweu	<p>Vacancy rate of CFO's had a negative impact on financial management in these municipalities</p> <p>Non competency and skills</p>	Skilled CFOs to be appointed and competent individuals within finance departments

(Source: Section 46 reports from municipalities)

Table 3-61: Key challenges identified by municipalities on Good Governance and Public Participation KPA

KPA 5:	Focal Area	District	Municipalities	Challenges	Recommendations
Good Governance and Public Participation	Functionality Ward Committees	Ehlanzeni Gert Sibande Nkangala	All	Lack of feedback mechanisms on issues raised by ward committees through ward councillors. Ward Councillors not convening ward meetings. Lack of community feedback by ward committees led by ward councillors.	Enforcement of legislations on the convening of ward committee meetings and community meetings Support municipalities on the development of complaints management system to enhance community feedback.
	Existence of an effective system of monitoring Community Development Workers	Ehlanzeni Gert Sibande Nkangala	All	Increasing number of wards without CDWs Lack of working relationship between some ward committees, ward councillors and CDWs	Appointment of CDWs in vacant wards Implementation of role clarification workshops for ward committees, ward councillors and CDWs to enhance working relationship
	Existence of an effective IGR strategy	Ehlanzeni Gert Sibande Nkangala	All		

(Source: Section 46 reports from municipalities)

Table 3-62: Key challenges identified by municipalities on cross cutting issues

KPA 6:	Focal Area	District	Municipalities	Challenges	Recommendations
Cross Cutting Interventions	Participation of Traditional leadership in	Gert Sibande	Chief Albert Luthuli Mkhondo Dr. Pixley Ka Isaka Seme	Traditional Councils that have no defined area of jurisdiction (landless)	Cogta has signed a an MOU with SALGA, SAPS and DARDLA to ensure the land in Traditional Councils is managed according to SPLUMA
		Gert Sibande Nkangala	Chief Albert Luthuli Mkhondo Dr. JS. Moroka	Traditional Councils without offices which affect the administration of the Traditional Leadership	Department to plan to build offices for Traditional Councils without offices
		Ehlanzeni Gert Sibande		Inconsistency of participation of Traditional Leadership in Municipal Councils	Mobilise Traditional leaders to participate in municipal councils
	Spatial Rational/IDP	Gert Sibande District Ehlanzeni Nkangala	All	Misalignment between the IDP projects which are implemented outside the SDF	Alignment of IDP and SDF's
				Most SDF's are not SPLUMA compliant in their current form	All municipalities to comply to the Spatial Planning and Land Use Management Act, Act 16 of 2013 as signed on the 5 th of August 2013 Also there a National SPLUMA regulations that have been gazette which provide guidance on the content and structure of SDF's, municipalities must comply
				Many municipalities failed to submit their 5-year IDP's and others submitted late	COGTA to facilitate an intergovernmental IDP engagement process that is intended to improve the credible IDPs at and the submission rate
				IDPs lacked integration and credibility in the strategic plans	
	Disaster Management	Gert Sibande Ehlanzeni Nkangala	3 Districts	All districts did not meet the minimum requirements on relief materials There are insufficient dedicated staffs to disaster management function Disaster management plans were not well planned and funded in IDPs	All districts to plan properly for relief materials Districts to be advised to appoint dedicated staffs

(Source: Section 46 reports from municipalities)

Support Intervention by National and Provincial Government

- PMDC has assisted municipalities with analysis of Disaster Management Plans to be included and prioritised in IDPs with funding for projects and programmes to address all challenges as identified

Support and capacity building/intervention initiatives in aid of municipalities

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

LIST OF SOURCES USED

A. Section 46 Report of the following municipalities:

EHLANZENI DISTRICT

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

GERT SIBANDE DISTRICT

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

NKANGALA DISTRICT

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

A. The Local Government Legislation

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

B. Publications and Journals from following Institutions

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

ANNEXURE A: DETAILED SOCIO-ECONOMIC AND DEMOGRAPHIC PROFILE DATA**SOCIO-ECONOMIC PROFILES OF EHLANZENI BY DECEMBER 2013****Table 3-63: DEMOGRAPHIC INDICATORS OF EHLANZENI**

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

(according to Stats SA 2011 Census)

- According to the available data, Ehlanzeni has a population of 1 688 615. This constitutes 41.8% of the overall Mpumalanga population.

SOCIO - ECONOMIC PROFILE OF THABA CHWEU**Table 3-64: DEMOGRAPHIC INDICATORS OF THABA CHWEU**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Ehlanzeni's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 (km ²)		5 720	20.5%	7.5%	3
Population per km ²		17			

(according to Stats SA 2011 Census)

- According to the available data, Thaba Chweu Local Municipality has a population of 98 387. This constitutes 2.4% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF MBOMBELA**Table 3-65: DEMOGRAPHIC INDICATORS OF MBOMBELA**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Ehlanzeni's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 (km ²)		5 396	19.3%	7.1%	5
Population per km ²		109			

(according to Stats SA 2011 Census)

- According to the available data, Mbombela Local Municipality has a population of 588 794. This constitutes 14.6% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF UMJINDI**Table 3-66: DEMOGRAPHIC INDICATORS OF UMJINDI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Ehlanzeni's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 (km ²)		1 746	6.3%	2.3%	16
Population per km ²		38			

(according to Stats SA 2011 Census)

- According to the available data, Umjindi Local Municipality has a population of 67 156. This constitutes 1.7% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF NKOMAZI**Table 3-67: DEMOGRAPHIC INDICATORS NKOMAZI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Ehlanzeni's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 – (km ²)		4 790	17.2%	6.3%	8
Population per km ²		82			

(according to Stats SA 2011 Census)

- According to the available data, Nkomazi Local Municipality has a population of 393 030. This constitutes 9.7% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF BUSHBUCKRIDGE**Table 3-68: DEMOGRAPHIC INDICATORS OF BUSHBUCKRIDGE**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Ehlanzeni's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
Population number	500 128	541 248	32.1%	13.4%	2
Number of households	108 500	134 197	30.2%	12.5%	2
Area size – (km ²)		10 256	36.7%	13.4%	1
Population per km ²		53			

(according to Stats SA 2011 Census)

- According to the available data, Bushbuckridge Local Municipality has a population of 541 248. This constitutes 13.4% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILES OF NKANGALA**Table 3-69: DEMOGRAPHIC INDICATORS OF NKANGALA**

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

(according to Stats SA 2011 Census)

- According to the available data, Nkangala District Municipality has a population of 1 308 129. This constitutes 32.4% of the overall Mpumalanga population.

Table 3-70: SOCIO-ECONOMIC PROFILE OF VICTOR KHANYE

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
Population number	56 335	75 452	5.8%	1.9%	15
Number of households	13 428	20 548	5.8%	1.9%	14
Area size – (km ²)		1 568	9.4%	2.0%	17
Population per (km) ²		48			

(according to Stats SA 2011 Census)

- According to the available data, Victor Khanye Local Municipality has a population of 75 452. This constitutes 1.9% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE EMALAHLENI**Table 3-71: DEMOGRAPHIC INDICATORS OF EMALAHLENI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 – km ²		2 678	16.0%	3.5%	13
Population per km ²		148			

(according to Stats SA 2011 Census)

- According to the available data, Emalahleni Local Municipality has a population of 395 466. This constitutes 9.8% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE STEVE TSHWETE**Table 3-72: DEMOGRAPHIC INDICATORS OF STEVE TSHWETE**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 – km ²		3 977	23.7%	5.2 %	11
Population per km ²		58			

(according to Stats SA 2011 Census)

- According to the available data, Steve Tshwete Local Municipality has a population of 229 831. This constitutes 5.7% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE EMAKHAZENI**Table 3-73: DEMOGRAPHIC INDICATORS OF EMAKHAZENI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
Population number	43 008	47 216	3.6%	1.2%	17
Number of households	9 723	13 722	3.8%	1.3%	17
Area size – km ²		4 763	28.3%	6.2%	9
Population per km ²		10			

- According to the available data, Emakhazeni Local Municipality has a population of 47 216. This constitutes 1.2% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF THEMBISILE HANI**Table 3-74: DEMOGRAPHIC INDICATORS OF THEMBISILE HANI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 – (km) ²		2 385	14.2%	3.1%	15
Population per (km) ²		130			

(according to Stats SA 2011 Census)

- According to the available data, Thembeisile Hani Local Municipality has a population of 310 458. This constitutes 7.7% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF DR. J.S. MOROKA**Table 3-75: DEMOGRAPHIC INDICATORS OF DR. J.S. MOROKA**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Nkangala's figure	Share of Mpumalanga's figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 - km ²		1 417	8.5%	1.9%	18
Population per km ²		176			

(according to Stats SA 2011 Census)

- According to the available data, Dr. J.S. Moroka Local Municipality has a population of 249 705. This constitutes 6.2% of the overall Mpumalanga population.

GERT SIBANDE DISTRICT SOCIO-ECONOMIC PROFILE**Table 3-76: DEMOGRAPHIC INDICATORS FOR GERT SIBANDE DISTRICT**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Mpumalanga figure	Ranking: highest (1) – lowest (3)
	2001	2011	2011	
Population number	900 005	1 043 194	25.8%	3
Number of households	211 618	273 490	25.4%	3
Area size - km ²		31 844	42.0%	1
Population per km ²		28		

(according to Stats SA 2011 Census)

- According to the available data, Gert Sibande District Municipality has a population of 1 043 194. This constitutes 25.8% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE OF CHIEF ALBERT LUTHULI**Table 3-77: DEMOGRAPHIC INDICATORS FOR CHIEF ALBERT LUTHULI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 - km ²		5 560	17.5%	7.3%	4
Population per km ²		33			

(according to Stats SA 2011 Census)

- According to the available data, Chief Albert Luthuli Local Municipality has a population of 186 010. This constitutes 4.6% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE MSUKALIGWA**Table 3-78: DEMOGRAPHIC INDICATORS FOR MSUKALIGWA**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 - km ²		6 016	18.9%	7.9%	2
Population per km ²		25			

(according to Stats SA 2011 Census)

- According to the available data, Msukaligwa Local Municipality has a population of 149 377. This constitutes 3.7% of the overall Mpumalanga population.

SOCIO – ECONOMIC PROFILE MKHONDO**Table 3-79: DEMOGRAPHIC INDICATORS FOR MKHONDO**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
Population number	143 077	171 982	16.5%	4.3%	10
Number of households	27 888	37 433	13.7%	3.5%	11
Area size - km ²		4 883	15.3%	6.4%	7
Population per km ²		35			

(according to Stats SA 2011 Census)

- According to the available data, Mkhondo Local Municipality has a population of 171 982. This constitutes 4.3% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE FOR DR PIXLEY KA ISAKA SEME**Table 3-80: DEMOGRAPHIC INDICATORS FOR DR PIXLEY KA ISAKA SEME**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
Population number	80 737	83 235	8.0%	2.1%	14
Number of households	18 002	19 838	7.3%	1.8%	15
Area size - km ²		5 227	16.4%	6.8%	6
Population per km ²		16			

(according to Stats SA 2011 Census)

- According to the available data, Emakhazeni Local Municipality has a population of 83 235. This constitutes 2.1% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE LEKWA**Table 3--81: DEMOGRAPHIC INDICATORS FOR LEKWA**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 - km ²		4 586	14.4%	6.0%	10
Population per km ²		25			

(according to Stats SA 2011 Census)

- According to the available data, Lekwa Local Municipality has a population of 115 662. This constitutes 2.9% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE DIPALESENG**Table 3-82: DEMOGRAPHIC INDICATORS FOR DIPALESENG**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 - km ²		2 618	8.2%	3.4%	14
Population per km ²		16			

(according to Stats SA 2011 Census)

- According to the available data, Dipaleseng Local Municipality has a population of 42 390. This constitutes 1.0% of the overall Mpumalanga population.

SOCIO-ECONOMIC PROFILE GOVAN MBEKI**Table 3-83: DEMOGRAPHIC INDICATORS FOR GOVAN MBEKI**

DEMOGRAPHIC INDICATORS	Stats SA Census	Stats SA Census	Share of Gert Sibande's figure	Share of Mpumalanga figure	Ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
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 - km ²		2 955	9.3%	3.9%	12
Population per km ²		100			

(according to Stats SA 2011 Census)

Annexure B: Audit Committees data

Internal Audit and Audit Committees within Municipalities 2013/14

Table 3-84: Internal and Audit Committees

Municipality	2012/13		2013/14	
	Internal Audit Unit: Own staff or outsourced? If own staff, how many? If outsourced, to whom?	Audit Committee: Own or shared with district? How many members?	Internal Audit Unit: Own staff or outsourced? If own staff, how many? If outsourced, to whom?	Audit Committee: Own or shared with district? How many members?
Nkangala District	5	4 Members	5	4 members
Victor Khanye	1	4 Shared service	2	4 Shared services
Emalahleni	4	5 members	0	0
Steve Tshwete	Outsourced PWC	Shared service	Outsourced PWC	Shared services
Emakhazeni	2	4 Shared service	2	4 shared services
Thembisile Hani	3	4 members	3	3 members
Dr JS Moroka	4	4 members	4	4 Shared services
Gert Sibande District	3	4 members	3	4 members
Chief Albert Luthuli	3 + 1 Intern	4 members	3	4 members
Msukaligwa	3	4 members	3	4 members
Mkhondo	3	4 members	3	4 members
Dr. Pixley Ka Isaka Seme	2	3 members	1	3 members
Lekwa	3 + 2 interns	4 members	3	2 members
Dipaleseng	Outsourced – Sizwe Ntsaluba	3 members	1	3 members
Govan Mbeki	4	5 members	4	5 members
Ehlanzeni District	3 + 1 Intern	6 members	3	5 members
Thaba Chweu	2	6 Shared service	2	4 members
Mbombela	5	4 members	Outsourced to Sithole Consulting(Pty)Ltd	4 members
Umgindi	2	4 members	2	5 Shared services
Nkomazi	3	5 members	3	5 members
Bushbuckridge	5	3 members	5	3 members

(Source: Municipal status quo report 2013/14)

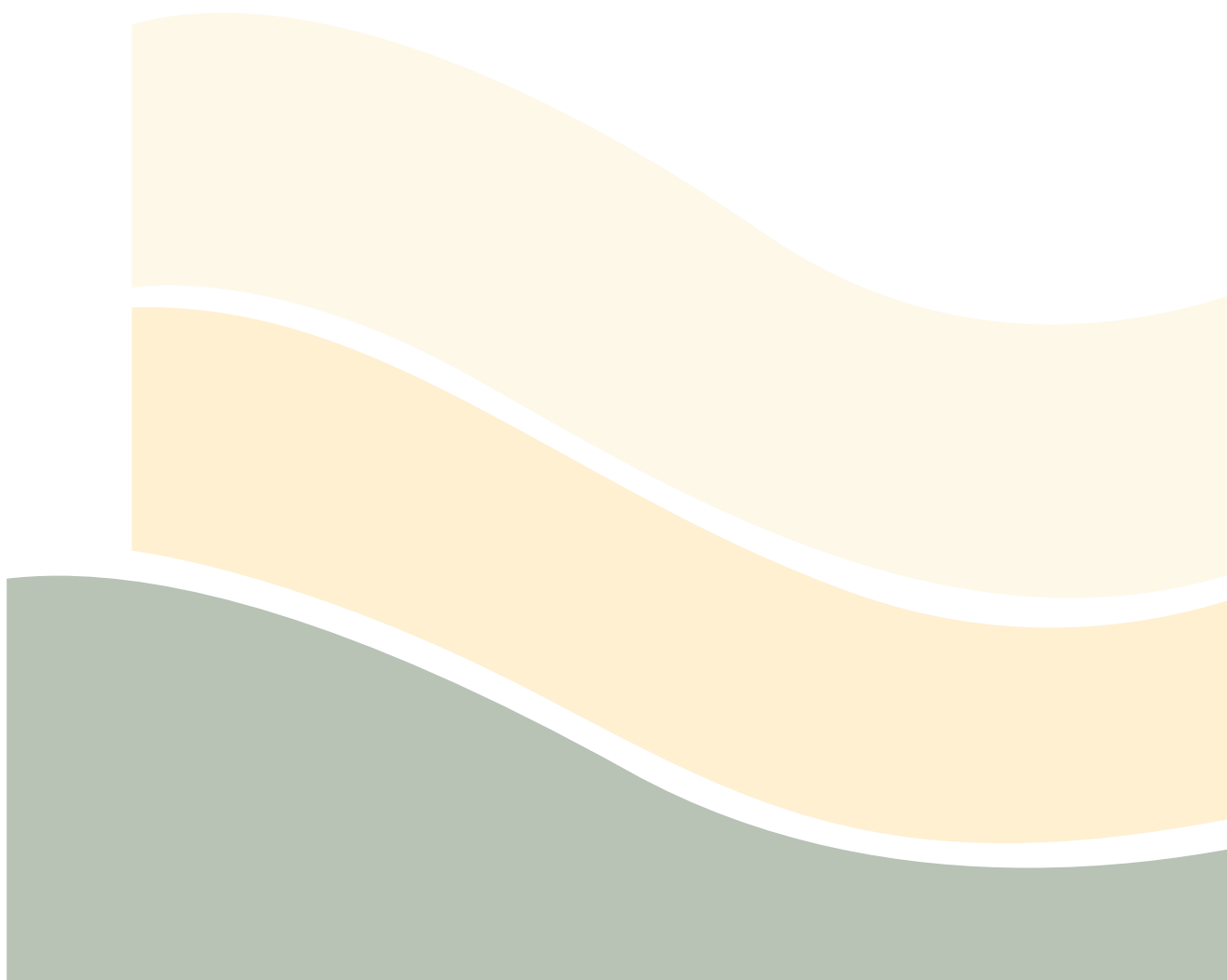
Functional Audit Committees on performance information

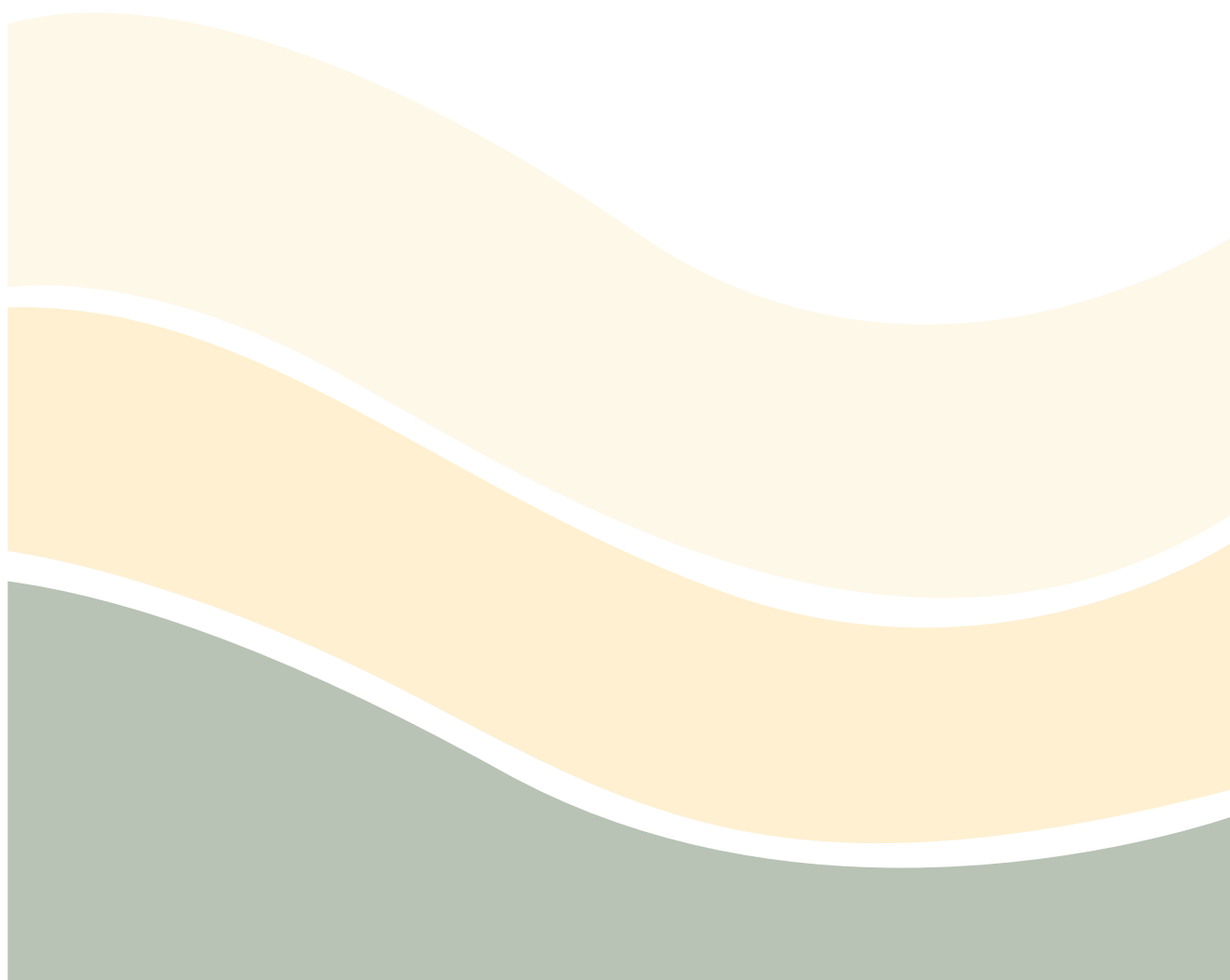
Table 3-85: Indicate functional Audit Committees

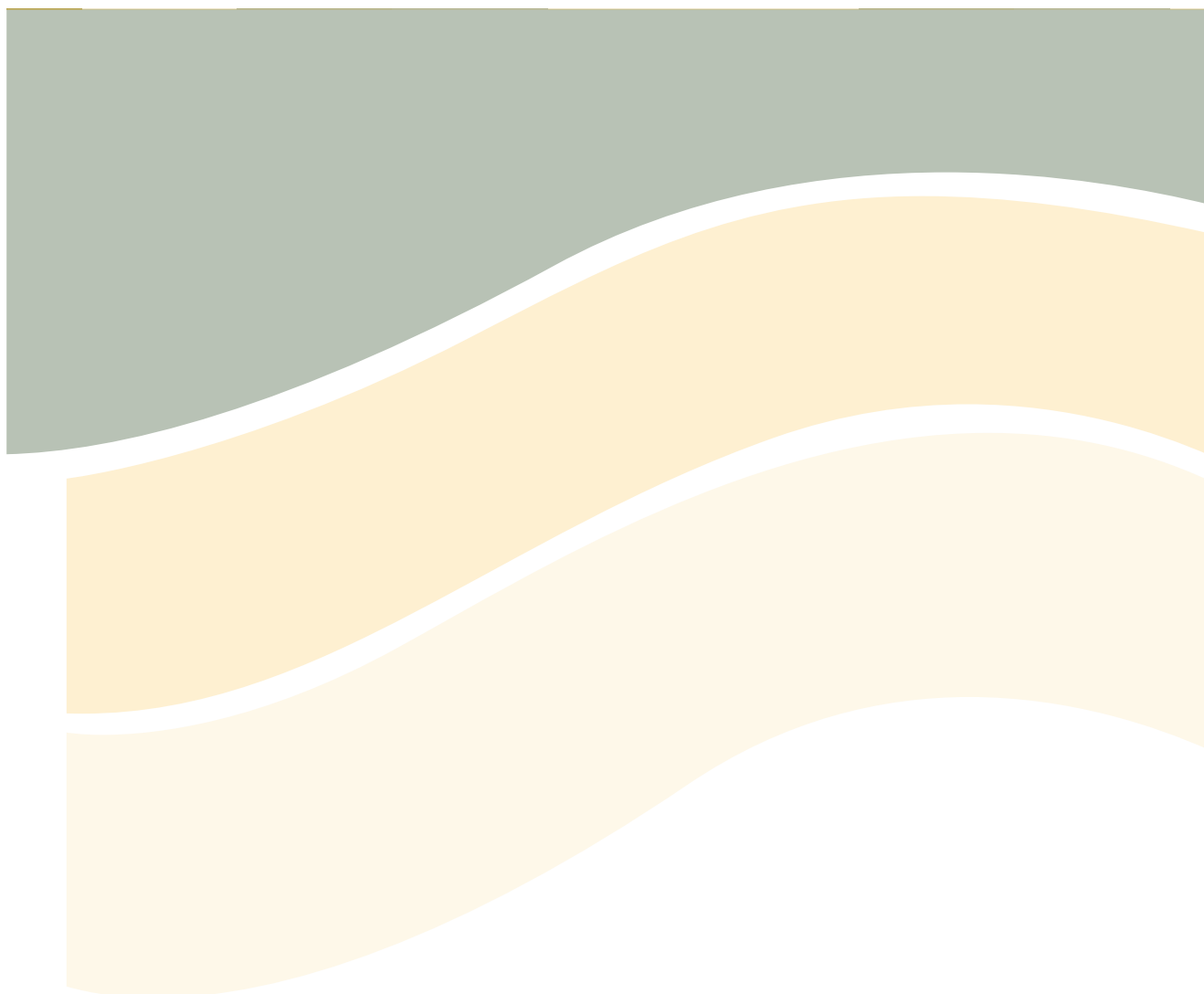
Name of Municipality	2012/13		2013/14	
	Presentation of performance information to the Audit Committee		Presentation of performance information to the Audit Committee	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes		Yes	
Mkhondo	Yes		Yes	
Dr Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes		Yes	
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalahleni	Yes		Yes	

Name of Municipality	2012/13		2013/14	
	Presentation of performance information to the Audit Committee		Presentation of performance information to the Audit Committee	
	Y	N	Y	N
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		Yes	
Total	21	0	21	0

(Source: Consolidated Municipal Report, April 2014: Provincial Treasury)







CONTACT DETAILS

HEAD OFFICE

Building No.6 &7
Riverside Government Complex
Mbombela
1200

POSTAL ADDRESS

Private Bag X 11304
Mbombela
1200

CONTACT NUMBER

Tel: (013) 766 6087
Fax: (013) 766 8441/2

WEBSITE

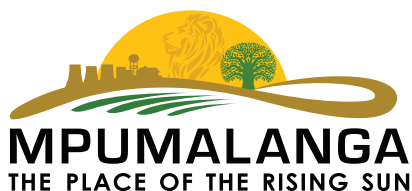
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