



**O.R. TAMBO  
DISTRICT MUNICIPALITY**

**O.R. TAMBO DISTRICT MUNICIPALITY**

**2021/22 FINAL AUDITED ANNUAL REPORT**

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# VOLUME I

# CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: MAYOR’S FOREWORD

The 2021/22 financial year has ended and it marked the first six-month for the start of the local government fifth term. As the new council we were inaugurated in December 2021, following local government elections of the 01st November 2021. This annual report is the culmination of efforts by the municipal leadership traversing under difficult circumstances. The new council had to deal with various challenges that were encountered emanating from the previous regime. These include, political instability, implementation of Section 216 of the Constitution and litigations between the municipality and state entities.

The challenges as reflected above made some difficulties for the district to focus on its agenda and to attain the objectives. The district leadership joined hands to improve the situation. The council committed itself in instilling governance, promoting intergovernmental relations and accelerating service delivery. These had been attained through the coordination of the District Development Model, promoting the unison and working together amongst the spheres of government.

In pursuant of the people’s mandate, it is my honour to present to the Municipal Council and to the people of the District, the Annual Report for the 2021/2022 financial year, which is an account of what has been delivered against the set targets in the Service Delivery and Budget Implementation Plan (SDBIP). The report is an attestation of the collective efforts of both the political and administrative leadership in ensuring that we serve the people of the region with humility. I am proud to report to the council and the people of ORTDM that the OR Tambo district had successfully spent 80 % of its grants including the Municipal Infrastructure Grant (MIG), the Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant, whilst these were only transferred in February 2022. The improvements demonstrate commitment in delivering basic services as these grants are meant to render the services.

I wish to note to the community of the region that once more the district had received the Qualified Audit Opinion. The report had the following matters Property Plant and Equipment, Capital Commitments, Fruitless and Wasteful Expenditure, Prepayments and Employee Related Costs. Having received the report, management developed the action plan to address the matters. This require commitment and working relations between the political leaders and the administration. I commit that the council through its structures will ensure that these will be matters of the past.

As I present this report, I wish to note the performance recorded over the year and the matters raised by the Auditor General SA in relation to the reliability of information. Whilst these are being addressed by administration, the municipality notes that part of our communities have received water and sanitation services which is a great improvement.

As the Executive Mayor of the O. R. Tambo District Municipality, together with the Municipal Council and the Municipal administration, we commit to ensure that the vision of a “Prosperous, Vibrant, Innovative and People-Centred District” will be realized and that people of O. R. Tambo continue to receive services in a sustainable manner.

Presenting the annual report, I would like to express gratitude to everyone involved for the commitment, passion and hard work during the difficult year under review. Even though we were not able to deliver services as we wished, but we managed to ensure that some has been achieved by our communities

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**CLLR M.D. NGQONDWANA**  
**EXECUTIVE MAYOR**

## **COMPONENT B: EXECUTIVE SUMMARY**

This report presents the O.R. Tambo District Municipality's annual report for the financial year 2021/22. This report is also in compliance with the National Treasury Circular 63 guidelines. It is submitted in line with the objectives, indicators and targets as set out in the 2021/22 approved Reviewed Integrated Development Plan aligned with the approved budget 3 year MTRF, both of which informed the quarterly performance targets set out in the Service Delivery and Budget Implementation Plan (SDBIP). The annual report is tabled in accordance with the five (5) Local Governments Key Performance Indicators as follows (not in the order of priority): -

- a) Basic Service Delivery and Infrastructure Development
- b) Local Economic Development
- c) Financial Viability and Management
- d) Good Governance and Public Participation
- e) Municipal Transformation and Institutional Development

It depicts the level of achievement of the set targets from the period 1 July 2021 to 30 June 2022. It also reflects explanations on deviations where the institution has not met the set targets as well as corrective measures to be implemented, going forward.

### **1.1 Municipal Manager's Foreword**

The O.R. Tambo District Municipality prepared its Annual Report for the year 2021/2022 in line with Section 121 of the Local Government Municipal Finance Management Act, No. 56 of 2003 as well as accompanying circulars, templates and guidelines. The report provides an overview of the municipal performance and progress made by the district in fulfilling its strategic objectives and priorities as aligned in the Integrated Development Plan (IDP), National Development Plan (NDP) as well as Provincial and National strategic directives.

The report makes reflection on how the district has been able to utilize the resources towards the implementation of its priorities. Investment in infrastructure remains an important priority for the district and issues such as aging infrastructure and the demand for new infrastructure continue to place the municipality under severe financial pressure. The maintenance of infrastructure is amongst the vital issues that will allow the district to fulfil its mandate.

The year 2021/22 has been somehow proven to be a difficult year in the district due to challenges faced. These include amongst others: -

- The impact of the Coronavirus (COVID- 19)
- the instability in the district and implementation of section 216 of the constitution

Having faced with these challenges, there had been some potential improvement due to the new political leadership after November 2021 elections. The council committed its self in instilling governance, promoting intergovernmental relations and accelerating service delivery. Part of the district agenda has been to coordinate the District Development Model.

I would like to thank the employees and management for the commitment and hard work during the preparation of the report.

## 1.2 Municipal Overview

### 1.2.1 Municipal Functions

*Table 1: Municipal Powers and Functions*

	O.R. Tambo	KSD	Nyandeni	Ingquza Hill	Mhlontlo	PSJ
Water	Yes	No	No	No	No	No
Sanitation	Yes	No	No	No	No	No
Municipal Health	Yes	No	No	No	No	No
Electricity Reticulation	No	Yes	Yes	Yes	Yes	Yes
Air pollution	-	Yes	Yes	Yes	Yes	Yes
Building regulation	-	Yes	Yes	Yes	Yes	Yes
Child care facilities	-	Yes	Yes	Yes	Yes	Yes
Fire fighting	Yes	Yes	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Airports	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes
Public Transport	Yes	Yes	Yes	Yes	Yes	Yes
Pontoons and ferries	-	Yes	Yes	Yes	Yes	Yes
Disaster Management	Yes	No	No	No	No	No
Storm water	-	Yes	Yes	Yes	Yes	Yes
Trading regulation	-	Yes	Yes	Yes	Yes	Yes
Beaches and amusement facilities	-	Yes	Yes	Yes	Yes	Yes
Billboards and advertisements	-	Yes	Yes	Yes	Yes	Yes
Cemeteries, parlours and crematoria	-	Yes	Yes	Yes	Yes	Yes
Cleansing	-	Yes	Yes	Yes	Yes	Yes
Traffic packing	-	Yes	Yes	Yes	Yes	Yes

	O.R. Tambo	KSD	Nyandeni	Ingquza Hill	Mhlontlo	PSJ
Street lighting	-	Yes	Yes	Yes	Yes	Yes
Street trading	-	Yes	Yes	Yes	Yes	Yes
Refuse removal dumps and solid waste disposal	-	Yes	Yes	Yes	Yes	Yes
Public places	-	Yes	Yes	Yes	Yes	Yes

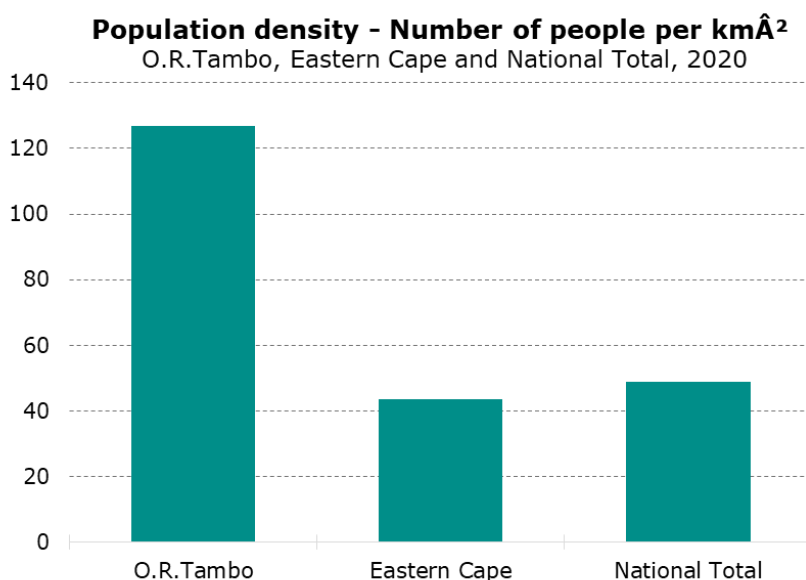
## 1.2.2 Population Overview

O.R Tambo is the most populous district in the province. It is ranked the fourth most populous district in the country. However, it must be noted that large population size has advantages and disadvantages linked to demand- and supply-side effects of demographic changes.

### 1.2.2.1 Population density

Using population density instead of the actual number provides a basis of comparison between these different places. ORTDM is relatively densely populated compared to most rural municipalities. A higher population density has an impact on household infrastructure provision, quality of services and access to resources (medical care, schools, sewage treatment, community centers, etc.). A high population density also has advantages (easy provision of basic services, economy of scale, infrastructure network and so on) and disadvantages (like congestion and loss of “green-belt” land).

*Figure 1: Population Density*



*Source: IHS Market Regional eXplorer version 20175*

In 2020, with an average of 127 people per square kilometer, O.R. Tambo District Municipality had a higher population density than Eastern Cape (43.4 people per square kilometer). Compared to South Africa (48.8 per square kilometer) it can be seen that there are more people living per square kilometer in O.R. Tambo District Municipality than in South Africa.

### **1.2.2.2 Households**

A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

Relative to the province, the O.R. Tambo District Municipality had a higher average annual growth rate of 0.99% from 2010 to 2020. In contrast, the South Africa had 16.8 million households, with a growth rate of 1.82%, thus growing at a higher rate than the O.R. Tambo.

The composition of the households by population group consists of 98.9%, which is ascribed to the African population group with the largest number of households by population group. The colored population group had a total composition of 0.5% (ranking second). The Asian population group had a total composition of 0.3% of the total households. The smallest population group by households is the White population group with only 0.2% in 2020.

### **1.2.2.3 Socio Economic Status**

The dependency ratio is the ratio between the number of dependents, aged 0-14 years and those over the age of 65 years, to the total population aged 15-64, The high number of children in the district leads to high levels of dependency. A high dependency ratio means few breadwinners, a small number of taxpayers and a small proportion of the population who are productive – but a high reliance on the fiscus.

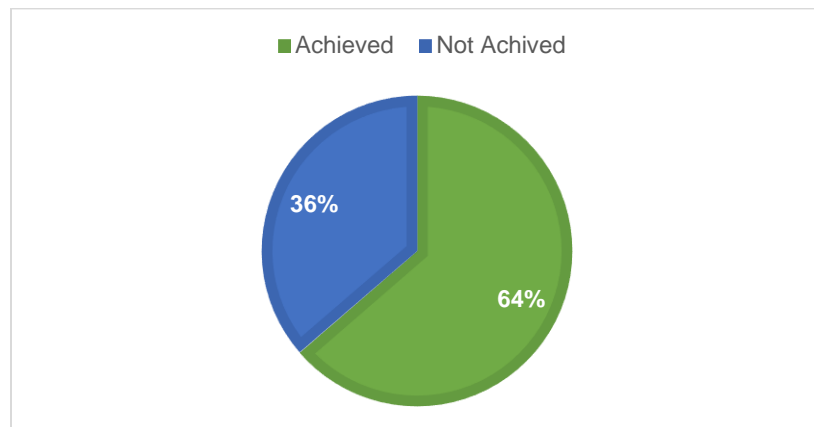
In 2019, the dependency ratio for the district was 72.97% compared to 80.5% in 2009, this indicates an increase in the economically active population, and however despite the decrease in the dependency ratio for the district, it is still higher than that of the province. At the Local Municipality level, King Sabatha Dalindyebo as the only local municipality with a dependency ration lower than that of the district and the province. In 2019, Port St Johns and Ingquza Hill recorded the highest dependency ratios.

## **1.3 Service Delivery Overview**

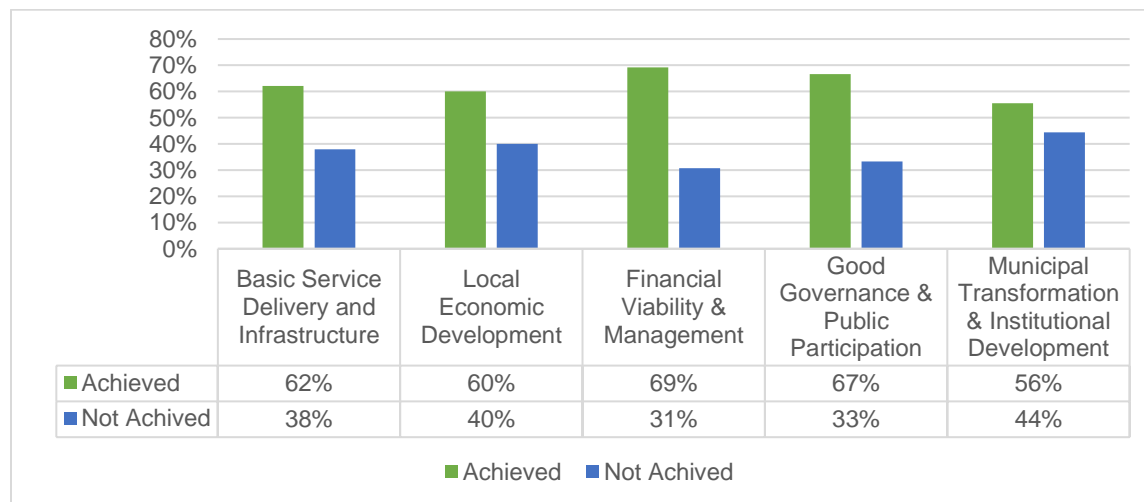
During the financial year under review and the year 2020/21 the District was not only impacted by pandemic COVID-19 but also by political instability which resulted in a significant decrease in performance. The overall institutional performance reflects 88 targets set for the institution across all the Key Performance Areas, of which 56 are reported to be achieved with 32 not achieved.

This brings the overall institutional performance to **64%** for the 2021/2022 financial year. The performance of the institution has increased by 9% from that of the previous financial year which was 55%. The charts below give details of performance in the municipality including performance per key performance area as well as per department.

**Figure 2: Institutional Performance**

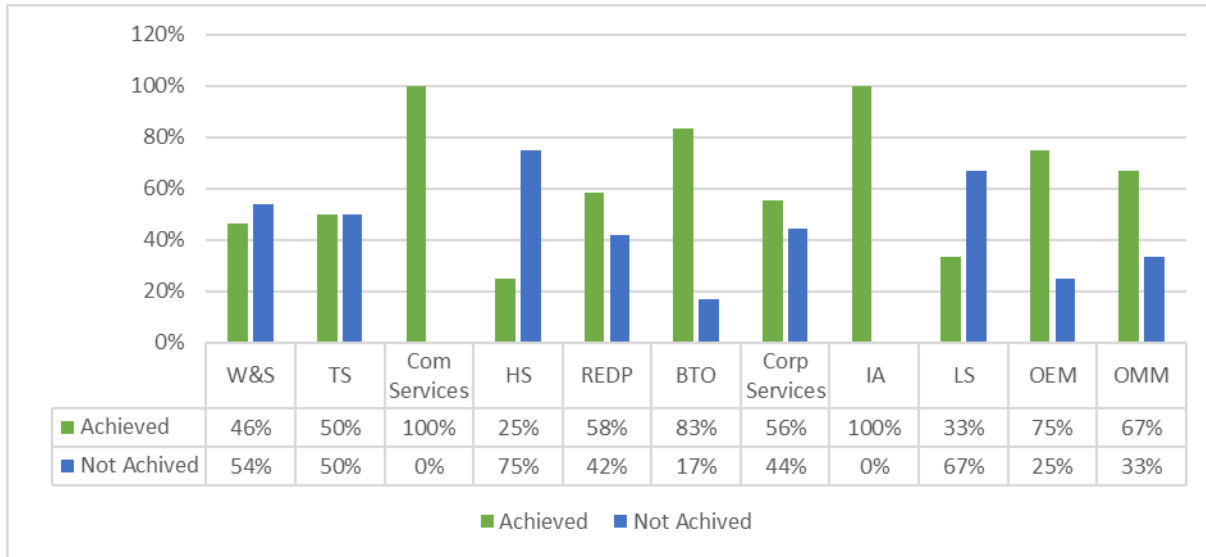


**Figure 3: Institutional Performance per KPA**



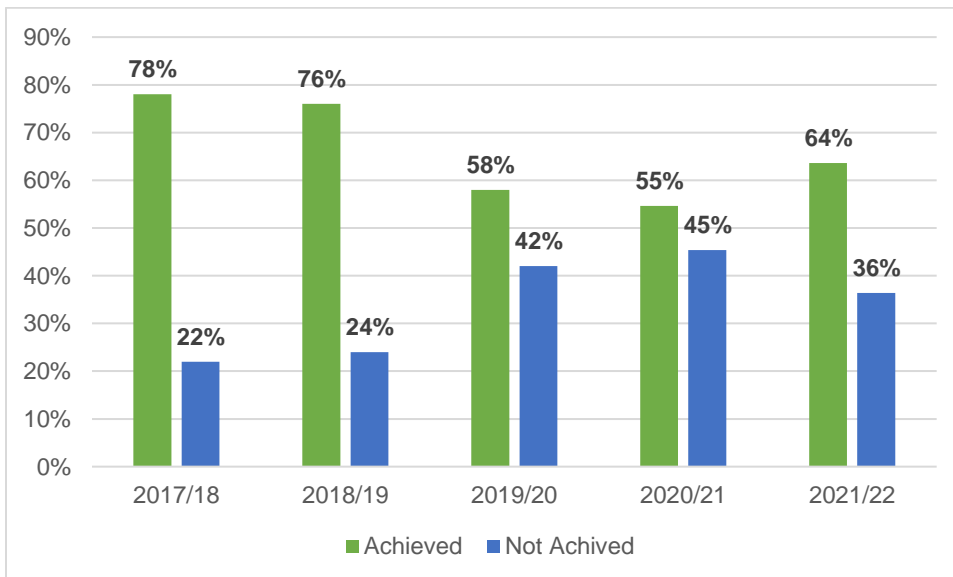
**Figure 4: Institutional Performance per Department**





The District continues to strive to improve its performance each financial year through improving institutional processes, employment of skilled personnel in key positions and capacitation of employees. The district managed to improve its performance from the previous financial year even though it was engulfed with many challenges. Over the council term 2017 – 2022 the performance of the district started relatively high but as the years went by the performance decreased slowly. The chart below demonstrates the performance of the District over the past 5 years.

**Figure 5: Institutional Performance for the past 3 years**



Even though the municipality has not done that well but improvements brought by the new leadership after Local Government election on 21 November 2021 are visible. The district is hopeful for the future.

#### **1.4 Financial Health Overview**

The District municipality liquidity is not in good state as the current ratio is 0.74: 1 which is lower than the norm of 2:1 as prescribed by MFMA circular 71. The cash cost coverage ratio was 2 months at the end of the financial year and this is within the required norm of 1 – 3 months. As at 30 June 2022, this ratio meant that the operational funds available could only cover operational costs for two months

It is also important to note that the National Treasury has rejected the application for roll-over of all unspent grants amounting to R188 million.

#### **1.5 Organisational Development Overview**

The Corporate Services Department has ensured compliance in implementation of the recruitment and selection policy, which is now embed to the organisational Structure from Senior to lower level management. Even though the organisational structure has not been reviewed since year 2014, however the management is busy looking at ways in which the organisational structure can be reviewed in line with the Institutional Development Plan adopted by the municipality and there is no doubt that working with old structure impact negatively to the vision and operations of the municipality. When we began implementing the changes within corporate services there were challenges caused by resistance to change, perhaps now every manager is complying accordingly to the implementation of Recruitment and selection policy.

Over the year, Human resources Development initiatives have been continuously conducted linked and informed by the available budget for the year, which has enabled the implementation of multiple training interventions in order to address long-term skills acquisition in the District as well as embrace the National and Provincial strategic skills programmes. Again, the District has maintained partnerships with the local universities such as Walter Sisulu University (WSU), University of Fort Hare (UFH), Nelson Mandela University, Technical and Vocational Education and Training (TVET) colleges and Sector Education & Training Authorities (SETAs) for skills development and training.

The District maintained the implementation of its organisational structure through recruitment processes. It has continued to be stable in terms of its Senior Management/Section 54 and 57 Managers. All senior management vacancies have been filled where there was a vacancy during the year an acting appointment was effected immediately by the council. There are 1332 employees in total, with 50 labour turnover and 828 vacancies. The municipality maintained its prioritisation of service delivery departments for recruitment purposes; these are the departments of water services and budget and treasury office. Also the Municipality embarked on a process of Organisational Structure analysis and review working closely with key stakeholders being: COGTA, SALGA, Unions through LLF committee and National Treasury.

In an effort to improve labour peace in the institution, the Local Labour Forum has been strengthened by the formulation of LLF sub-committees; these committees are Conditions of

Services, Skills development, Employment Equity and Restructuring to ease the smooth running of the Local Labour Forum. The municipality has a fully- fledged unit headed by a manager. The Local Labour Forum Sub-committees composed of both employer and employee component.

## 1.6 Auditor General Report

During the 2020/21 financial year, the Municipality received a Qualified Audit Opinion from the AGSA with six qualification items. The qualification items were Irregular expenditure, Capital Commitments, Property plant and equipment, Pre-payments, Employee cost and Fruitless and wasteful Expenditure. The qualification was based on the completeness of Commitments register, Irregular expenditure not correctly disclosed, no lease agreement for Municipal debtors, no system in place to account for pre payments and Property plant and Equipment, Covid-19 danger allowance paid to employees who worked during the national lockdown using the leave encashment formula instead of using the approved standby allowance formula and the figure was not disclosed as Fruitless and Wasteful expenditure The findings were as follows:

- Lack of systems and processes in place at the municipality to ensure that commitments are correctly disclosed. A restatement was made to rectify the prior year misstatement, but it could not be substantiated by adequate supporting audit evidence.
- The municipality did not fully record irregular expenditure in the notes to the financial statements, as required by section 125(2)(d)(1) of the MFMA. This was due to the expenditure incurred in contravention of the supply chain management (SCM) requirements not being detected and appropriately disclosed in the financial statements.
- The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Infrastructure assets that were not completed (Infrastructure WIP) were incorrectly disclosed as completed infrastructure assets and some infrastructure assets that were completed in the prior year were incorrectly disclosed as transfers in the current year. Some of these infrastructure assets were further recorded at incorrect amounts.
- The municipality incorrectly paid the covid-19 danger allowance to its employees who worked during the national lockdown using the leave encashment formula instead of using the approved standby allowance formula.
- The municipality did not have a system in place to account for prepayments made for the year and the previous year.
- The Covid-19 danger allowance paid to the Municipal employees who worked during the national lockdown was not disclosed under fruitless and wasteful expenditure.

Despite the Municipality having not received the unqualified audit outcome or clean audit in the 2020/21 financial year, the Municipality regressed compared in the previous financial year considering that there were only five qualification items which were only Property plant and equipment, Irregular expenditure, Capital Commitments Receivables from Exchange transactions and Prepayments

### 1.6.1 Steps Taken to Correct the Situation (Improve Audit Outcomes)

- The Municipality developed Management Audit Action Plan having implemented only 14% of the actions and 86% targeted to be implemented during the Annual Financial Statements and Annual Performance Report preparation as the Audit report was obtained in April;
- The municipality is still in the process of cleaning the Infrastructure asset register by transferring completed projects to the Infrastructure asset register and updating both the WIP and commitments register.
- Supporting documents for completed projects that were to be transferred to the Infrastructure asset register have been obtained.
- Conditional assessment of projects to be impaired is being conducted.

However, the municipality is not only focusing on the six qualifications but also tried to resolve findings that were raised under emphasis of matter.

### 1.7 Statutory Annual Report Process

*Table 2: Annual Report Process*

No	Activity	Timeframe
1	Consideration of next year's financial Budget and IDP Process Plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure the reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In year financial reporting)	
3.	Finalise the 4 <sup>th</sup> quarter report for previous year	
4.	Submit draft year 2021/22 Annual Report	
5.	Municipal entities submit draft annual reports to MM	
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report to Council	
8.	Municipality submits Draft Annual Report including Annual Financial Statements and Annual Performance Report to Auditor General	
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September-October
10.	Auditor General audits Annual Report including Annual Financial Statements and Annual Performance Report	
11.	Municipalities receive and start to address the Auditor General's comments	

No	Activity	Timeframe
12	Mayor tables Final Audited Annual Report and Audited Annual Financial Statements to Council, complete with the Auditor General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight committee assesses Annual Report	
15	Council adopts oversight report	
16	Oversight report is made public	December
17	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Report to be used as input	January

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: GOVERNANCE STRUCTURE

#### 2.1 Political Governance

The O.R. Tambo District Municipality Council's primary role is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. The council has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The Council of O.R. Tambo adopted a Separation of Powers governance model, with the executive

arm of council led by the Executive Mayor and the legislative arm of council led by the Speaker.

The legislative arm of council is constituted of committees established in line with the provisions of Section 79 of the Municipal Structures Act, No. 117 of 1998, as Section 79 Standing Committees and Section 79 Portfolio Committees. The Section 79 Standing Committees play an important role in ensuring good governance, accountability and public participation. The Section 79 Portfolio Committees are established in line with the municipal departments to play an oversight role over the performance of the departments as to improve service delivery related matters. The O.R. Tambo District Municipality council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. In administering the matters assigned to local government, the municipal council strives within its capacity to achieve the Constitutional objects of local government.

In the beginning of the 2021/22 financial year, the term for 2016/2021 lapsed on the 29 October 2021 and the new council for term 2021/2026 was inaugurated during its First Council Meeting which was held on the 1<sup>st</sup> December 2021, wherein the following were appointed as follows:

1. Cllr N. Y. Capa was appointed as the Speaker of the Council
2. Cllr M. D. Ngqondwana was appointed as the Executive Mayor,
3. Cllr T. Sokanyile as the Deputy Executive Mayor,
4. Cllr N. Ngqongwa was appointed as the Chief Whip.

The Speaker was delegated by the council to appoint Section 79 Committee Chairpersons and members as per the Municipal Oversight Model adopted by council on 30 September 2015. The new council was inducted on 24-26 January 2022. During the 2021/22 financial year, the council successfully held twenty six (26) Council meetings, twenty four (24) Special Council Meetings and two (2) Ordinary Council meetings. All the meetings are held in terms of Section 29 of Local Government: Municipal Structures Act, No. 117 of 1998.

The core mandate of the Legislative Arm of Council is focused on five themes:

- Accountability, Oversight and Scrutiny
- Strengthen capacity of the Legislative Arm of Council
- Public Participation to safeguard local democratic processes
- Monitoring and evaluation, and
- Sound Financial Management.

### 2.1.1 High Level Overview: Department of Legislative Services

*Figure 6: Legislative Services Organogram*

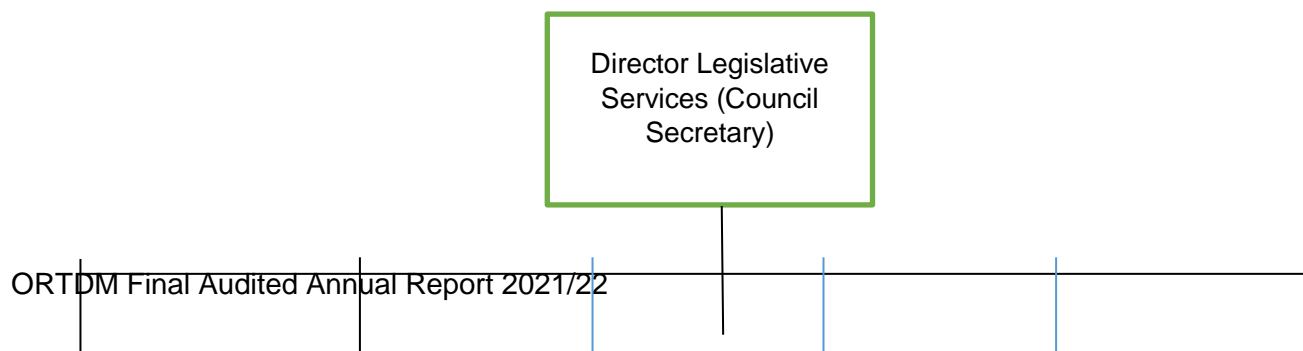
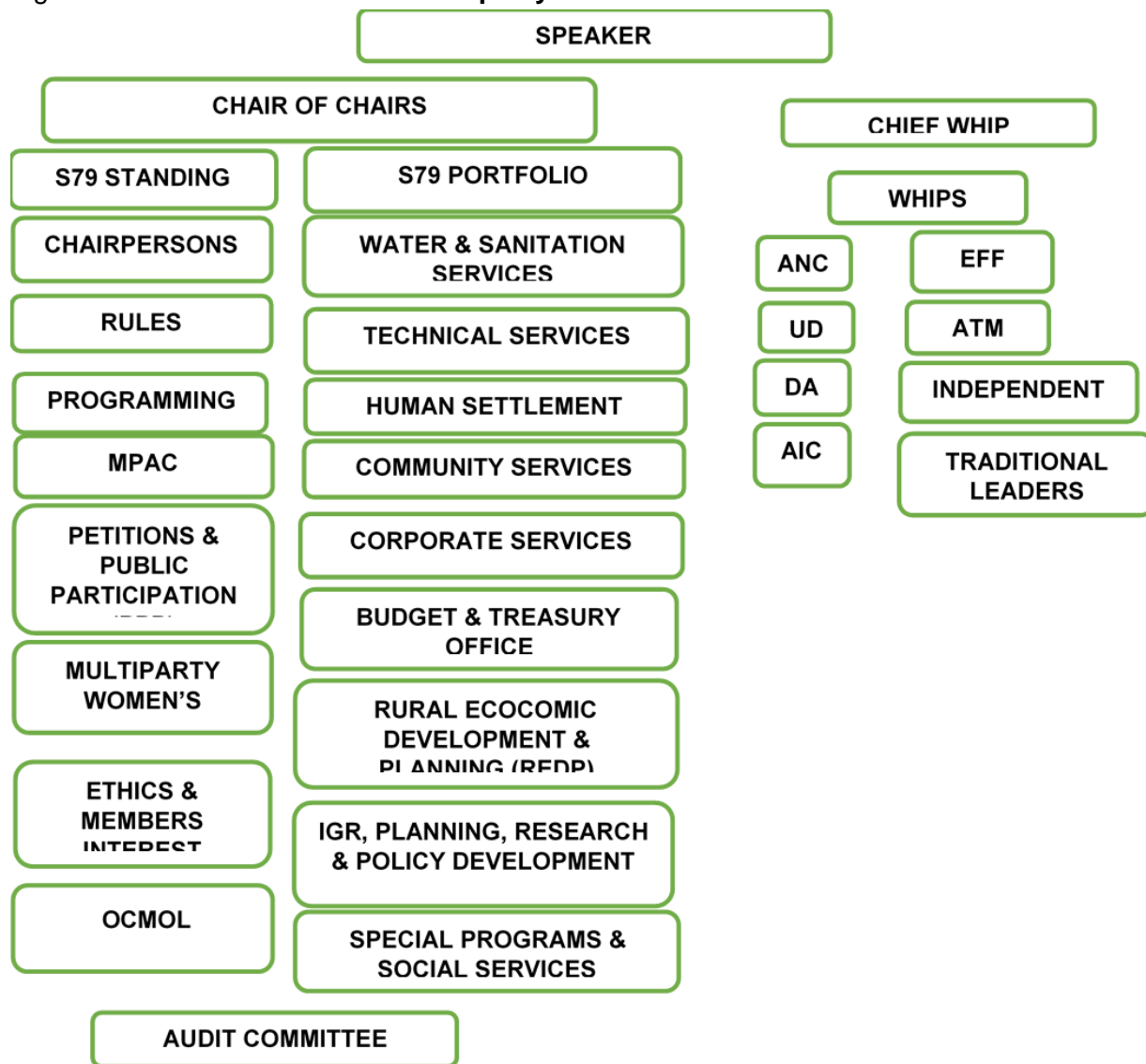


Figure 7: O.R. Tambo District Municipality Political



**2.1.2 Council Composition**

In terms of Section 12 Notice of Local Government: Municipal Structures Act No. 117 of 1998,

O.R. Tambo is a category C municipality, which consists of **59** Councillors representing various political parties as shown in the table below:

**Table 3: O.R. Tambo District Municipality Composition of Council (2021//26 Council Term)**

Party	Total No. of Cllrs	Part-Time Cllrs	Full-Time Cllrs	Number of Female Cllrs
<b>ANC</b>	40	25	24	23
<b>EFF</b>	06	04	02	01
<b>UDM</b>	05	03	02	01
<b>ATM</b>	03	02	1	-
<b>DA</b>	02	01	01	01
<b>INDEPENDENT</b>	02	02	-	-
<b>AIC</b>	01	01	-	-

**Table 4: O.R. Tambo District Municipality Local Municipal Councillors**

Local Municipality	No. of Councillors	No. of Males	No. of Females
King Sabata Dalindyebo (KSD)	12	08	04
Nyandeni	7	03	04
Port St John's	4	03	01
Ingquza Hill	7	02	05
Mhlontlo	5	03	02

### 2.1.3 Councillor Resignations, Replacements, and Vacancies in 2021/22

During the 2021/22 financial year,

1. Cllr Myolwa resigned as the councillor of OR Tambo District Municipality on the 25 January 2021 and the vacancy was filled by Cllr Ndabeni.
2. Cllr Pepping and Cllr Gaxeni resigned as councillors of OR Tambo District Municipality.

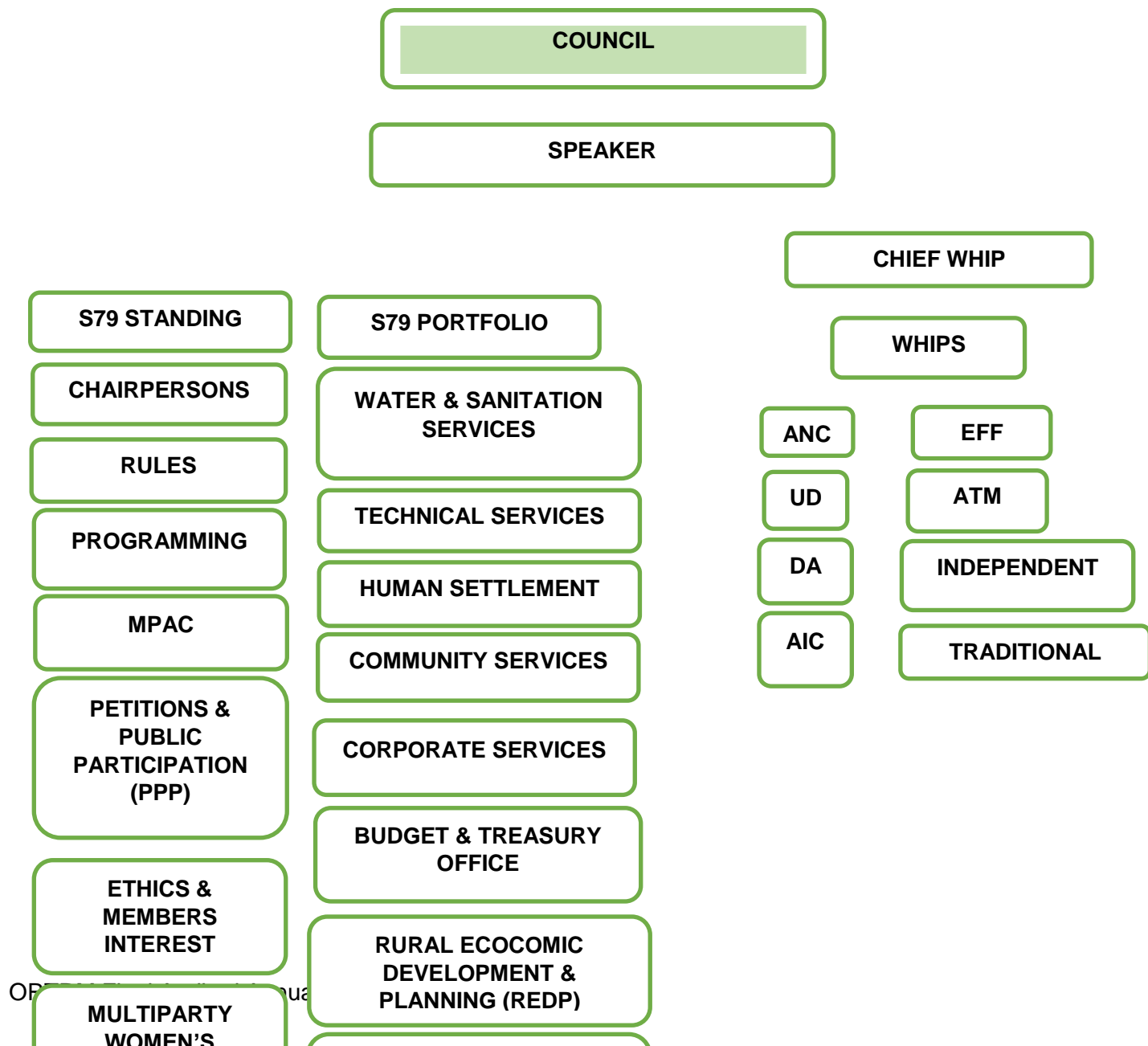
### 2.1.4. Political Decision Making

In the with the Separation of Powers Governance Model, adopted by council in September 2013, the council on the 30<sup>th</sup> September 2015, adopted a Municipal Oversight Model (MoM) for strengthening the functionality of the Section 79 Portfolio Committees of council established to play an oversight role The council adopted the Reviewed Council Standing Orders and Political Delegations Framework in line with the afore stated governance frameworks on the 01 December 2021.



### 2.1.6 Political Governance

Figure 8: Council Structure



### **2.1.6.2. Participation of Traditional Leaders in Council**

Additional to 59 councillors, O.R. Tambo District Municipality has been joined by 12 Traditional Leaders who were also sworn in on the 24<sup>th</sup> August 2016. Section 212 (1) of the Constitution of the Republic of South Africa refers to the recognition of the institution of Traditional leadership by stipulating that national legislation may provide for a role for the institution of traditional leadership at all local communities. Section 81 of Local Government: Municipal Structures Act, No.117 of 1998 as well as section 4 of the Traditional Leadership and Governance Framework, Act No.43 of 2003 give effect to section 212 (1) of the Constitution by allocating a role to the institution of traditional leadership on governance and development issues at the sphere of local government. Section 81 (2) of the same Act further stipulates that:

- (a) The MEC for local government in a province, in accordance with Schedule 6 and by notice in the Provincial Gazette, must identify the traditional leaders who in terms of section (1) may participate in the proceedings of a municipal council.

The Traditional Leaders participating in council have played an essential role in guiding all the decisions taken regarding any matter. All Traditional Leaders participate effectively in Council debates. They are represented in all Section 79 Council Committees (Standing and Oversight Portfolio Committees).

## **2.2 Administrative Governance**

According to the MFMA 60(b): The Municipal Manager of O.R. Tambo District Municipality is the accounting officer of the municipality for the purposes of this Act and provides guidance on compliance with this Act to political structures; political office bearers, officials of the municipality and any entity under the sole or shared control of the district municipality. The O.R. District Municipality has well-established organisational structures and systems in place. The Municipality has, through the planning and performance units, introduced mechanisms that will catapult the municipality's service delivery. The municipality has filled 9 Section 56 positions and section 54 position. The municipality's administrative structure continues to earnestly serve its mandate for developmental local government assigned thereto through the Municipal Structure Act, 1998. The municipality serves through eleven (11) directorates namely: Water and Sanitation; Technical Services; Community Services; Human Settlements; Executive Mayoral Services; Legislative

Services; Rural Economic Development and Planning; Budget and Treasury; Internal Audit; Corporate Services and Office of the Municipal Manager. The district has taken a decision to review its organisational structure after it was last reviewed in 2014. Two phases of the review process have been completed; the diagnosis and review and design of macro organisational structure. The council adopted a macro structure that is in line with strategy of the municipality and its powers and functions. The council further resolved that the review must be implemented at the lower level for adoption during the first quarter of 2022/23 financial year.

### **Current Administrative Structure**

Municipal Manager – Mr. S.W. Mkhize  
 Director Water and Sanitation – Vacant  
 Director Technical Services – Mrs. M. Ndwandwe  
 Director Community Services – Mr. L. Madzidzela  
 Director Human Settlements – Ms. N. Mnyanda  
 Director Executive Mayoral Services – Ms. N. Mbatani  
 Director Legislative Services – Ms. T. Tseane  
 Director Rural Economic Development and Planning – Ms. P.A.X. Dunywa  
 Chief Financial Officer – Mr. M. Moleko  
 Director Internal Audit – Mrs. S. Mandla  
 Director Corporate Services – Vacant  
 Director Office of the Municipal Manager – Mr. B.B. Matomela

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 Intergovernmental Relations**

The DM has an established Intergovernmental Relations functional area, under the Office of the Municipal Manager, which is guided by the council approved policy framework. Through the district policy framework there are various district Intergovernmental Relations Forum which serve as a Consultative platforms / forums for the District Municipality, the five Local Municipalities, the Eastern Cape Provincial Government, National Government and State-Owned Enterprises to discuss and consult on matters of mutual interest, which include but not limited to:

- development of National and Provincial policies and legislations relating to matters affecting Local Government;
- implementation of the National and Provincial policy imperatives;
- coordination of strategic issues arising from the Provincial and National Intergovernmental Forum;
- coordination of mutual support across municipalities, in terms of Section 88 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998);
- provision of services, planning and development in the District;

- the coordination and alignment of the Strategic and performance plans strategies of the Municipalities in the District;
- submission and coordination of allocation of resources to MTRF budget; and
- any other matter of strategic importance, which affect the interest of the Municipalities in the District.

Over the year under review Intergovernmental relations functioning in the district has been compromised and undermined by the instability. Whilst the district has been identified to be the pilot for the District Development Model (DDM), the council infighting couldn't embrace that niche through its intergovernmental relations. This impacted to the extent to which the municipality had to coordinate the development the IDP sector Strategies which form the basis of the IDP; development of the municipal support plan and reporting; strengthening interface between the political principals across the district and its locals and to ensure the interface between the District, the Province and National (PFC, MUNIMEC etc.)

The function of all IGR structures declined whilst there has been minimal interface at a provincial level through

: -

- **Premiers Coordinating Forum (PCF):** The forum is chaired by the Premier and all the members of the Executive Council (MECs) in the province. Participating and being members of the PCF are all the district Mayors and Municipal Managers.
- **Premiers Coordinating Forum Technical Support Group (TSG):** The TSG is the technical structure wherein the Director General of the province with all heads of departments and heads of state entities as well as Municipal Managers of the districts. The TSG provide technical support to the PCF and it makes the necessary administrative arrangements.
- **MUNIMEC:** This is the forum for wherein the MEC for Cooperative Governance and Traditional Affairs interface with all municipalities of the province at the level of Mayors and Municipal Managers. The intention of the MUNIMEC is to coordinate, guide and deliberate on matters of service delivery in the province.
- **Technical MUNIMEC:** The Technical MUNIMEC is the administrative forum wherein the Head of COGTA, all heads of department and state entities as well as municipal managers prepares for the political MUNIMEC and provide guidance and support.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 Public Meetings

The ORTDM fulfils the objectives of local government by ensuring that it inculcates public accountability and participation. In its operations, it ensures that there are proper engagements through public meetings taking place in various platforms. From the Council point of view, in all ordinary council meetings members of the public are invited in order to understand council affairs. Moreover, open councils were convened on a quarterly basis across the local municipalities. These serve to gather service delivery needs as well as assessing the service delivery impacts.

Moreover, the Speaker of the Council and the Chief Whip convened community outreaches. These served to link the district with its local municipalities as well as ward committee members and the entire community.

Apart from the open council and outreaches, the Executive Mayor further convened quarterly imbizo's. These are platforms of engagements with communities, which serve to assess service delivery implementation and to gather challenges that are faced on the ground. Issues emanating from the imbizo's are consolidated and form part of the municipal planning information. Other platforms of community meetings are the IDP roadshows. These are institutionalised in the planning trajectory in order for the communities to understand the municipal plans as well as contribute in that regard. The IDP roadshows are complemented by the IDP representative forums which are convened throughout the IDP development process where stakeholders and members of community are provided an opportunity to participate in the planning process.

## 2.5 IDP Participation and Alignment

The ORTDM coordinates planning across the district and vertically with sector departments. It performs the strategic planning functions under the Office of the Municipal Manager. In executing the work related to planning, OR Tambo district municipality continue to comply with the regulations in the development of the IDP, as this is assessed by the relevant authorities. Over the year under review, the IDPs of the district and its local municipalities were all adopted by relevant Councils. Compliance on the planning for the year were coupled with the adoption of clear processes to ensure the development of the 5 year IDP for 2022/2027 IDPs & budget for 2022/2025.

The Council adopted IDPs have also been complimented by the approval of the Service delivery and Budget Implementation Plans by the Mayors / Executive Mayors. This guided the implementation of the IDPs, promoting reporting and accountability. The district and its locals have the relevant capacity with the Strategic Managers/ IDP Managers positions filled except for the DM which is challenged with the structural vacancy (IDP Manager is not in the organogram).

It must be noted that the year under audit is marked with another critical milestone of the District Development Model. The District Development Model (DDM) is one of the policy approaches necessitating government to strengthen alignment of planning and programmes. DDM was introduced as a national approach, wherein ORTDM was identified as one of the pilot sites for implementation. It was subsequently launched by the President in Lusikisiki, Ingquza Hill Local Municipality on the 17 September 2019. The Model is based on establishing **District Hubs** that embody **One Plan** of government to express the short term, medium term and long-term development objectives of national, provincial and local government in the geographic boundaries of the District.

In October 2020, the OR Tambo DDM Hub was launched by the Minister of Cooperative Governance and Traditional Affairs Dr. Nkosazana Dlamini-Zuma. This gave enormous confidence to the district as ministerial support coincided with the commencement of One Plan

development. As a result, stakeholders such as national and provincial government, local political and administrative leadership as well as local business organisations have expressed their support for the plan too. The key to the plan's success is ensuring collaboration between all spheres of government through joint planning, budgeting and execution of development towards the One District, One Plan and One Budget. Government administrative support was also demonstrated on 15 March 2021, at a keynote address during the Port St Johns Local Municipality strategic planning session, Avril Williamson, Director General of the Department of Cooperative Governance and Traditional Affairs (COGTA), confirmed the institutionalisation of long-range planning in the development of Port St Johns as part of a new coastal city. This can be realised through the DDM as a key element to realising full potential. The One Plan provides the guidance and direction required to move towards the desired future vision of OR Tambo District developing a coastal smart city, anchored by a thriving oceans and agricultural economy

Whilst there are generally positive improvements in relation to planning and programme alignment some sector departments lack the understanding of the IDP processes. They generally do not participate in the processes at the required level. The district municipality is working tirelessly to ensure that these challenges are addressed. It can further be highlighted that the existing relationship and alignment between the DM and the LM on IDP processes has improved.

## **COMPONENT D: CORPORATE GOVERNANCE**

### **2.6 Risk management**

The Municipal Finance Management Act section 62 (l) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. Risk management is defined as the identification and evaluation of actual and potential risk areas applicable to an organization, followed by a process of mitigation, acceptance, transfer or avoidance of each risk.

O.R. Tambo District Municipality's council monitors risk through the Risk Management unit and Risk Management Committee. The Committee plays an oversight role to ensure that there is an effective risk management process and system within the organization. The Risk Management Committee reports to the Audit Committee which in turn recommends to Council risk strategies and policies that need to be set, implemented and monitored. This approach provides technical assistance to the Council to exercise its role in ensuring that an adequate and effective risk management system and process is in place.

With the technical support from the Risk Management Unit O.R. Tambo District Municipality identifies risk areas that are managed systematically and continuously. The municipality has a risk register in place which is treated as a working risk management document of which the identified risks are constantly recorded and properly managed. The municipality's Senior Management monitors and evaluates the implementation and efficiency of management's controls and such actions identified to improve current controls in the risk register.

There was no risk assessment performed for the 2021/22 financial year, while the assessment

for the 2022/23 financial year was performed from the 2<sup>nd</sup> -3<sup>rd</sup> June 2022.

The risk management unit of the district is in place led by the Chief Risk Officer. The Risk Management committee is in place and held its first meeting on the 20<sup>th</sup> June 2022.

Risk management strategy and policy have been reviewed and the terms of reference of the risk committee has also been reviewed during the period under review. The culture of risk management has not yet fully inculcated in the municipal operations. In most instances risk management continues to be viewed as a compliance matter rather than being embedded on the day to day business and organizational culture. The focus is still at institutional and departmental assessment and has not yet reached or addressed project risk management.

## **2.7 Anti-corruption and Fraud**

The council of O.R. Tambo District Municipality is committed to the highest possible standards of openness, probity and accountability and recognizes that the electorate needs to have confidence in those that are responsible for the delivery of services. A fraudulent or corrupt act can impact on public confidence in the Council and damage both its reputation and image.

Fraudulent and corrupt practices undermine the basic values and principles governing public administration and any criminal and other irregular conduct are detrimental to good, effective, accountable and transparent governance and can hamper the service delivery capacity of the Municipality. Procedures are provided in terms of which employees and councillors may without fear of reprisals, disclose information relating to suspected or alleged criminal or other irregular conduct. Policies and strategies are in place setting out the Council's approach and commitment to the prevention, deterrent and detection of fraud and corruption

A policy on declaration of conflict of interest by staff is in place. Incidents of suspected corruption are reported via the Presidential Hotline. Over the year under review the municipality initiated the processes for the development of its fraud hotline. Already the district had conceptualised the approach, developed specification and advertised the tender for the independent provider to manage, monitor, report and investigate fraudulent matters reported to the hotline. It has been unfortunately that the municipality hadn't been able to receive suitable qualified bidders and as such this is still pending. Further to the reflected processes, the municipality had also executed the followings: -

- Fraud awareness sessions have been held with staff across the departments who are by nature prone to fraud such as SCM, HR; Human settlements and Community services. A plan for fraud prevention has been developed.
- Workshop on the policies have been conducted
- The risk management unit is working with labour relations to ensure that staff has signed the code of conduct.

The institution has an internal audit unit who on an annual basis conduct annual audit awareness in areas of high risks.

## 2.8 Supply Chain Management

There are serious staff capacity issues that have led to the SCM unit unable to adhere to the strict internal controls. The procurement plans and service delivery budget and implementation plans are not followed by departments and programs are implemented in a haphazard way thus making it difficult to follow appropriate timelines in the whole value chain.

Contracts management is also a serious problem as it is scattered in all the various departments of the municipality and the SCM unit is sometimes not aware of other contracts that are entered into by the municipality.

There are instances where regulation 36 deviations are initiated and approved without the indulgence of the SCM unit to check if it meets all the requirements and these end up being irregular in nature.

Despite the above challenges there have been several improvement initiatives undertaken within the procurement function to ensure value-for money, greater efficiency and effectiveness, and reduce fraud and corruption. These include, inter alia, the following:

- Partial write off of previous irregular expenditure after investigation by MPAC
- Appointment of service providers through the use of transversal contracts with the National Treasury.
- Elimination of the use of regulation 32 of the SCM regulations.
- Improvement in the internal controls thus reducing the quantum of year under review irregular expenditure.
- Timeous sitting of bid committees
- Appointment of service providers by means of term contracts.
- Development of a procedure manual to ensure reduction in reduction of irregular expenditure
- Reduction of the use of paragraph 36 in order to ensure proper planning by departments

**Table 5: SCM SWOT Analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• SCM Policy reviewed in line with latest legislation and best practices and adopted by Council on the 30 May 2020</li> <li>• CSD Regulations implemented fully.</li> <li>• Review and update of existing procurement templates, which have standardized the procurement process for quotations and tenders.</li> </ul>	<ul style="list-style-type: none"> <li>• Partial implementation of the SCM Policy.</li> <li>• Disjointed committee system</li> <li>• Continuous processing of transaction that lead to irregular expenditure (non adherence to procurement plans as well as project implementation plans, deviations that do not meet the requirements of Regulation 36).</li> <li>• Lack of SLA for contracts entered to with preferred bidders.</li> </ul>



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• There is a procurement plan for capital projects which is the Project Implementation Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Contract registers not updated regularly and they are not integrated or combined.</li> <li>• Lack of contract management in line with Section 116 of the MFMA (infrastructure projects that are way beyond planned completion periods without any consequence management).</li> <li>• Lack of an automated database system that is linked to CSD and that automatically rotates suppliers of goods and services</li> <li>• Lack of implementation of turnaround time frames for demand management</li> <li>• Inadequate controls with regards to the logistical management (inventory management).</li> <li>• Decentralised stores</li> <li>• Slow process of filling of vacant posts within the SCM Section</li> <li>• Deficiencies in document management with regards to control and safekeeping of bid documents and SCM documents.</li> <li>• The lack of control over SCM activities that are conducted outside of SCM unit.</li> <li>• Lack of proper segregation of duties in the SCM unit due to high vacancy rates.</li> <li>• Lack of an automated system that is linked to other public entities to detect people who are in the service of the state and other related parties doing business with the municipality.</li> <li>• Lack of capacity building for SCM officials due to non-attendance.</li> <li>• Noncompliance to all SCM circulars</li> <li>• Lack of review of the SOP for SCM</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Appointment of service providers through term contracts for recurring expenditure items (rotation to be monitored).</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscal dumping from other government institutions</li> <li>• Withholding of grant funding.</li> <li>• Business continuity due to continuous breakages to the server and no proper backup systems to retrieve data.</li> </ul>

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• SMME development and targeting through updated PPPFA Regulations.</li> <li>• Intensive use of transversal contracts where these are applicable especially for where the municipality can participate.</li> </ul>	

**Remedial action for factors identified above:**

- Conduct workshops for SCM policy with municipal officials.
- Implement consequence management in terms of Section 32 of MFMA.
- Strict adherence to the Cost containment regulation and approved policy.
- Procurement of an automated database system that will reduce the manipulation of SCM processes.
- Provision of proper filling rooms and in collaboration with registry department for the provision of document filling.
- Full implementation of demand management turnaround timeframes.
- Regularly update the contract registers and integration.
- Automation of the demand management system or processes.
- Sign SLA's for all contracts to ensure awarded bidders are monitored properly.
- Council to approve budget only when HOD's submit their procurement plans with realistic PIP's.
- Workshopping of the policy to all stakeholders and implement thereafter.
- Management to review the use of Regulation 32.
- Establishment of contract management unit.
- The functionality of all infrastructure projects to be reviewed and a more efficient procurement strategy be adopted to assist the municipality in ensuring that it is able to attract sufficient service providers.
- Council to approve adhoc portfolio committee meetings between budget and treasury and infrastructure to discuss any bottlenecks on stalled projects and identify root causes to clear those soon
- As part of value add, periodically liaise with AG for the review of the procurement made in order to identify all companies that have close family members through their CAATS systems.
- Fast-tracking of the recruitment process for the filling of vacant posts.
- Introduce purchase requisitions control register for coding of transactions at entry point.
- Introduce Deviations Control Register.
- Introduce tender closing register books.
- Realignment of SCM staff with the SCM structure and SCM processes.
- Introduce bid committee Charters (these will serve as terms of reference for bid committees).

- Introduce Demand planning and expenditure committee (to drive the process of Procurement plans, Implementation and subsequent performance)
- Compulsory implementation of SCM Regulation 49.
- Introduce Threshold forms and checklists for all the transactions.
- Introduce Pre approved lists of accredited supplier.
- Compulsory implementation of PPPFA regulation 4 for all procurement
- Centralise all the stores material and only keep only limited inventory off site to ensure that there is no material loss due to pilferages.
- Advise the corporate services unit to consider isolating the server room and or upgrading it to acceptable standards and have external backup systems in order to ensure business continuity.
- Review SOP's for SCM and facilitate that they be signed off by the AO and workshopped to all staff

## 2.9 By-laws

The ORTDM approved the following by-laws for the betterment of the community within the terms of the legislation as follows:

*Table 6: By-Laws*

By-laws developed, reviewed and approved during 2017/18 financial year					
Newly Developed	Revised	Public Participation Conducted prior to adoption of By-laws (Yes/No)	Dates of Public Participation	By-laws Gazetted (Yes/No)	Date of Publication
Water Services	Yes	In progress	May – June 2018	No	N/A
Municipal Health	Yes	Yes	N/A	No	N/A
Fire Services	Yes	Yes	31 January 2018	No	N/A

## 2.10 Website

Section 75 of the Municipal Finance Management Act prescribed for the minimum content that must be displayed on the municipality's websites. The municipality has updated its website to serve as a mode of communication to the district citizens at large on municipal services, functions and duties. The following is a tabulation of the documents published on the website during the financial year:

Table 7: **Municipal Website Contents**

<b>Municipal Website: Content and Currency of Material</b>		
<b>Documents Published on the Municipal Website</b>	<b>Yes/No</b>	<b>Publishing Date</b>
• Annual budget (2021/22)	No	
• All current budget-related policies	No	
• Budget adjustments and all budget-related documents (2021/22)	No	
• The previous annual report (2020/21)	No	
• The Annual Report (2021/22) to be published	Yes	January 2023
• All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2022/23) and resulting scorecards	No	
• All service delivery agreements (2021/22)	No	
• All long-term borrowing contracts (2021/22)	N/A	
• All supply chain management contracts above a prescribed value R200 000.00 for 2021/22	No	
• An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/22.	No	
• Contracts agreed in 2019/20 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
• Public-private partnership agreements referred to in section 120 made in 2021/22	No	
• All quarterly reports tabled in the council in terms of section 52 (d) during 2021/22	No	

### 2.11 Public Satisfaction on Municipal Services

In order to fully fathom the magnitude of public satisfaction on municipal services, the municipality must put in place mechanisms that allow for direct feedback on services provided. It is paramount that a municipality evaluates its public satisfaction against its service delivery initiatives and deliverables. Every project or program implemented must be measured not only on its outcome but also on the impact; it has in the community in which it is intended to serve. The District municipality consists of five local municipalities namely: Mhlontlo, Nyandeni, Port St Johns, King Sabata Dalindyebo and Ingquza-Hill. In order to fathom the impact and magnitude of public satisfaction, the district municipality would have to conduct qualitative and quantitative research on the entire area by sampling a portion of the whole population thereof.

The municipality conducts recorded public meetings in order to consult with communities on burning issues, planned projects et cetera. These meetings are in place as a consultative process with citizens of the district. This is executed whilst the municipality is in the process of developing an information management system database that will store informative features and citizens'

satisfaction information. The system will identify critical performance scopes of citizens' satisfaction together with a satisfaction tree. This will be developed in the form of an algorithm which will identify different steps.

The first step of these will determine the organizations scopes and identify features of services given to citizens. These performance features will be identified according to the mission and major duties of the municipality. The second of these steps will be to form a process execution matrix based on the records of process execution. This is to determine the status of citizens' satisfaction with the public services as the performance measures will be collected in the form of a questionnaire. The third of these steps will be determining and identifying critical features of satisfaction by analysing the relationship between the service and the impact it has had on communities. The last of these steps is finding contingency mechanisms in areas where the service delivery initiatives did not produce the intended impact.

The aforementioned will assist in identifying a citizens' satisfaction model about services given by the municipality and how they can play a key role in the improvement of its citizens' satisfaction. This will assist the municipality in predicting citizens' satisfaction and to manage its performance to improve public satisfaction with its mandated services.

## **2.12 All Municipal Oversight Committees**

### **2.12.1 Oversight Role of Council and Section 79 Committees**

The council committees are established in terms of Section 79 of the Municipal Structures Act 117 of 1998 as Standing and Portfolio Committees. Non-executive fulltime councillors chair section 79 Standing Committees and the Section 79 portfolio committees are chaired by non-executive part time chairpersons.

The district municipality has seven Section 79 Standing Committees and eight Section 79 Portfolio Committees, which are managed and coordinated by the Office of the Speaker as per the Separation of Powers Model that was adopted by Council on 6 September 2013.

### **2.12.2 Governance Framework: Separation of Powers Model (SOP) & Municipal Oversight Model (Mom)**

In the with the Separation of Powers Governance Model, adopted by council in September 2013, the council on the 30<sup>th</sup> September 2015, adopted a Municipal Oversight Model (MoM) for strengthening the functionality of the Section 79 Portfolio Committees of council established to play an oversight role. The council adopted the Reviewed council standing orders in line with theafore stated governance frameworks on the 01 December 2021.

### **Petitions & Public Participation Committee**

The Petitions & Public Participation committee is constituted in terms of Section 79 of the

Municipal Structures Act 117 of 1998 as a Section 79 Standing Committee of the Council of O.R. Tambo District Municipality. The main objectives of the Petitions & Public Participation Committee entail the following:

- (a) To encourage the involvement of Communities and Community Organisations in the matters of local government.
- (b) The development of systems to monitor and track petitions received in an accurate and effective manner.
- (c) The development of a feedback system for petitions received
- (d) To increase the effectiveness of public participation in the Council.
- (e) To develop and/or update a policy for public participation.
- (f) To diligently perform its power and functions in terms of these terms of reference.

During the 2020/2021 financial year ORTDM conducted Speaker's Outreach programmes and Community education in various Local Municipalities under ORTDM jurisdiction (Mhlontlo LM, Port St Johns LM, KSD LM, Nyandeni LM and Ingquza Hill LM) as follows:

**Table 8: Number of Ward Committee Members per LM**

Municipality	Number of ward committee
Ingquza Hill LM	320
King Sabatha Dalindyebo LM	370
Mhlontlo LM	260
Nyandeni LM	320
Port St Johns LM	190

The Municipality monitors the functionality of ward committees within the district by using the Ward Committee Monitoring Tool, submitted to the district municipality on a quarterly basis. For 2021-2022 financial year, only in quarter one, two and four when it was feasible for ward committee sittings. All Ward Committees were disbanded after the local government elections which were held in November 2021, and thereafter, new structures had to be established in the third quarter of 2021-2022.

**Table 9: Section 79 Standing Committee Progress Reports**

Section 79 Standing Committee	Chairperson's Name
Rules Committee	Cllr N. Y. Capa
Programming Committee	
Chairperson's Committee	Cllr M.B. Dambuza
Municipal Public Accounts Committee (MPAC)	Cllr N. Dywili

Section 79 Standing Committee	Chairperson's Name
Ethics and Members Interest Committee	Cllr U. Jacob
Multiparty Women's Caucus	Vacant
Petitions and Public Participation Committee	Cllr C.S. Tokwana
OCMOL	Cllr W.F. Ranai

Table 10: Section 79 Portfolio Committees

Section 79 Portfolio Committees Name	Names of Departments Oversighted	Chairperson
Water and Sanitation Services Portfolio Committee	Water and Sanitation Services	Cllr N.P. Ngaxmile
Human Settlement Portfolio Committee	Human Settlement	Cllr V. Ncapayi
Technical Services Portfolio Committee	Technical Services Department	Cllr T. Tshikitshwa
Corporate Services	Corporate Services	Cllr V.B. Zondani
Community Services	Community Services	Cllr Madolo S.
Budget & Treasury Office (BTO)	BTO	Cllr N.L. Vanda
Intergovernmental Relations, Planning, Research and Policy Development	Office of the Municipal Manager	Cllr K. Vava
Special Programs and Social Services Portfolio Committee	Office of the Executive Mayor	Cllr N.P. Matanda
REDP	LED, Ntinga Development Agency & Kei Fresh Produce Market	Cllr V.W. Ntshuba

Table 11: S79 Committee Allocations

Committee's Name	No. of Members	ANC	Total Opposition	UDM	DA	ATM	EFF	AIC	INDEPENDENT	TL
Rules Committee	18	09	8	1	1	1	2	1	2	1
Programming Committee	11	6	4	1	1	1	1	-	-	1

Committee's Name	No. of Members	ANC	Total Opposition	UDM	DA	ATM	EFF	AIC	INDEPENDENT	TL
Chairperson's Committee	14	14	-	-	-	-	-	-	-	-
MPAC	10	5	4	1	1	1	1	-	-	1
Petitions & Public Participation	10	4	5	1	1	1	1	1	-	1
Ethics & Members Interest Committee	11	5	5	1	1	1	1	1	-	1
Women's Caucus	26	23	3	-	-	-	2	1	-	1
Water and Sanitation Services	11	5	5	1	1	1	1	-	1	1
Human Settlement	11	6	4	1	1	1	-	1	-	1
BTO	11	5	5	1	1	1	1	-	1	1
IGR, Planning, Research & Policy Development	11	5	5	1	1	1	1	-	1	1
Corporate Services	11	6	4	1	1	1	1	-	-	1
Community Services & Disaster Management	11	5	5	1	1	1	1	-	1	1
Special Programs & Social Services	11	5	5	1	1	1	1	-	1	1
REDP	10	5	4	1	1	1	1	-	-	1
Technical Services	10	5	4	1	1	1	1	-	-	1
OCMOL	11	5	5	1	1	1	1	-	-	1
Local Labour Forum Committee	7									





## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES

#### 3.1 Water Provision

Water services provision in the Municipality is under the Department of Water and Sanitation Services. This department has a vacancy rate of 25%. Staff compliment as the end of June 2022 for this department is depicted in the table below:

*Table 12: Employees - Water & Sanitation*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
772	58	192	25%

Over the financial year 2021-2022 the municipality had implemented projects funded by three national grants as follows:

*Table 13: Projects Implemented in 2021/22*

Grant	Amount	No of projects / Contracts		
		Planning	Construction	Completed
MIG	R 529 438 000.00	14	67	16
RBIG	R 121 334 000.00	0	10	6
WSIG	R 96 000 000.00	2	9	3

A total of 88 projects were implemented valued to R 657 million through the three conditional grants. Out of these projects 25 were completed. The completed projects in 2021/22 financial year were able to connect 555 households to be served with portable water supply and 1413, for dry sanitation

Apart from the capital program the municipality continued to maintain, refurbish, upgrade and extend the existing infrastructure to the needy community. This program serves to ensure sustainability and improving the functionality of the existing schemes.

The District Municipality further considered those communities that do not have infrastructure and those affected by drought by providing them with remedial measures that include provisioning of water tanks as well as water carting. Over the year 31 mega litres of water was catered and delivered to communities across the district, whilst 45 water tanks were provided to needy communities as an interim service.

The table below illustrates level of access of water for the district households:

**Table 14: Households with access to water services**

Category	No. of Households
Proportion of households with access to water points (house connections)	32,211
Proportion of households with access to piped water (inside yard)	33,813
Proportion of households with access to standpipe connection (less than 200m radius)	39 000
Proportion of households receiving 6kl free water	319 385
Proportion of households with no access to piped (tap) water	269,276

In addition to the connections that were made, the District also managed to refurbish more than 43 non-working standalone water schemes, protected 3 springs and refurbished 4 water treatment plant schemes, and more than 30km of water reticulation was extended through internal EPWP programme in order to improve access of water. Accordingly, more than 200 households additionally were given access to water supply. With our District being rural amongst the 335,300 households, more than 319 385 households received access to free basic services of water.

Through the appointment of Lugaju Innovations as a support compliance laboratory, the District has been improving its water quality. Chemical compliance for year under review have been on average of 99% and physical compliance of not less than 84% with notable challenges of microbiological compliance which was 93% due to ageing infrastructure at the works, and deteriorated raw water quality. Lugaju Innovations contract also included training of the Process Controllers to meet the required classification levels.

The challenges that were experienced during the financial year that impacted badly to project implementation to mention but few evocation of Section 216 resulting to suspension of works by the Contractors, disruption of construction by communities including local contractor forums. Given these challenges the District spending on grants had a slight decrease from 75% to & 73% for the year under review. Other challenges experienced by the District were unaccounted water and losses due high level of illegal/unauthorized connections as well as lack of metering for the water provided to rural areas.

### **3.2 Waste Water (Sanitation) Provision**

The sanitation provision within the district is compounded by the fact that our district is rural in nature and over 80% of our district population depends on pit latrine, chemical toilets and bucket system. For the year under review, the District has provided ventilated improvement pit to 1850 households. Moreover, the district municipality is faced with a challenge of VIP toilets and pit latrines which are full and pose a health risk and pollution of the receiving body. In this regard the district municipality has embarked in a pilot programme of removing the sludge in the areas

affected. Though the programme continued to be piloted no households were desludged during the year under review due to financial constraints

The major achievement in waterborne sanitation is advanced planning and successfully receiving funds approval for four projects i.e. Flagstaff phase two, PSJ WWTW and reticulation, Qumbu WWTW, Libode phase 2 reticulation network while Lusikisiki sewerage upgrade is under construction already.

**Table 15: Sanitation level of service per local municipality**

Local Municipality	Above & at Minimum Service Level		Below Minimum Service Level			Total
	Flush Toilet	Ventilated Improved Pit (VIP)	Pit Toilet	Informal Systems	No Toilet	
King Sabata Dalindyebo (KSD)	34 000	64 045	16 600	606	6 660	1 22 000
Ingquza Hill	6 870	44 400	11 200	1 100	2 800	53 200
Port St Johns	8 530	15 849	6 100	590	5 200	34 900
Nyandeni	6 380	51590	6 900	313	4 200	59100
Mhlontlo	4 720	27874	11 800	156	3 730	46 100
<b>Total</b>	<b>60 527</b>	<b>203 758</b>	<b>52 666</b>	<b>2 768</b>	<b>22 590</b>	<b>335 091</b>
<b>Sub Total Above / Below Minimum Service Level</b>	<b>264 285</b>		<b>78 024</b>			

### 3.3 Electricity

This is not a function of a District Municipality however the district plays a coordinating role. The municipality is a coordinator of the district electricity forum where all stakeholders that include local municipalities, National Department of energy as well as Eskom participate.

Only KSD Municipality has a distribution licence for electricity, other municipalities are solely dependent on Eskom for electricity services in their jurisdiction. This is the area that still need improvement as owning a distribution licence can assist in the enhancement of revenue.

### 3.4 Environmental Management and Waste Management

The White Paper on Environmental Management Policy emphasizes the need for implementing an effective information management system that makes environmental information accessible to all interested and affected parties responsible for and/or interested in effective environmental management. In this regard, the O.R. Tambo DM in the 2019/20 financial year appointed a service provider to review its Integrated Waste Management Plan, Environmental Management Plan (EMP), and Air Quality Management Plan which provides a baseline assessment of the main

environmental issues and challenges facing the District.

Based on the information obtained from the reviewed sector plans, the District Environmental Management Section has managed to prioritize programs and develop appropriate action plans and sector plans to respond to the most pressing and threatening issues of environmental management.

One of the most prioritised projects is the implementation of the Regional Recycling Program as a tool to face the waste management challenge that the district is facing. This program is emanating from Part B of Schedule 5 of the Constitution which places overall waste management, refuse removal and cleansing as a function of municipalities. National Environmental Management: Waste Act, 59 of 2008 (“NEMWA”), which is the primary legislation regulating waste in South Africa and National Waste Management Strategy mandates the district municipalities to develop Integrated Waste Management Plan (IWMP) as a guiding municipal policy to deal with all the waste related issues within its jurisdiction.

The ORTDM planned a number of programs for the 2021/22 financial year on environmental education. The purpose of the environmental education program is to disseminate environmental information on how to manage the environment and deal with environmental challenges. The program incorporates both theory and practical. In addition to environmental education is the Greenest Municipality Competition that starts from the district, provincial and ends nationally. This competition takes place on an annual basis and the district has conducted at least ten competitions until this year.

### **Summary Plans**

- All of these plans have been appointed for a service provider for review and presented in the council workshop for noting in the council.
- AQMP- Gondwana was appointed to review Air Quality Management Plan. The district has managed to finish the draft and it is awaiting for council adoption, provincial approval and implementation.
- IWMP – has been reviewed, awaiting for council adoption and DEDEAT approval thus implementation of projects will be presented to the Waste Forum quarterly (EQM)
- EMP- has been reviewed, the district is currently on a draft Environmental Management Plan.
- Biodiversity Sector Plan – The district has appointed EarthFree to develop a BSP. The district is sitting with Draft Biodiversity sector plan awaiting for council adoption, provincial approval and gazetting.

### **Overall Environmental Governance**

Through this pillar, the district has managed to establish and monitor about 12 **environmental clubs** throughout the district in all local municipalities In partnership with DEDEAT, DEA and other stakeholders, O.R Tambo has managed to host and form part of the Marine Day Celebrations, Coastal Cleaning campaigns and Awareness throughout the district. The list of the environmental

clubs is as follows:-

- i. Marillier Academy school under Ingquza Hill Local Municipality
- ii. Nomvalo J.S.S under Port st Johns Local Municipality
- iii. Mbuqe J.S.S under King Sabatha Dalindyebo Local Municipality
- iv. Dininkosi J.S.S under Nyandeni Local Municipality
- v. Ndevu J.S.S under Port st Johns Local Municipality
- vi. Zanoxolo S.P.S under Nyandeni Local Municipality
- vii. Gobinamba S.S.S under King Sabatha Dalindyebo Local Municipality
- viii. Zimbane Valley J.S.S under King Sabatha Dalindyebo Local Municipality
- ix. Lugxogxo J.S.S under King Sabatha Dalindyebo Local Municipality
- x. Ndamase S.S.S under Nyandeni Local Municipality
- xi. Khanyisa High School under King Sabatha Dalindyebo Local Municipality
- xii. Ngwayibanjwa S.S.S under King Sabatha Dalindyebo Local Municipality

### **Environmental Awareness Campaigns**

1. Wetland day celebration
2. Marine Day Celebration
3. Port ST Johns Annual Cleaning Campaign

#### **3.4.1 Air Quality Management**

Over the last five years, the O.R Tambo DM as mandated by the National Environmental Management: **Air Quality Management Act** of 2004 has amongst other things managed to develop the first generation Air Quality Management Plan that has been endorsed by the council and a designated Air Quality Officer for the district. Several Air Quality related complaints have been attended to in the 2021/2022 financial year.

The section also has held several awareness campaigns together with DEDEAT. The O.R Tambo DM continues to participate fully in the Provincial Environmental Management and **Air Quality officers' forum** that sits quarterly to cascade issues to the province.

### **Waste management**

The function of refuse collection from households, waste disposal and street cleaning is done by the Local Municipalities. The O.R. Tambo District Municipality mainly focuses on co-ordination of waste planning and recycling activities in the district. A regional recycling facility through the IWMP has been identified as the major priority program within the district, which is having its own build-up processes. The involvement of communities in recycling through recycling cooperatives

is one of the priority programs building up to the establishment of to the regional recycling facility as well as creating jobs in the communities.

The O.R Tambo DM in its 2021/22 financial year has managed to implement the **Regional Recycling Project** which was signed in a three-year term contract. The uniqueness and nature of the project has attracted attention from all districts to replicate the approach. This project has been successfully implemented and now it's operating smoothly. The district over the five-year cycle has managed to review its district Integrated Waste Management Plan (**IWMP**); managed to designate a waste officer; participate in national and provincial waste forums to cascade local waste management issues in 2021/22. The district has in all times successfully implemented the **Greenest Municipality Competition awards**. The District in 2021/22 has given position one to compete in the province and the PSJ Local Municipality managed through the support of the District Managed to get **position two in the provincial awards**.

The largest capital project that has been planned is the regional recycling program, which is at implementation stage. The program has aimed at benefiting more than 500 people with direct and indirect jobs. For now, that program has already employed more than 90 permanent jobs and more than 805 indirect jobs. This is the first project that has produced a convenient, reliable and people centred market for the customers to sell their recyclables. It provided the highest prices for the waste pickers and ensured the upliftment of all O.R Tambo District Waste pickers and the only project that also has supported and captured all the **waste pickers** into the database.

The District has nine licensed landfill sites, with seven (**Qweqwe, Mqanduli, Libode, Qumbu, Tsolo, Flagstaff and Port St Johns**) landfill sites licensed for operation and two (**Lusikisiki and Mthatha**) landfill sites licensed for closure. All landfill sites except for Libode and Flagstaff have signage, record waste volumes in the entrances, reporting to the Waste Information system and landfilling. However, the biggest challenge for all the O.R Tambo landfill sites is the compliance with the minimum standard conditions for landfill operation as well as compliance with the license conditions. Port St Johns and Qumbu both have material recovery facilities in their landfill sites.

Continued landfill audits and reporting to the waste information system still pose a challenge to all our landfill sites. The District as a form of ensuring extended landfill space has introduced the concept of transfer station facilities and in 2018/19 financial year the district has managed to license for operation at least three transfer station (**Tsolo, Ngqeleni & coffee bay**) which have been converted to Buy-back centers for assisting in the regional recycling program.

Through the Regional Recycling Project the district has managed to participate in covid-19 relief fund and support atleast 100 waste pickers with PPE, working tools and stipend. The district has supplemented all the programs with Personal Protective clothing, more bailing machines, trolleys for all waste pickers within the region, procurement of trucks to assist in recycling across the district. The district has managed to host an investment fair to attract bugger investors to assist the district Regional Recycling with machinery and infrastructure. The district has also forged partnerships with UN, British Commission, UNDP, UNEP and other international organisations to supplement the assistance provided by the district. Through these partnerships the district is

currently implementing some of the catalytic projects.

### 3.5 Human Settlements

Human Settlements is the third department with high vacancy rate of 74%. Staff compliment as the end of June 2022 for Human Settlements department is a depicted in the table below:

*Table 16: Employees – Human Settlements*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
35	9	26	74%

The District Municipality as a sphere of government has a role to play in order to ensure that the right to access to adequate housing is realized on a progressive basis as enshrined in the Constitution of the Republic of South Africa, 1996 and the National Housing Code Policy. The Municipal Structures Act no.117 of 1998 also spells out that a District Municipality is expected to build the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.

O.R Tambo is a Municipality which is predominantly rural and is dominated by destitute families who are unable to build their own homes due to various reasons. Among the reasons, the fact that the region is prone to disasters contributes a lot towards having homeless people who are destitute with no means to build their own houses.

It is worth noting that the housing backlog is a moving target due to various reasons like disasters, unemployment, rural set up of the region etc. where by as the department we: -

- Facilitate and co –ordinate the formulation of needs register for Local Municipalities
- Initiate housing projects in consultation with Local Municipalities
- Co- ordinate, plan and develop sustainable Human Settlements
- Co-ordinate and provide housing in response to emergencies, special cases and disaster victims
- Facilitate and provide temporal shelters in Emergency situations
- Facilitate Informal Settlements Upgrading

#### 3.5.1 Emergency Housing Solutions

The Department of Human has complete seventy (70) housing units within the OR Tambo Region for the 2021/2022 financial year. Seventy (70) completed housing units were built in different locations listed hereunder: -



**Table 17: Completed housing units per LM**

Local Municipality	Village	Wards	No of Units completed
Port St Johns Local Municipality	Mbokazi	13	10
Port St Johns Local Municipality	Tombo	4	26
Mhlontlo Local Municipality	Maladini	21	34

### 3.5.2 Temporal Structures Distributed

The Distribution of temporary shelters is current assigned to the Housing development agency for the implementation of temporary shelters as part of disaster response.

### 3.5.3 Training of PDI contractors

A total of Fourth-Three (43) emerging contractors/ local builders were trained consisting of youth and women. The trainings were held in Port St. Johns Local Municipality ward 10, Sizilo Village. The trainings were conducted in consultation with NHBRC National Home Builders Regulation Council, due to interest shown by emerging contractors and possible registration with NHBRC which is a requirement to work in low cost housing projects, the target was exceeded.

### 3.5.4 Housing Consumer Education (HSE)

Housing Consumer Education awareness campaigns were conducted in various wards within the District. These are information sharing session aiming at educating communities about different Human Settlements Programmes, policies, rights and responsibilities, programmes offered by the District and those from the Province and National Departments. The District Municipality has managed to develop information Pamphlets which were then translated into Xhosa language in order to accommodate all residents. Eleven (15) distribution of Brochures were distributed in following ward.

**Table 18: Wards covered for Consumer Education**

Local Municipality	Wards
King Sabata Dalindyebo Municipality	Ward 14 and 34 (distribution of Pamphlets)
Mhlontlo Local Municipality	Ward 21 Maladini and Hukwini,
Port St Johns Local Municipality	Ward 10, 18, 01, 04,
Ingquza Hill Local Municipality	Ward 04, 05, 06 07, 10, 11, and 12

### **3.5.5 District Human Settlements Strategy**

The District Municipality is in a process of reviewing the District Human Settlements Strategy and formation of Housing Chapters for inclusion into the IDP document. It is still at procurement stages as it has been on the advertised numerous times.

### **3.5.6 National Housing Needs Register (NHNR)**

The District Municipality plays a pivotal role in assisting its Local Municipalities in formulating National Housing Needs Register (NHNR). Data captures are capturing the information collected from various wards within the District. The district municipality receives the survey forms from Local Municipalities in batches then the district assists the Local municipalities by capturing the forms to the NHNR. However, the municipality no longer have the data captures that were assisting in this regard.

### **3.5.7 Human Settlements forum**

The Department managed to have four (04) information sharing sittings where all political principals and officials from all LMs and the Provincial Department of Human Settlements met to discuss all human settlements development issues.

### **3.5.8 Facilitation of Informal Settlements Upgrading**

The program is aimed at upgrading informal settlements and the formalisation of shacks into formally established townships. The District Municipality is playing a coordinating role in the upgrading of 13 Informal Settlements in Ingquza Hill local Municipality, Mhontlo Local Municipality, Port St John Municipality and Nyandeni Local Municipality.

### **3.5.9 Challenges Identified in the Implementation of the 2021/22 SDBIP**

- Unavailability of building material as per NHBRC manual halts timeous progress as contractors are, at times, compelled to source material from other provinces.
- The cumbersome tender processes are not conducive to emergency situations and are therefore limiting to the redress and distribution of social relief houses and temporal structures to vulnerable groups.
- Budgetary constraints mean that there will always be an imbalance in terms of supply and demand. The housing backlog is widening instead of narrowing.
- Land invasions Jeopardies the municipal plans and miss use of space for further urban growth and land for human settlements,
- Urbanisation and Increasing of informal settlements
- Informal settlements from land invasions demand for unplanned infrastructure services in an unlawful place and with no proper land use management,
- Land claims delays human settlement development,

- Land Availability and land ownership leading to legalities and complexity of land acquisition for human settlements development.

**Table 19: Strategies in Place, improvement areas and interventions to challenges identified.**

strategies	Improvement areas	Interventions
<ul style="list-style-type: none"> <li>• To facilitate speedy procurement of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>• Record keeping</li> <li>• Meet set timeframes</li> <li>• Constant follow up on requisitions</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce correspondence delivery register.</li> <li>• Monitor budget expenditure</li> <li>• Alignment with district records system</li> </ul>
<ul style="list-style-type: none"> <li>• Improve work conditions for staff</li> </ul>	<ul style="list-style-type: none"> <li>• Conducive office space and tools of trade</li> </ul>	<ul style="list-style-type: none"> <li>• Provisioning of offices with office equipment</li> </ul>
<ul style="list-style-type: none"> <li>• Emergency procurement plan</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency procurement arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate development of dedicated emergency procurement plan</li> </ul>
<ul style="list-style-type: none"> <li>• Building material term contact</li> </ul>	<ul style="list-style-type: none"> <li>• Improve time frames in providing housing for social relief housing projects</li> </ul>	<ul style="list-style-type: none"> <li>• Material will be procured from several service providers and delivery on site for construction of houses</li> </ul>

**Table 20: Strategies, Projects, Outputs and Impact**

Strategies	Projects	Output	Impact
Emergency Housing Provision	Emergency houses & Social Relief construction, Temporary shelters, EPHP Policy formulation	Housing units for the destitute	Improvement on Quality of household life, and restoration of dignity of beneficiaries.
Capacitation of Communities, Youth and Emerging Contractors	Training of Communities, Youth and Emerging Contractors (SMMEs)	Geography of Knowledge production	Improvement on capacity of local contractors
Sustainable Human Settlement Research and planning	Housing Needs Register project (Credible list of potential beneficiaries), Human Settlements Strategy, Champion	Human Settlements Strategy, Housing Needs, Informal Settlements upgraded,	Strategic Direction, Planning and funding allocation, viable and Liveable Human Settlements

Strategies	Projects	Output	Impact
	ISUP, Benchmarking of Alternative building technologies, Township Establishment, and Housing Sector Plan		
Human Settlements Consumer Education	Consumer education workshops	Workshops and Training	Well informed communities, smooth running of projects,

**Table 21: Proposed Projects and programmes 2022/2023**

Strategic Objective/Focus Area	Proposed project/program	Proposed Budget	Local Municipality	Number of beneficiaries/ Wards and villages to benefit
To build new housing units for destitute	Social Relief Houses	R8M	All LM's	50
Emergency Houses	Maladini 104 Lutshaya 300 Ingquza 76(40) Ingquza 158 Mabhulwini & Mbokazi 259 Ext Tombo 26 & PSJ 8 Ingquza 500(390) Ingquza 500 Destitute Ingquza 76(36) Lubala 91(58) Matheko 65 Mthonjana 350(62) ORT 850 KSD 261 Qweqwe 1000(300) Mandela 400(200) Bolani 97 Port St Johns 806 Port St Johns 200 OR Tambo 385 ORT Tambo 500(300)	R 1.2 Billion	Port St Johns Mhlontlo Nyandeni Ingquza Hill	5284

Strategic Objective/Focus Area	Proposed project/ program	Proposed Budget	Local Municipality	Number of beneficiaries/ Wards and villages to benefit
	Mhlontlo 619 PH II  Mhlontlo 619 PH III Military Veterans 84 Port St Johns 50(22) OR Tambo 132 Social Relief 50			
To train emerging Previously Disadvantaged Individuals (Youth and Emerging Contractors)	NHBRC Community Capacity Building	R2M	PSJ and Nyandeni LM	100
National Housing Needs Register	Capturing of National Housing Needs Register Forms	R1M	All LM's	10 000
Township Establishment and development	Township establishment	R800 000	Support one Local Municipality	N/A
Housing Settlement Planning	Review Housing Sector Plan/ housing chapter	R800 000	Support one Local Municipality	N/A

### 3.6 Free Basic Services and Indigent Support

The O.R. Tambo District Municipality is a predominantly rural municipality and the largest district municipality in South Africa. The district services copious amounts of people, who predominantly live below the bread line. This means that a large number of O.R. Tambo region residents are indigents. Indigents as per Indigent Policy are persons that earn a living wage of R 3000 and below. Indigents for the purposes of the policy are exhaustively defined to include members of child-headed households.

As a Water Services Authority and Provider, the sole mandate of the municipality is to make sure that water is provided to O.R. Tambo home owners. The municipality has developed an Indigent Policy as a guiding document for the provision of free basic services to people.

The Constitution of the Republic of South Africa Act, 1996, in the Bill of Rights protects social and economic rights, which include Free Basic Services (FBS). The role of developmental local

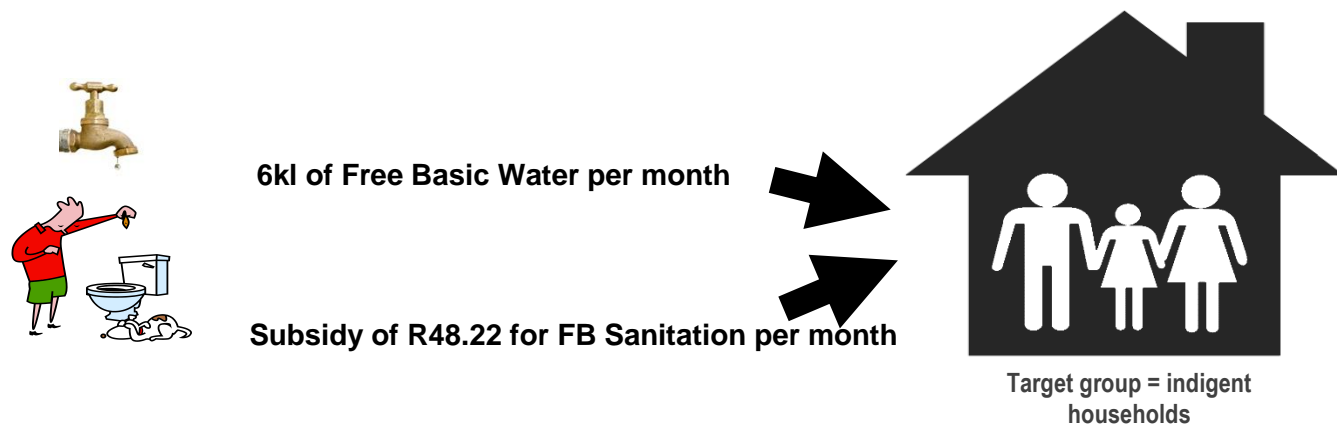
government in partnership with the other spheres of government, that is, provincial and national, is to ensure the improvement of access of free basic services by the vulnerable groups. FBS are, therefore, a poverty alleviation measure that exists to cushion poor households against vulnerability. Access to these services improve the general well-being of indigent households and improve their health standards and economic circumstances. The implementation of an Indigent Policy becomes a progressive government programme that is critical for social transformation.

The fundamental aim of Indigent Policy is to guide the process of improving access to Free Basic Services by deserving indigent beneficiaries so that their lives can be improved. Establish a manner in which, these residents can be identified and registered in the municipality's indigent register.

The policy also recognizes the need for inter-governmental cooperation to ensure that there is proper coordination in targeting the poor when rolling out these services. The policy should primarily focus on achieving the fundamentals of an efficient and effective Free Basic Services Programme through both the basic alignment of this legislation and the identification of gaps in the current implementation of the Free Basic Services Programme by offering practical solutions to solve these challenges.

The general accepted definition of an indigent, are people who due to a number of factors, are unable to make any monetary contributions towards basic services, no matter how small those amounts. People who earn less than the minimum household joint gross income (two state pension grants), as prescribed by the National Policy from time to time. Indigent refers to those who lack "the necessities of life".

Households who cannot afford the above are considered to be indigent. At this sphere of government, O.R. Tambo DM is obliged to offer the following services to the indigents:



### **Free Basic Water – FBW**

Each qualified indigent beneficiary/household shall receive subsidy to a maximum of 6 kl (6000 litres of water) per month, including the basic charges for such supply; provided that:

- a) Where the consumption exceeds 6 kl per month the municipality shall be entitled to restrict water supply to the property; and
- Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption.

### **Free Basic Sanitation – FBSan.**

Each qualified indigent beneficiary/household shall be fully subsidised for sanitation as provided for in the annual budget as determined by the municipality.

## **COMPONENT B: ROAD TRANSPORT**

Within the District the Technical Services department is responsible for roads, transport, buildings as well as the facilitation of electricity within the District. This department is first with high vacancy rate of 83%. Staff compliment as the end of June 2022 for this department is a depicted in the table below:

*Table 22: Employees – Technical Services*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
63	11	52	83%

### **3.7 Roads**

#### **3.7.1 Quality Road Infrastructure**

Local Municipalities and the EC Department of Transport are the custodians of the function of roads infrastructure in the province in terms of powers and functions. The District Co-ordinates this function to ensure that it is performed adequately. The district intervenes from time to time in construction of some critical roads in the District. The district responded through intervention approach to the two (2) roads that were forwarded in 2017 by the communities in KSD and Mhlontlo.

Both Xabane(Mhlontlo) and Dumrhana (KSD) access roads have been practically completed awaiting the release of the final retention. Unfortunately, Dumrana is one of the roads that was affected by the recent disaster in Umtata. The assessment of damages were done and costed for repairs.

The District has an obligation of providing infrastructure for non-motorised transport i.e sidewalks and walkways to promote road safety. In the previous year these could not be attended due to budget constraints.

### **3.7.2 Rural Road Asset Management Systems (RRAMS)**

This is a program or system used to assess the extent of the roughness of the roads in all the local municipalities. No roads were assessed in the 2021/22 financial year due to late appointment of a service provider. This is a continuous programme that will also be implemented in the next financial year.

### **3.8 Transport**

The district is engaged in transport through the programs that support road safety. These programs were stalled due to covid 19 safety regulations of gatherings. The program will resume in the next financial year.

The district still needs to improve in the co-ordination of this sector as there are many transport services happening in the district that are not properly co-ordinated which include the rail,air transport as well as cargo transportation.

### **3.9 Buildings Facilities**

The district has continued with the maintenance of its own facilities within the limited funding. Most facilities are old and need major repairs as a result the district prioritises the ones that need refurbishment to those that need minor repairs.

Minor repairs are done as and when needed through the daily job cards. The major repairs take the most of the budget that gets allocated to the buildings and installations. It will take a couple of years to complete the major repairs required by the district due to budget constraints.

The district is still continuing with the construction of the Regional Disaster Management Centre in Nyandeni. The project had its own challenges including recently the budget constraints experienced due to the invocation of section 216 of the constitution. When completed, this facility will accommodate all disaster management personnel in that area, finance staff responsible for billing as well as some water services staff.

### **3.10 Waste Water (Storm water Drainage)**

All Local Municipalities in the district takes care of the storm water drainage as they develop their roads infrastructure. The district did not have any programmes or projects to support this service.

## **COMPONENT C: PLANNING AND DEVELOPMENT**



Planning and Local Economic Development in the District is housed under Rural Economic and Development Planning (REDP). This department is the second with high vacancy rate of 77%. Staff compliment as the end of June 2022 for this department is depicted in the table below:

*Table 23: Employees - REDP*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
107	25	82	77%

### 3.11 Spatial Planning

O.R. Tambo District Municipality's Planning Unit is charged to provide support to local municipalities under its area of jurisdiction with the aim of improving their planning capacities. This support seeks to provide a well-coordinated approach to balance the need for rapid development with orderly sustainable development. The Spatial Planning and Land Use Management Unit assists local municipalities with Town And Regional Planning Services in respect of policy formulation, proper land use development taking into account social, economic, and physical factors, the aim being to establish the basis on which one can create a positive environment for development initiatives; and to ensure sustainable and orderly land utilization and development through the development of Spatial Development Frameworks (Regional, District Municipality, Local Municipality, Local Nodes and corridors), Precinct Plans, Land Use Management Systems etc.

The O.R. Tambo Spatial Development Framework (SDF) was reviewed in the 2017/18 financial year in line with the requirements of the Spatial Planning and Land Use Management Act No.16 of 2013 (SPLUMA). Another minor SDF review was conducted during the 2020/21 financial year to align the ORTDM SDF with newly established District Development Model (DDM), the new National Spatial Development Framework (NSDF) as well as the Integrated Urban Development Framework (2016).

In the 2020/21 financial year the District Municipality took an initiative to assist Local Municipalities (LMs) through the development of Two Policy on Prevention of Land Invasion and Telecommunication Mast Infrastructure Mast Models in-house. The Model policies are meant to assist Local Municipalities that do not have policies in place or their policies are outdated. LMs are then at liberty to customise the policies to suite their circumstances and adopt them. The ORTDM had also planned to develop the Mthatha Future Metro Urban Development Plan (Mthatha FMR UDP), which is a concept derived from the Provincial SDF meant to assist municipalities to improve cross-border planning. The Mthatha FMR UDP study area included some parts of KSD, Nyandeni and Mhlontlo LMs. Unfortunately, the project was unsuccessful as Bidders were found to be unresponsive in their Bids for the project.

In addition to the above, in the 2020/21 financial year, the District Planners Forum, which is

composed of members from all LMs, ORTDM, EC-CoGTA, DARDLR (Province) and SALGA continued unlocking challenges faced by the municipalities regarding the spatial planning, land use management, land survey, and GIS issues through the engagements and technical assistance offered to Municipalities. The Planners Forum is technical in nature, addressing day to day challenges faced by Planners, and it has been very instrumental in the fast-tracking of SPLUMA implementation by the municipalities.

Some of the achievements that have been identified through the current O.R. Tambo DM SDF implementation include development of the following sector plans:

- Ntabelanga Dam LSDF
- Laleni Dam LSDF
- Ntlangano LSDF
- Ntlaza Precinct Plan
- Nyandeni Land Use Management Systems
- Mngazana Node LSDF
- Mpande Node LSDF

All Local Municipalities under the District have SPLUMA compliant SDFs. There is still a challenge regarding to the projects from National Government which tend to have no clear coordinators placed at a District/Regional and or Provincial level, resulting in poor coordination, and alignment. This therefore affects municipalities, as they are unable to properly plan and align their programs to fully benefit from such projects. It is therefore hoped that the effective implementation of the District Development Model will assist to improve coordination and maximise benefits for local communities from those projects.

The SPLUMA requires that local municipalities to develop a single Land Use Management Systems (LUMS) covering all areas within their jurisdiction. The main challenge faced by LMs in developing LUMS is the issue of Traditional Leaders not agreeing with SPLUMA implementation in areas under their jurisdiction pending proper SPLUMA consultations and some amendments on the act to address their concerns. The issue of first conducting extensive consultations by the DRDLR and COGTA then is paramount for the development of credible and practical LUMS by LMs.

Some of the land use management challenges in the District relate directly to the issue of complex land administration. Land administration in the district vests in different structures (municipal commonages, State land/communal land, and private land) and some of the challenges that have been noted are as follows: -

- Unclear Land Management Roles & Responsibilities
- LMs have limited planning and LUM capacity
- LMs have limited authority in rural areas (No policies means no enforcement)
- Un-managed settlement formation as a result of in land “Informal” trading.
- No link between planned development and sustainable provision of services

- Environmental Management not taken seriously thereby threatening natural resources that are a critical comparative advantage in ORTDM

In order to systematically address the above listed challenges the ORTDM intends to continue providing support to LMs in 2022/23 financial year. The support to be provided include the development of Precinct Plans and Local Spatial Development Frameworks for key Nodes and Corridors identified by the LMs.

### 3.11.1 Land Use Management

The O.R. Tambo District Municipality is located in the eastern part of the Eastern Cape Province, bound by the Indian Ocean to the East and the Mhlahlane and Baziya mountains behind Tsolo, and Qumbu to the west. The District encompasses diversity in physical landscape, land use and access to economic opportunities. Agricultural development forms part of the DM's competitive advantage due to its temperature and soil. The coast is an excellent tourist attraction, with a number of resorts and hotels already in existence. Some of the challenges faced by the district with regard to economic development and physical planning include: Lack of skills resulting to unemployment in the key sectors of the economy, high illiteracy rate, diseases such as HIV/AIDS, poor infrastructure, lack of incentives to industries, land claims, crime and an inefficient public transport system & network

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) was assented by the President of the Republic of South Africa of the 05 August 2013, and it came into effect on the 1<sup>st</sup> July 2015. SPLUMA provides for: -

- a) A framework for a Planning System for the country (Sec2 [2])
- b) Development Principles (Sec 7)
- c) Policies and legislation (Sec 6)
- d) Spatial Development Frameworks (Chapter 4)
- e) Land Use Management through Schemes (Chapter 5)
- f) Land Development Management (Chapter 6)
- g) Other provisions (Chapter 7)

SPLUMA Applies to the entire area of the Republic as a supreme law on spatial planning and land use management. SPLUMA is meant to address racially based pre-1994 planning legislations, as well as to repeal most of them. SPLUMA came into effect on the 01 July 2015. Section 35 (1) of the Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA) states that, a Municipality must in order to determine land use and development applications within its municipal area, establish a Municipal Planning Tribunal (MPT) to assess and decide on the Land Development Applications. MPTs were established for a period of five years, and under the O.R. Tambo District municipality (ORTDM there are 3 types of MPTs that were established by Municipalities (see table below):

**Table 24: Municipal Planning Tribunals**

Municipality	Type of MPT	Start Date	End Date
ORTDM, Mhlontlo & Nyandeni LM	District MPT	June 2018	June 2023
Port St Johns & Ingquza Hill LM	Joint MPT	June 2016 (with extension of 2 years)	June 2023
King Sabata Dalidyebo LM	Single MPT	October 2018	October 2023

In order for SPLUMA to be effectively implemented key milestones have been achieved, and the progress to date is as follows:

- All municipalities under the O.R. Tambo District Municipality adopted and gazetted their SPLUMA By-Laws
- All Municipalities have appointed their Municipal Planning Tribunals and they are functional
- All Local Municipalities have appointed their Authorised Officials and Appeal Authorities
- The DM working with SALGA, EC-COGTA, DALRRD- Provincial SPLUM & five LMs has conducted SPLUMA consultations for four kingdoms under the District, and the report is being prepared for Council submission in 22/23 financial year.

Since the term of office for the MPTs will coming to an end in 2023, the ORTDM intends to assist LMs to start the process re-establish their Municipal Planning Tribunals (MPTs) in preparation for the second term of the MPTs in line with requirements of Chapter 6 of SPLUMA. The process to establish MPTs is expected to take not less than 10 months, and therefore the ORTDM will be engaging LMs to start preparing to establish their MPTs for a further period of five years (2023-2028).

### 3.12 Local Economic Development

LED in the O.R. Tambo Region seeks to promote sustainable socio-economic community driven programs. The O.R Tambo District further operates on principles that are focused on pursuing and building on the district's latent strengths and competitive advantages. Latent strengths relate to those forms of economic activities that the district has a significantly untapped developmental potential such as its landscapes and tourism potential agriculture and ocean's economy.

According to Section 152 (1) (c), of South African Constitution under Local Economic Development Objective, it mandates that Local Economic Development should promote social and economic development.

LED in the district therefore seeks to grow the economy based on presently unrealized, under-realized and unexploited development potential, which represent a low hanging fruit. It is through such a perspective that factors such as local knowledge and skills, as well as communal aptitudes and capabilities are prioritized to drive economic growth and development.

LED for O.R Tambo also seeks to provide support for the needs of local communities in pursuance of improving the quality of life within the district through facilitation of local economic development. Whilst micro-enterprises have absorbed large numbers of unemployed people, they are in themselves not always able to generate appropriately remunerated long-term jobs. As part carrying the above responsibility, the LED section is divided into two units i.e. Informal Trade and SMME development, and Rural Economic Development, Research and Resource Mobilization (REDRRM). The REDRRM unit has three subunits i.e. Rural Development (mainly agriculture), Research, and Resource Mobilization. The Rural Development subunit deals with rural development in general, and agriculture in particular. The Research subunit deals with gathering of data and researched information useful for economic development and Aquaculture Development. The Resource Mobilization deals with mobilizing extra resources as municipal budget is not enough to cover all the needs.

(ITED) The Informal trade and enterprise Development unit has two subunits i.e. Informal Trade sector which deals with supporting Informal Traders which is a sector that has long been neglected in mainstream trade and industry policies in the country, even though it is recognised as a significant contributor to economic growth in terms of employment creation, income generation and output growth, and is often the vehicle by which people in the lowest-income bracket gain access to economic opportunities in societies. Enterprise development Subunit deals with facilitating support to SMME'S and Co-operatives with funding, development of service excellence, skills development and identification of training needs such as registration of Cooperatives and individual operators. This goes hand in hand with facilitation of resource mobilization and forging linkages to marketing.

Ntinga O.R Tambo Development Agency is the O.R Tambo DM municipal Entity, which is mainly focusing on implementing the district's key LED initiatives for poverty alleviation and business development and support.

The District Municipality utilized its budget to undertake the following critical activities as per the IDP targets:

- I. To boost agricultural contribution and to improve food security in the district through number of Agro-Industrial Programs developed and implemented.
- II. Through Enterprise Development, numbers of programs were implemented including District Informal Traders Summit which later resulted into O.R Tambo District hosting successfully a Provincial Informal Traders Summit.
- III. Through a partnership program with Furntech (the Furniture Technology Centre), for the 2021/2022 twenty learners (5per LM) were recruited and training started on the fourth quarter due to financial constraints.
- IV. The Furntech program is based on the following objectives:
  - ✓ Create an enabling environment for Small and Micro Enterprise (SME's) in the furniture and wood products industries to grow through business technology incubation,
  - ✓ Develop business and production skills through skills development and technology demonstration

- ✓ Facilitate the exit plan and access to markets for the trainees.

Co-operatives/SMME Supported: We could not support all the 35 Co-op's and SMME's as per the SDBIP targets due to financial constraints and Covid-19 regulations of the 2021/2022 financial year. We managed to support 07 enterprises.

The ORTDM in partnership with Ntinga and Chris Hani Cooperatives Development Centre in implementing the Rural Agro-industries Finance Initiative through a signed Implementation Protocol in line with IGR Act. Following the council approvals of the three (3) districts municipalities (Chris Hani, OR Tambo and Joe Gqabi) regarding the implementation of Rural Agro-Industries and Financial Initiative as part of a commercial pilot production of grains in the selected local municipalities and villages. The Chris Hani Co-operative Development Centre for an Implementation of **Rural Agro Industries and Financial Initiative (RAFI)** which services include the establishment of the **O. R. Tambo Co-operative Development Centre** which has started on September 2018 as it has its Center manager. The program was officially launched on the 16 of December 2018 which was graced by the presence of President Cyril Ramaphosa.

The total five-year target for O.R Tambo District Municipality to implement the RAFI program is 45000 hectares. Currently for 2019/20 the RAFI pilot project is ongoing at Ncise A/A in King Sabatha Dalindyebo Local Municipality.

For the 2021/22 financial year, Ncise 350 ha of land was ripped, liming, first and second disking and the was 200 ha that followed which was the first spraying (pre emergence). There was 200 ha that was planted, second spraying (Post emergence) and top dressing of 350 ha.

Social Facilitation at Nyandeni, KSD and Ingquza Hill LMs were continuously done on the 2021/2022 financial year. There has been a RAFI Beef program at Cutwini (Ingquza Hill LM) that has been initiated.

### 3.12.1 LED Infrastructure and Investment Promotion

Little has been achieved on LED infrastructure as the district municipality was struggling financial because funds were withheld by national treasury by almost a year due to matters that, were between the DM and national treasury. On investment promotion, little has been achieved, but a ground work for investment fair was laid through collaboration between Alfred Nzo District Municipality, O.R Tambo District Municipality, and Eastern Cape Social Economic Consultative Council (ECSECC). Such ground work helped both districts to go to provincial investment conference held on 16-17 November 2022 better prepared.

### 3.12.2 Agro-Processing & Facilities

As part of implementing the District Agri-Parks programs, the Agri-Sector partners such as Department of Rural Development, Agriculture and Land Reform, Department of Agriculture and Agrarian Reform, OR Tambo District Municipality, private sector partnership has developed a joint program which identified **catalytic** projects on agriculture such **livestock improvement, Dairy production and processing, and Grain production** and are mobilizing resources for

implementation of those programs. One of the key programs implemented by district on crop production improvement was 761ha of grain production spread over 5 local municipalities.

### 3.12.3 Forestry & Timber Production

The District strategic documents identified this sector as one among others, which has not yet been used to its full potential yet it has a major opportunity of boosting the economy of the District. Little has been achieved on this sector due to non-availability of funds on the DM caused by matters that were between DM and national treasury. However, a plan was made to revive the programs implemented before covid19 and their implementation will appear in 2022/23 year programs.

### 3.12.4 Mari-Culture & Aquaculture Industry

The District strategic documents identified this sector as one among others, which has not yet been used to its full potential yet it has a major opportunity of boosting the economy of the District. Little has been achieved on this sector in 2021/22 year due to non-availability of funds. The plans were then shifted to 2022/23 financial year.

### 3.12.5 Tourism Development and Marketing

Tourism marketing is critical to the enhancement of the competitive and comparative advantage of the tourism sector. The **National Tourism Sector Strategy (NTSS)** states that; *the role of Local Government in the tourism sector is to manage assets such as public land, and to provide important infrastructure.*

- *Create awareness through campaigns, using appointed advertising agencies, the public broadcaster, radio stations, social media, etc.*
- *Engage the Department of Basic Education to develop a school tour programme, possibly integrated with, for example, the curriculum for Life Orientation in the early high-school grades. Take into account any existing programmes; investigate funding from sponsorships/AID, and develop the programme.*
- *Develop an exchange programme where employees in enterprises within the industry visit another industry operator to experience holiday-making and/or visiting attractions. Use off-season and low season periods, when both labour and capacity are available. Look for transport/funding sponsors.*

O.R. Tambo district endowed with the most picturesque tourism destinations such as Port St Johns, Lusikisiki, Coffee Bay, Qunu, Mthatha and Mhlontlo. The District encapsulates a large portion of the Wild Coast belt and is home to some pristine nature reserves such as Luchaba Nature Reserve, next to Umtata Dam and a string of coastal nature reserves (including Mkambati, Silaka, and Hluleka). There are also indigenous forest reserves as well as a proclaimed marine reserve, adjacent to Mkambati. Furthermore, the District is endowed with several significant cultural and heritage sites, it is also boosts with being home to South Africa's iconic legends such

as the late Nelson R. Mandela and O.R Tambo, however despite such enormous tourism potential tourism still contributes under 10% to the district's GDP.

### 3.12.6 Tourism

#### Tourism Legislative Frameworks

- *Tourism Act* No. 3 of 2014
- The White Paper on the Development and Promotion of *Tourism in South Africa*, 1996
- RSA, Republic Constitution
- Arts, Culture and Heritage White Paper - 2017
- Cultural Institutions Act 1997
- Mzansi Golden Economy Summit - 2011
- Eastern Cape Arts, Culture and Heritage Summit - 2012
- NDP Vision 2030
- National Tourism Policy - 1997

#### 3.13.6.1 Tourism Marketing & Promotion

There are local tourism marketing and promotion platforms that are being utilised as means to support of local SMMEs with regards to access to markets listed as follows.

#### Trade Shows

- Africa Travel Indaba Formerly Tourism Indaba
- National Arts Festival (**NAF**)
- Coffee Bay Cultural Festival(**COCUFE**)
- Isingqisethu Cultural Festival(**ICF**)
- Events Promotion

#### Africa Travel Indaba formerly known as Tourism Indaba

Africa's Travel Indaba is one of the largest tourism marketing events on the African calendar and one of the top three 'must visit' events of its kind on the global calendar. Africa's Travel Indaba brings together a showcase of Southern African tourism products and services for the international travel trade. An exhibitor in the DEC (Durban Exhibition Centre) includes provincial authorities, provincial products and African Countries. In the ICC (International Convention Centre), exhibitor categories include accommodation, tour operators, game lodges, transport, online travel, luxury products, Hidden Gems, media publications and industry associations. Outdoor exhibitors include transport, camping and safari companies. During the financial year 2021/22 the O.R Tambo District did not attend the event due to financial constraints.

#### National Arts Festival



The National Arts Festival is an important event on the South African cultural calendar, and the biggest annual celebration of the arts on the African continent. Starting at the end of June/beginning of July, it runs for 11 days and is held in the small university city of Makhanda (formerly Grahamstown), which is situated in the Eastern Cape, 130km from Port Elizabeth.

The above mentioned show well known event that give O.R Tambo business people a platform to market and sell their products at the highest level, Tourism Section every year take about a certain number of business people to these shows in order to promote and market their products and selling the region as a Tourism Destination of choice. The impact of the trade shows is to attract investment opportunities and the opportunity to promote and market O.R Tambo hand made products through arts, craft and fashion design exhibitions. Product owners also get best practices by learning from other business from various countries, provinces and districts. The creative industry was supported by means of exhibiting their hand made products in National Arts Festival Pop Up Shop that was scheduled to run concurrently with physical National Arts Festival but the festival was cancelled and the Pp Up shop ran from **25<sup>th</sup> – 30<sup>th</sup> September 2021**.

### **Coffee Bay Cultural Festival(COCUFE)**

The 4<sup>th</sup> Coffee Bay Cultural Festival (COCUFE) is an annual important event that is celebrating Bomvana Heritage that incorporates all music genres, poetry, arts, crafts, fashion, beauty pageant, food, and inkciyo. The event was held for the fifth time in the same venue and by the same company called BOSA Holdings. Arts and Culture are the most powerful drivers of unity through entertainment, socialising, empowerment in communities across the African continent upon which the festival is based. The event boosts the Coffee Bay and Hole in the Wall tourism economy as all accommodation establishments, Village based accommodations(VBAs), Tour operators, Local businesses, Informal traders, taxi industry benefit directly for the duration of the event. The event was held on **08<sup>th</sup> – 10<sup>th</sup> 2021** and it has different activities like inkciyo pageant, gala dinner, video and film screening, craft exhibitions, fashion show and main event with performances

### **Isingqisethu Cultural Festival(ICF)**

The event is an annual Provincial festival organised by the Department of Sports, Recreation, Arts and Culture in Port St Johns Local Municipality. The main objective of the event is to showcase the Provincial talent in the Creative Industry sector. The event is staged for 2 days in the PSJ soccer ground and all Eastern Cape Districts and Metros attend the event. The event boosts the PSJ tourism economy as all accommodation establishments, Village based accommodations(VBAs), Tour operators, Local businesses, Informal traders, taxi industry benefit directly for the duration of the event. For 2021/22 the event was conducted on the **03<sup>rd</sup> & 04<sup>th</sup> December 2021**.

### **Events Promotion**

Platforms have always been aimed at targeting to market the region through these platforms; however, the Tourism section also aims to contribute to the economic improvement of its people as these events benefit the people of the region by creating the platform to show case and to sell their products. Unfortunately, due to financial constraints the support for events were not part of

the annual plans for 2021/22 financial year and the only supported events was done by means of technical support.

### **Visual Arts and Craft Development**

The program enables members of the creative industries to promote their work and showcase their product to national and international markets and it also stimulate and strengthen the local economy. The program also aims at promoting and providing opportunities for visual artists, crafters and fashion designers in all disciplines to develop their art and talent in order to improve economic and other development opportunities. Access to markets is facilitated through the local, national and international exhibitions, museums, art centres, craft hubs, flea market events, cultural events as well as a business linkages program. The creative industry was supported by means of exhibiting their hand made products in National Arts Festival Pop Up Shop that was scheduled to run concurrently with physical National Arts Festival but the festival was cancelled and the Pp Up shop ran from **25<sup>th</sup> – 30<sup>th</sup> September 2021**.

#### **3.13.6.2 Tourism Research and Development**

The programme seeks to audit and facilitate the provision of bulk infrastructure to and at tourist sites, e.g. access roads, signage, water and sanitation, electricity, ablution facilities, viewing sites and amenities, and the overall destination management. Facilitate and coordinates activities and key deliverables associated with tourism support factors. The programme is meant to improve or expand our tourism products or operation to fit identified trends in global tourism and to position our local business to meet future market demands. In 2021/22 financial year infrastructure assessment and signage provision to tourism SMMEs beneficiaries was suspended due to financial constraints. Capacity building for Tourism SMMEs to operate 6 Day Hiking Trail (Phase1) was conducted on **13<sup>th</sup> – 14<sup>th</sup> September 2021** and the event was financed by one of tourism key stakeholders, ECPTA and it was conducted in phases, 1&2. Phase 2 was conducted on the **18<sup>th</sup>-19<sup>th</sup> November 2021**. The DM and ECPTA collaborated to support coastal massage therapist by means of Massage oils and oil containers, shelving, Bluetooth speakers with USB port. Tourism infrastructure audit was conducted on the **16<sup>th</sup> August – 02<sup>th</sup> September 2021**.

#### **3.13.6.3 Tourism Education and Awareness**

Campaigns to create awareness focusing on host communities (where there are tourist activities), e.g. road blocks to distribute tourism marketing material and the event was held in Nyandeni LM on **22<sup>th</sup> & 23<sup>th</sup> September 2021**; sardine run and Indi-Atlantic Route engagement which is the annual activity and it was conducted on **09<sup>th</sup> June 2021**; raise awareness regarding the Mqhekezweni site as it was declared as a National Heritage site held on the **27<sup>th</sup> September 2021**; Tsitsa and Thina River Hiking to promote the hiking trail as the new trail in Mhlontlo LM held on the **25<sup>th</sup> September 2021**. All the events were in collaboration with tourism industry stake holders e.g, National Department of Tourism, Eastern Cape Parks and Tourism Agency, Local Municipalities, tour operators and tourism forums.

### **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

Community Services as a Department is responsible for the advancement of basic service delivery objectives and outcomes within the District Municipality. The community services department focuses on areas that provide a sustainable improvement in the welfare of human beings and their basic livelihood. The department focuses on an array of services which are: Sports, Recreation, Arts, Culture & Heritage; Libraries, Education and Information services; Community Safety; Disaster & Fire Services; Municipal Health Services et cetera.

This department has a vacancy rate of 27%. Staff compliment as the end of June 2022 for Community Services department is depicted in the table below:

*Table 25: Employees – Community Services*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
175	127	48	27%

### 3.13 Libraries, Information and Education Unit

The Libraries, Information and Education Services (**LIES**) Unit is the sub-section of Sport, Heritage, Arts, Culture, Libraries, Information and Education. The main focus of the unit is to coordinate and facilitate the development of public/community libraries and school libraries. It supports Department of Education (**DoE**) with supplementary materials in order to overcome the high failure rate within the district. It also promotes a culture of reading, library usage and lifelong learning.

#### 3.13.1 Relevant Legislations and Policies

The following legislation has a bearing on the different role-players in the South African Library and Information Services Sector:

- ***The Constitution of the Republic of South Africa (108 of 1996)*** describes the legislative framework for the governance of LIS in South Africa. It clearly states that libraries, other than national libraries, are a provincial responsibility. Each of the nine provinces is therefore obliged to develop a legislative framework within which public library and information services can be provided. Constitution of the Republic of South Africa and the Bill of Rights recognises access to information as a Human Right.
- ***The Education Laws Amendment Act, No. 31 of 2007*** (that amends the South African Schools Act of 1996) lists the availability of a library as a minimum uniform norm and standard for school infrastructure.
- ***South African Schools Act, No. 84 of 1996*** is to provide for a uniform system for the organisation, governance and funding of schools; to amend and repeal certain laws relating to schools; and to provide for matters connected therewith.
- ***Eastern Cape Provincial Library and Information Services Act (Act No.6 of 2003)***

- **The Copyright Act (Act No. 98 of 1978, amended 1992)** protects all literary, musical and artistic works, whether in written, printed or digital form.
- **The National Education Policy Act (Act No. 27 of 1996)** enables the development of national policies that will contribute towards quality education, including founding school libraries. Standards for these libraries are the responsibility of provincial education departments, so coordination between national and provincial education departments is imperative.
- **The Legal Deposit Act (Act No. 54 of 1997)** requires producers and publishers of published material to deposit a certain number of copies of their publications in the five legal deposit libraries. It also requires a Legal Deposit Committee to be responsible for coordinating and promoting implementation.
- **The South African Library for the Blind Act (Act No. 91 of 1998)**, the first of its kind in the country, provides separate legislation for LIS to blind and print-handicapped people in South Africa through the Library for the Blind in Grahamstown, Eastern Cape Province.
- **The National Library of South Africa Act (Act No. 92 of 1998)** focuses on the information needs of the nation in order to enhance the development and delivery of effective library programmes, services and products. The Act facilitates a common platform for information technology, with a view to achieving optimal use of limited resources and coordinated systems.
- **The Promotion of Access to Information Act (Act No. 2 of 2000)** aims to foster a culture of transparency and accountability in public and private bodies through citizens' right to access to information, and also to empower people to gain access to information that will enable them to exercise and protect their rights.
- **The National Council for Libraries and Information Services Act (Act No. 6 of 2001)** provides for a council to advise the Minister of Arts, Culture, Science and Technology on LIS issues. The council interacts with all LIS role-players (at local, provincial or national level) and, most importantly, advises on policy as well as operational matters across the entire LIS system; it is therefore best placed for dealing with issues of coordination.

### 3.13.2 Functions of the Unit

The unit provides support in various educational activities as follows:

**Poor Performing Schools** – various schools were supported with educational learning materials in order to improve pass rate.

**The Unit also facilitated the delivery and officially handing over of educational material 2**

**Support Mthatha Medium Centre Library** - The Unit also support Department of Justice and Correctional Services **Special Library for Inmates** with Library Materials in the form of periodicals (*Newspapers, Daily Dispatch*), Books, etc.

**Support Literacy Programs:**

(i) **International Literacy, National Book Week & Heritage Day Celebrations** that is held annually in various local municipalities

(ii) **South African Library Week -**(iii) **Career Exhibition -**

- Support **Poor Performing Schools**
- Support **Literacy Programs** – International Literacy, National Book Week and Heritage Day Celebrations, South African Library Week and Career Exhibition.
- Support Capacity Building Program

Impact of the programmes:

- ✓ Improvement on the pass rate of the supported schools
- ✓ Improvement on the quality of results

**3.13.3 Challenges**

1. The main challenge for the entire section is the insufficient budget.

**3.13.4 Recommendations**

- Improving the co-operation leading to good working relations with the relevant stake holders

**3.14 Community Safety**

As Community Safety, our core mandate is to ensure and works well within the confinements of the relevant legislative frameworks that governs community safety and security.

**3.14.1 Legislative mandate as reflected in our IDP:**

- **South African Constitution Act. 108 of 1996**
  - Section 151 and 152 – safer and sustainable community, through local government involvement
- **Community Safety & Security** Prioritize community safety & security Programmes focusing on crime prevention, school safety and coastal safety in partnership with relevant stakeholders (LM's and SAPS, Department Safety & Liaison). The main objectives are to promote innovative partnership-driven ways of reducing the current levels of crime to low levels and preventing crime from taking place in an integrated manner with various

stakeholders e.g., SASSA, SAPS, Civilian Secretariat for Police Services, Safety and Liaison., other key stakeholders

- **These guidelines are from;**
- The White Paper on Safety and Security 2016, dealing with role of local government, State agencies and communities – in safety issues, creating cohesive and enabling environment were ...” all people are and feel safe”.
- **NDP 2030, Outcome 12, dealing with safer communities**
- Role of Government with a vision towards 2030, drawing energy from community participatory processes, and the centralized role of government through its sector departments and local government structures (Provinces, Metro’s, DM’s, LM’s). Aims to eliminate poverty and inequality by inclusive economic growth, building capacity and leadership.
- **MTSF focus on National Development Plans 2030**
  - Reduce levels of contact crime
  - Secure South African Borders
  - Creating an efficient and effective criminal justice system
  - Increase levels of domestic stability
  - Secure the identity of everyone in South Africa
  - Securing cyber space in South Africa

### **3.14.2 Core mandate of Community Safety**

- These strategies are implemented in line with other existing National and Provincial measures aimed both at tackling crime and addressing the underlying root causes of crime and violence, such as victim empowerment, substance abuse, child protection and community developmental Programmes with other role players.
- Supporting and advising on implementation of developmental and preventative diversion Programmes, improving community safety, strengthening families, promoting safety at schools with DoE.
- Promote and support Crime prevention, crime risk reductions across various spheres of governance and advice Council accordingly.
- A supportive role in Anti- GBVF (gender base violence and femicide), VCP (violent crime prevention), through awareness programmes, strategic planning and interventions with relevant role-players.

- Monthly participate as a District in the Local SAPS clusters level (Mthatha & PSJ), in planning, meetings, programmes, to address rampant crime, find common solutions and intervention with other role players.
- Enhance the participation in crime reduction programmes and initiatives, identifying with relevant role players' social crime issues at scholar or community level, and designing/ supportive programmes of intervention through multi- stakeholder collaboration.
- Capacity building through workshop, support and training for LM's on safety initiatives (safety plans / safety audits), with multi stakeholder collaborations partners in community safety; GIZ (Deutsche Gesellschaft fur Internationale Zusammenarbeit), South African Local Government Association, Dep. of Community Safety, South African Police Services LM's, Dep. of Social Development, to name a few.
- Promote the building of community social cohesion and improving the quality of life of all people which includes infrastructural development recommendations for safer spaces through influencing, SPLUMA (Spatial Planning and Land use Management Act), local economic development, or infrastructure departments towards "safer spacers" for communities, e.g. adequate street lighting, safe parks and recreational facilities, the built of high mast lighting in crime prone areas etc.
- This is further underpinned by supporting government's ongoing efforts to build better and safer communities that respect human rights and contribute to the government outcome "All People are and feel safe", *NDP Outcome 12*.

### **3.14.3 Programmes achieved, highlights and plans: 2021-22**

The programme of awareness and school safety target was revised from 8 to 6 targets. The following schools and communities' safety programmes were done with supportive stakeholders; - GBVF and COVID19 Awareness, level 3 lockdown, across the District, visiting shops and communities was reduced due to a highly infectious DELTA variant. No direct contact and programme with communities was encouraged,

- ✓ GBVF supportive initiatives were done; AB 350 march and a supportive assistance to the District Department of Health, within their GBVF programme (2 targets set and achieved).
- ✓ 2 targets set and 5 achieved, schools safety and GBVF at E.N Seku S.S.S (drug blitz: 510 learners), Thyalarha J.S.S. (336 learners-awareness), Bityi Primary

School (Girl-child: GBV-awareness), Mthatha Post Office: Community Safety, Jongushlanga Primary School (Safety -awareness).

- ✓ 2 targets set, achieved 7, #7th.April & 27th.April: Operation: Coca /KSD area, # 7-8th.May KSD Crime OPS, #13-14th.May: JOCOM\_ Anti-Crime OPS: KSD CDB, #4 Justice for Hlehle (GBVF-March -ORTDM), # 5 Justice for Namhla\_GBVF awareness march #2, 6 # Unregistered Drug Rehabilitation Centre\_ Chris Hani: Com. Awareness, #7 Zwelibangile SSS\_ Ncengane AA (School Safety)

SAPS Cluster meetings attended, towards crime reductions and inclusive community safety planning: 3 cluster meetings attended in (Mthatha). This focus area is on community safety involvement through Community Policing. Business fraternity and Rural Safety Planning of communities is part of participatory process of reducing crime, e.g. Bityi SAPS precinct area. Various crime and safety operations held jointly with SAPS, Tyeks Security, DoH, Municipal Health Services, King Sabata Dalindyebo LM, and other law enforcement agencies.

- Visits of the Presidency, as well as Ministerial session coordinated and supported, jointly during year in safety and cluster.
- Crime and safety challenges gave rise to programme/ project interventions within the new financial year 2021-22, addressing student/ scholars/challenges safety through multi stakeholder collaboration.
- Swim Safety (Swim Survival Programme), with stakeholders, NSRI (National Sea Rescue Institute), Swim Safety South Africa, ensuring reduction senseless drowning in our scholars / learners.

#### **3.14.4 Short comings/ challenges**

- Lack of certain municipalities involvement towards coastal safety programme
- Budgetary challenges.

#### **3.14.5 Recommendations**

- Building community resilience to crime, through collaborated multi stakeholder's efforts, and the role of LG support in safety. New discussion document on "The role of LG in building safer communities" inputs will guide roles and responsibility of all spheres of



government (building safer communities through (IUDF-Integrated urban development framework)

- Continue supporting Coastal Safety programmes through LM's involvement and ensure SLA'S are effective in addressing programme challenges.
- Handing costal safety programme responsibility back to Local Municipalities and District performing a more strategic role of support (equipment and facilities).
- Ensure continuous involvement of communities in advising, designing, working and contributing to an environment where all people are and feel safe, free from fear of harm, or crime by encouraging programmes, projects for the LMs IDPs, which must mainstream CSF's (community safety forums), and ensure a developmental approach to safer communities.
- Continuous supporting of GBVF (gender base violence and femicide) programmes, and accountability stakeholders engagement through the District Development Model
- Mainstreaming school safety related support, through District Community Safety Forums and other programmes / initiatives through a multi-sectorial approach.

### **3.15 Social Development Section**

The *Constitution of the Republic of South Africa, Chapter 7, and Section 153* stipulates that, the developmental duties of the municipality as follow:

“A municipality must –

- a) Structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community, and promote the social and economic development of the community and
- b) Participate in national and provincial development programs.”

Therefore, from the above preamble, the section seeks to protect and promote rights of vulnerable groups by coordinating the mainstreaming of their basic needs & interests whilst improving livelihoods of indigent families under distress.

#### **3.15.1 Legislative Frameworks**

- The Constitution of the Republic of South Africa (Act 108 of 1996)
- Local Government: Municipal Systems Act 2000 (32 of 2000)
- Older Person's Act 2006 (13 of 2006)

- Children's Act 2005 (38 of 2005)
- Prevention and Treatment of Drug Dependency Act, 1992
- District Crime Prevention Strategy
- Draft District Social Relief Policy
- Social Relief Fund Act 2003 (59 of 2003)
- South African Social Security Agency Act 2004 (9 of 2004)

### **3.15.2 Source of Funding**

The only fund that the section depends upon is Equitable Share.

### **3.15.3 Projects/Programmes/Activities of the Section**

- Moral Regeneration Life Skills Programs
- Early Childhood Development (ECD)
- Social Relief program(SRD)
- Child Protection Services

### **3.15.4 2020/21 Financial Year Achievements**

- Funds set for ECD centres were relocated to the institutional central Covid-19 vote.
- Two quarterly District ECD Forum sittings held to coordinate the district early childhood development activities.

### **3.15.5 Areas of High concern**

- Lack of Staff
- Minimum budget

### **3.15.6 Programmes affected by institutional financial constraints**

- Moral Regeneration ( life skills programme)
- Child Protection (foster parents training)
- Early Childhood Development: ECD (material support to ECD Centres)

### **3.15.7 Recommendations**

- Strengthening of the section through staff establishment
- Financial support

### **3.16 Municipal Health Services**

Environmental Health/Municipal Health Services is about creating and maintaining sustainable environments, which promote good public health. Environmental Health Services include a package of Municipal Health Services as defined in the National Health Act 2003, (Act No 61 of 2003). It also refers to the theory and practice of ascertaining, correcting, controlling and preventing those factors in the environment that can potentially adversely affect the health of present and future generations.

#### **3.16.1 Illegal dumps**

Environmental Health Practitioner (EHP) encourages the waste generators to dispose their waste to the landfill site or disposal site, in accordance to the Norms and Standards and prescripts e.g. National Environmental Management Act: Waste Act 59 of 2008. Any indiscriminately disposal of waste is discouraged as it results to the degradation of the land and environment and/or vermin that cause contagious and infectious diseases.

The annual target set was 100% of identified and reported illegal dumps to local municipalities. However, most of the illegal dumps were identified in the KSD LM N2 bypass, Maiden Farms bypass, N2 near Qweqwe.

#### **3.16.2 Communicable Diseases (Notifiable Medical Conditions)**

A communicable disease is an illness that is transmitted through contact with disease-causing agents or microorganisms that cause an infection. Carriers of these microorganisms can include people, animals, food, surfaces, and air, OR Tambo experienced the COVID 19 which started at Majola Location in April 2020 and Environmental Health practitioners worked tirelessly in investigating the disease, traced contacts, conducting awareness's and monitoring COVID -19 burials. Covid 19 cases were investigated in Ingquza Hill LM, in Cabekwana, kwa Bala Location in Flagstaff, Food Poisoning in Ngwenyeni SSS in Khanyayo Location, KSD LM Covid -19 cases were investigated in Sdwadwa, Marhambeni, Bhongweni and PSJ LM in Mathombe, Mzintlava villages.

The annual target set was 100% of notifiable medical conditions investigated within 24hrs of reporting. Though following of the patients is very difficult and a tedious exercise/process at most

the unit has managed to investigate all the reported cases of infectious/communicable diseases within the prescribed period of reporting.

### **3.16.3 Business Inspections**

Inspections were conducted in low and high health risk business premises as part of inspections exercise. Focus was on food preparation premises (formal and informal), funeral Undertakers, and industries. Inspections report, results of water and food samples were communicated to the respective business owners with clear recommendations.

O.R. Tambo District Municipality has been authorized to enforce Food, Cosmetic and Disinfectant Act (FCD Act). That led to it achieving 100% on this target inclusive of businesses, environmental swabs and food samples, unpotable water samples and swabs were taken from all LMs for bacteriological and chemical analysis.

### **3.16.4 Certificate of Acceptability**

Certificate of Acceptability - is issued to a business that meets the acceptable health standards or such premise that complies with the conditions stipulated in the regulation. The DM is expected to issue Certificates of Acceptability in all existing food preparation premises that do in all respects comply with the provisions of Regulation 638. For the financial year in question the Municipal Health Services section has issued Certificates of Acceptability only to food handling premises in compliance with the provision of the laid down regulation.

### **3.16.5 Water Quality Monitoring**

The 1996 Constitution of the Republic of South Africa states that “everyone has the right of access to an environment that is not harmful to their health or wellbeing”. The primary responsibility of providing clean water rests with the municipalities. To ensure that the quality of water supplied on the premises complies with the specifications of the SANS 241 for drinking water, with regards to microbiological, chemical and physical quality. The following matter must have observed a constant supply of clean, safe potable water and should ideally have a pleasant appearance, taste, and odour. Environmental Health Practitioners regularly take water samples for bacteriological testing.

The annual target set 300 water samples taken and analysed by the National Health Laboratory Services the set target was achieved (100%).

### **3.16.6 Waste Quality Monitoring**

Section 24 of the Constitution of RSA, which provides that “everyone has a right to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations. National Norms and Standards for the environmental Health asset that the “health establishment (municipality) must ensure that waste is handled, stored, and disposed of safely in accordance with the law.” Environmental Health Practitioners in their day-to-day operations conduct inspection in all waste disposal sites, and ensure that appropriate trash receptacles are located at the point of waste generation; and also ensure that better environment outcome is maintained; promote and protect human life, property and entire environment. Environmental Health Practitioners further ensure that waste generators assess their waste in accordance with the Norms and Standards, prior disposal to the waste disposal site, however, this is not the case in our disposal sites as they do not meet the laid down health standards. Environmental Health Practitioner (EHP) encourages the waste generator to dispose their waste to the waste disposal site. Any indiscriminately disposal of waste is discouraged as it results to the degradation of the land and environment and/or spread of vector-borne diseases. The annual performance target was set at 10 inspections of waste disposal sites and MHS section worked beyond its capacity and managed to achieve 100%.

### **3.16.7 National Health Insurance (NHI)**

National Health Insurance (NHI) - is a way of providing good health care services for all the citizens of the country (South Africans) through sharing of available financial resources for health care for all. It's being introduced to bring about reform that will improve service provision, and entails major changes in the service delivery structures, administration and management systems.

In the process, O.R. Tambo District Municipality (ORTDM) was identified to pilot National Health Insurance (NHI). ORTDM established its National Health Insurance Forum (NHIF) in 2017. ORTDM in conjunction with the Department of Health are working tirelessly to ensure that NHICF convene as per signed schedule. The meeting was held through virtual in compliance with COVID -19 regulations that were designed to mitigate spread of the pandemic.

### 3.16.8 Commemoration of World Environmental Health Day

The O.R. Tambo District Municipality, Municipal Health Services under the Department of Community Services hosted World Environmental Health Day Build up at Port St. Johns LM, on the 23 September 2020 under the theme “Environmental Health, a key public health intervention in disease pandemic prevention”, the awareness was conducted by the Environmental Health Practitioners on COVID - 19 in Majola great place.

### 3.16.9 Challenges

- Insufficient political and administrative engagements to fast-track devolution processes
- Recurring accumulation of illegal dumps (debris, rubbles and general refuse) in vacant plots and open space.
- Shortage of staff resulting to each EHP serving above 90 000 populations versus the WHO/National Norm of 1:10 000

### 3.16.10 Recommendations

- Expedite the transfer of EHP's from KSD LM (Devolution Process)
- Encourage the Department of Health to resuscitate infection control committee.
- EHP post to be added in order to meet the WHO/National norm of EHPs to be employed which is 1:10 000.
- Clear programme on illegal dumps

## COMPONENT E: SPECIAL PROGRAMMES

Special programs are performed under the Office of the Executive Mayor which is mandated to promote the wellbeing of designated groups (youth, gender, children, senior citizens, and persons living with disabilities) and the general welfare of O.R Tambo communities. The department also focuses on the implementation of poverty relief, prioritizing the vulnerable groups

The department is also responsible for the promotion of good governance and public participation by creating platforms for citizen participation and stakeholder engagement in the decision-making process of the municipality. It also strengthens stakeholder engagement by coordinating and engaging sectors that are instrumental in improving the livelihoods of communities in the district.

This department has a vacancy rate of 24%. The staff compliment as the end of June 2022 for the department is depicted in the table below:

*Table 26: Employees – Executive Mayoral Services*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
167	141	26	16%

### 3.17 Executive Mayoral Office

The SPU has to ensure that the development and needs of the designated groups are always priority in the development agenda as enforced by number of Acts, policies, charters as well as the Constitution of the Republic of South Africa.

To spearhead public awareness and education for the promotion of mainstreaming youth, women, people with disabilities, elderly and children interests and programs issues into Government programs with extensive campaigns associated with national and international days.

Coordination of government departments and other stakeholders in District to ensure that programs for designated groups are developed and implemented and further mobilize all vulnerable groups to be part of development plans and processes.

Sector coordination and support to Local Municipalities

Improved public participation and accountability through strengthening partnerships with community organisations and other forums of people's participation

Strengthening local partnerships with the community based organisations to enhance service delivery.

Developing programs to support youth councils in municipalities.

Below is a brief narrative of each target or program implemented through LIGHT.

#### 3.17.1 Programmes for women

The following empowerment programs focusing on women were implemented;

- Women's Celebration in Partnership with Imbumba Yamakhosikazi Akomkhulu held at Gomolo A/A in Port st Johns focusing on empowering women about Gender Based Violence
- Breast Cancer Awareness Campaign aimed at raising awareness and reducing the stigma of breast cancer through education and symptoms treatment
- Cancer Awareness campaign focusing on raising awareness about cancer and increase understanding on the importance of screening, prevention and treatment.
- Provision of 200 bags of potato seedlings to vulnerable households in Ingquza Hill, ward 23
- Provision of vegetable seedlings to young women and men farmers in KSD LM, Mdeni A/A

- Awareness on healthy living and healthy lifestyle among women. One Hundred and fifteen (115) women were empowered and capacitated.

### **3.17.2 Programmes for Youth**

Youth empowerment programs include the following;

- PSJ Youth Council Induction conducted on 28 Sep 2021
- Job preparedness workshop held on 19 - 23 Sep 2021 Training on business skills for youth in business was conducted
- Conducted Youth Financial awareness drive
- Training on Business Management in partnership with NYDA
- Youth Financial Awareness Drives was conducted in partnership with DEDEAT
- Youth Tournament in Celebration of 2021 Youth Day. Three (3) soccer kits and One netball Kit were awarded.
- Distribution of 1180 vegetable Seedlings to young people as part of youth month celebration
- Awareness on Youth Day focusing on educating young people about the history of youth day in South Africa.
- Provided Support to Mnya Academy Annual Youth Tournament

### **3.17.3 Programmes for people living with disabilities**

The following are the key achievements in terms of empowering the disabled people in the district.

- Fifty (50) persons living with disabilities (PLWDs) were trained on Weaving. There were 25 school children living with disabilities from Mhlontlo Local Municipality and 25 school children living with Autism from KSD Local municipality.
- Twenty-five (25) people with disabilities from various wards of Nyandeni Local Municipality were trained on Peer Counselling in partnership with the national office of the Department of Social Development, Japan International Corporation Agency, and other stakeholders.
- Fifty (50) school children from Tsolo Special School and Mthatha Autism Special School were trained on Weaving. O.R Tambo Sports Association for disabled people in partnership with DSRAC aimed at strengthening mobility and fitness of disabled people as well as showcasing their skills and talents.
- Gender Based Violence Awareness for the disabled
- Handing over of assistive devices (wheelchairs) to people living with disability in Ingquza Hill and Port St Johns.
- Celebration of Albinism Day and twenty (20) people with Albinism from each local municipality were provided with Sunscreens.

### **3.17.4 Programmes for senior citizens**



- End Year Care program for Older Persons was held at Empilweni Old Age Home District older persons workshop was held on the 30th to 31st of March 2021 focusing on issues of Old age Homes, Safety and Security of elderly people and COVID-19 vaccination.
- Handing over of blankets to forty (40) senior citizens (40) from Ingquza Hill (20) and Port St Johns LM (20).
- One thousand (1000) elderly were provided with winter hampers.
- Alzheimer's Awareness campaign was held in partnership with the Department of Health in lower Mngamnye A/A in Nyandeni.
- District Golden Games in which 291 participants from the district attended and participated.

### **3.17.5 Programmes for children**

- Provision of study guides (Maths, English, Physical Sciences, Geography, Economics & Accounting) and Scientific Calculators in Dalibaso SSS (KSD LM) and Ngqeleni SSS (Nyandeni LM). Provide financial support to 69 learners (School fees, accommodation and transport) COVID-19 PPE's including reusable masks, thermometers and sanitizers were provided in schools across the district.
- Community Mobilization for poor performing schools include programs focusing on offering psychological assistance, imparting effective studying skills ,community participation and exam preparedness skills as well as career guidance.

Program implemented include;

- Exam Anxiety Workshops conducted at Zangqele S.S.S, Zwelibangile S.S.S and Ngwayibanjwa S.S.S
- Advocacy Anxiety Workshops conducted in Zibungu S.S.S and Smuts Ndamase S.S.S
- In addition, the following schools benefited in winter school programs and calculators
- Dalibaso SSS in KSD
- Gobizizwe S.S.S and Gcinumteto S.S.S in Nyandeni
- Some schools benefited in bacck to school program by receiving school uniform
- Mqikela S.S.S , Goso Forest and Makukhanye S.S.S in Ingquza Hill
- Ngqeleni S.S.s and Smuts Ndamase S.S.S
- Ntibane SPS,Gqwesa SPS,Xabadiya SPS, Melane SPS and Ethwa SPS in Mhlontlo
- Upper Ngqungqu SPS,Gotyibeni SPS,Mqanduli JSS,Gengqe JSS, Dalibaso SSS Siyakhana Childrens Home , and Mpindweni S.S.in K.S.D

- Financial assistance to 39 continuing learners at tertiary institutions and 3 learners below tertiary from destitute families.

### **3.17.6 Initiation Support**

The O.R Tambo District has been a hotspot for initiation deaths in the province. Every season there are reported initiation fatalities experienced by young men who went for traditional circumcision in the district. These fatalities are attributed to numerous factors such as botched circumcision, non-compliance to health and safety measures, the existence of illegal traditional surgeons and initiation schools as well as dehydration.

- The District Initiation Forum (DIF) which formed by Five Local Initiation Forums in the five local municipalities in the district is responsible for planning of district initiation at district level, mobilize resources for male initiation monitoring and program, monitor and evaluate the general functioning of initiation schools as well as supporting Local Initiation Fora.
- The Municipality works hand in hand with various stakeholders including local municipalities, Department of Health, SAPS, Department of Social Development, NGO's, Department of Education, National Prosecuting Authority and CoGTA.

Below is the summary of achievements through the Initiation support awareness campaigns have been conducted successfully

- Training of Traditional Surgeons and Traditional Nurses in collaboration with NGOs and other Departments is assisting the Programme.
- There are charges laid against perpetrators contravening the Male Initiation Act of 2016. SAPS and National Prosecuting Authority are working hard in enforcing the Act
- There are some improvement in death rates even though the rate is fluctuating during the two different initiation seasons.

### **3.17.7 Poverty Alleviation Programmes**

The O.R. Tambo District has a low economy, high levels of poverty, unemployment, underdevelopment, and heavy reliance on government grants.

The development priorities of the district are accordingly directed at four areas: Alleviation of poverty and high levels of unemployment that contributes to the high crime rate; Access to basic services, housing, and social infrastructure, especially in more rural areas. Poverty Relief entails two fundamental programs aimed at addressing food insecurity and nutrition as well as sustaining needy households in the district through support with vegetable seedlings, gardening implements and fruit trees.

The two established food security programs include the One Home One Food Garden and the One Tree One Child Program.

Below is the highlight of achievements by each program

### **1. One Home One Food Garden**

The program entail key important components towards addressing food security, thus;

- Capacity building and distribution of vegetable seedlings and gardening tools to needy households
- Land preparation- identified beneficiaries are assisted with tractors to prepare land for crop production for the One Home One Food Garden (Continued)
- Assistance of Cooperatives with ploughing and starter packs including fertilizer, potato seedlings and vegetable seedlings
- Support to hunger stricken households with food hampers
- From 2017 to date 6 485 household beneficiaries placed across the district benefited from the programme

### **2. One Tree One Child Program**

- The program focuses on improving the district's environmental challenges and adaption to global climate change for improved food security, livelihood, and secure future generations.
- Schools and school children are the primary drivers and beneficiaries of the tree planting campaign.
- The program contain three fundamental components, capacity building, food security and indigenous tree planting.
- Fruit trees are provided to school children to plant at home and indigenous trees are planted at school for greening and School orchards are also established.

Since the program inception in 2014 to date, fifty seven (57) schools drawn across the district have benefitted from the program , through capacity building, fruit trees and indigenous tree planting.

- Twelve Orchards have been established
- Five Schools from the twelve orchards are already producing outcomes with schools using the produced oranges to supplement the school feeding scheme program while other sell them and but necessary school material for needy learners.
- Thabatha Forest was planted as a result of the program in partnership with SAPPI and will be harvested in February 2022.

The Program was profiled as a legacy project of South Africa in 2017

### **3.17.8 Suort to Ex Combatants**

The municipality through the Office of the Executive Mayor provides support to Ex Combatants and the following has been provided to the Iringa co-op

The support that has been provided include

- Gardening tools in the form of 3 Spades, 5 Hosepipes, 5 Wheelbarrows, 4 Rakes, 5 Forkspades, 7Axes and 8 Hoes.
- Provided with ten thousand (10 000) potato packaging bags

A tractor during the harvesting time was also provided to assist.

### **3.17.9 National and International Icons Celebrations**

The celebration of national and international icons includes programs and interventions conducted to commemorate the life and legacy of two struggle stalwarts and global icons, Nelson Mandela and O.R Tambo. Thus, the month of July is declared as Mandela month while October is also known as O.R Tambo Month.

Below are the key activities and achievements recorded in celebration of national and international icons

- Executive Mayor's attendance to O.R Tambo and Adelaide Tambo Wreath Laying ceremony. Focus on the provision of the required community capacity building and empowerment in commemoration of the liberation struggle hero's
- The following programs were successfully conducted in commemoration of the liberation struggle hero's in 2020;
- O.R Tambo Memorial Lecture
- Mayoral Golf Day
- Operation Wanya Tsotsi in partnership SAPS
- Shot-left exposure

### **3.17.10 HIVAIDS & Inkciyo Empowerment rogramme**

Below are the interventions and activities that have been successfully implemented through the HIV/AIDS program;

- HIV/AIDS TB Awareness and Sanitary Hygiene held at E.N Seku and Sigoyo Junior Secondary School
- Provision of Sanitary Towels to Children in Distress
- HIVAIDS TB Awareness: National Boys Assembly(SANAC) held at Nyandeni Great Place

- HIV/ AIDS TB Men's Parliament in partnership with South African National Aids Council (SANAC) constituting of KSD L M, Mhlontlo LM, Port St John's LM, Lusikisiki L M, and Nyandeni LM held in O R Tambo Council Chambers
- Women infected and affected with HIV/AIDS attended weaving training
- Empowerment Workshop for ooNomehlo on Beadwork was conducted

## **COMPONENT G: SECURITY AND SAFETY**

### **3.18 Disaster Risk Management**

#### **3.18.1 Legislative background**

In line with international trends and our national objectives of efficient and effective management of local resources, O.R. Tambo disaster management policy underscores the importance of disaster risk reduction, integrated prevention of human fatalities, lifeline infrastructure, personal property, and the environment efficiently and effectively by tapping and improving in the following risk reduction capitals:

- Human,
- Economic,
- Political,
- Organisational,
- Financial,
- Natural, and
- Technological.

This is intended to ensure that the municipality using the District Development Model can contribute towards the realisation of the Millennium Development Goals, the National Development Plan and a disaster risk reduction based sustainable development. The district municipality through its disaster management policy framework using the human and political resource within its disaster management centre, advances an integrated disaster risk reduction and mitigation approach to its development initiatives, the development and application of integrated disaster preparedness measures aimed at ensuring efficient and effective disaster response, recovery, reconstruction and rehabilitation operations. The municipality seeks to realign itself towards implantation of programs, initiatives and projects that not only integrate disaster risk reduction but also mitigation and prevention measures.

The following pieces of legislation and policies have a bearing on the disaster management function:

- South African Constitution Act. 108 of 1996
- Disaster Management Act, 57 2002
- White Paper on Disaster Management
- National Disaster Management Framework
- National Disaster Management Guidelines
- National Disaster Management Regulations
- National Disaster Management Handbook
- Provincial Disaster Management Policy Framework
- O.R. Tambo Disaster Management Policy Framework
- DORA
- Municipal Systems Act
- Access to Information Act
- POPI Act
- Health Act
- Social Assistance Act, etc.

The primary responsibility for disaster management in South Africa rests with the government. In terms of section 41(l) (b) of the Constitution of the Republic of South Africa, all spheres of government are required to “secure the well-being of the people of the Republic”. Disaster management is listed as a functional area in Part A of Schedule 4 of the Constitution, meaning that both the national and provincial spheres of government are competent to develop and execute laws within this area and have powers and responsibilities in relation to disaster management. Disaster management has also been ‘assigned’ to local government through the promulgation of the Disaster Management Act, 2002 (Act no 57 of 2002).

The Disaster Management Act 57 of 2002 (as amended) is the primary legislation dealing with DM in the country. This Act provides for an integrated & coordinated disaster management policy that focuses on:

- Preventing or reducing the risk of disasters (Prevention);
- Mitigating the severity of disasters (Mitigation);
- Emergency preparedness;

- Rapid & effective response to disasters; and
- Post-disaster recovery and rehabilitation.

The Act also makes provision for the establishment and functioning of DM across all focal point spheres of government and access to disaster management volunteers; and matters incidental thereto.

### **3.18.2 Disaster Management function**

In support of the core concepts of integration and uniformity the disaster management centre performs its duties in realisation of the four key performance areas (KPAs) supported by three performance enablers (PEs) as follows:

KPA 1: Integrated Institutional Capacity for DRM

KPA 2: Disaster Risk Assessment (DRA)

KPA 3: Disaster Risk Reduction

KPA 4: Disaster Response and Recovery

PE 1: Information Management and Communication

PE 2: Knowledge management

PE 3: Funding

These KPAs and KEs are interrelated and should be implemented following cooperative governance and project management principles.

### **3.18.3 2021/22 Planned Targets and Achievements**

The disaster management centre had 4 targets to achieve during this financial year, these were targets for the year 2021/22:

- 1) Percentage of destitute households supported due to disaster – achieved
- 2) Number of District Disaster Risk profiles revised -- Not achieved
- 3) Number of a localised severe weather early warning systems upgraded – Not achieved.
- 4) Number of quarterly reports generated on functionality of the localised severe weather early warning system – Not achieved.

### **3.18.4 Challenges**

The Centre has experienced challenges in the implementation of the municipality disaster management policy framework. The Centre is facing difficulties in:

- Budget constraints affecting tools of trade
- Inadequate Disaster facilities
- Non participation of stakeholders in Disaster planning

### 3.18.5 Recommendations

- Allocation of adequate budget for operations and capital projects.
- Strengthening of Public Private Partnership.

### 3.19 Fire and Emergency Services

Fire and rescue services has a social mandate to save, property and preserve environment. Throughout history, fires have inflicted a heavy cost in human infrastructure, and damages to the environment in a manner capable of undermining socio economic development. The risk of fire in South Africa is influenced by a variety of socio-economic factors notably the rising levels of urbanisation which often result in the informal settlement comprised of shacks built by highly combustible material and in close proximity to each other in peri-urban which heighten the risk of fire in these areas. The danger posed by fire to human lives, infrastructure and the environment has been demonstrated by some of the major fire that humanity has experienced over the years. The service operates under four key performance areas which narrated as follows:

- **Fire Operations** involve rendering of rescue; administration and emergency functions. This includes all day to day operations of the unit and all its four satellite fire stations.
- **Fire Prevention** which focuses on the application of legislation on prevention, mitigation and reduction of fire risks. It includes evaluation and analysis of building plans, advisory services, and risk analysis and compliance inspections to buildings.
- **Training** sub unit involves undertaking in house trainings, simulations, drills and exercises. It also encourages readiness of equipment and personnel to deal with and respond to reported fire or other incidents requiring role of the service.
- **Fire Public Information, public education & public relations (PIER)** focuses on fire prevention through the engagement of communities, the private sector and other key role



players. The sub unit also actively participate and facilitate operation and establishment of FPAs (Fire Protection Association).

### **3.19.1 Legislative Background**

- Constitution of SA,
- Fire Brigade Services Act 99 of 1987,
- SANS 10090 - Community Protection against Fire,
- SANS 0400 - Building Regulations
- SANS 10087- LPG Installation
- SANS 10089- Flammable Liquids Installation
- National Veld Forest Fire Act 101 of 1998

### **3.19.2 2021/22 Planned Targets and Achievements**

1. Percentage of fire and emergency incidents responded to within 60 minutes for areas within a 50 kilometres radius = 100%
2. Percentage of fire and emergency incidents responded to within 02 hours for areas more than 50 kilometres radius = 100%

The above achievement was made possible by contracting fire reservists to main four shift system of the service.

### **3.19.3 Unit managed to achieve the following activities for the period under review:**

1. Percentage of fire and emergency incidents responded to within 60 minutes for areas within a 50 kilometres radius = 100%
2. Percentage of fire and emergency incidents responded to within 02 hours for areas more than 50 kilometres radius = 100%

### **3.19.4 Challenges**

- There are no fire fighters.
- High vacancy rate affects other crucial aspects of fire services
- Limited Mechanical Resources such as Fire Engines to service the district.
- Insufficient Budget,
- Absence of By-Laws affects the operation of fire prevention, difficulty in enforcing safety policies, difficulty in charging tariffs on fire prevention activities and on emergency response activities.
- Shortage of fire hydrants (pillar posts) throughout the district satellites being a major problem for structural fires.

### 3.19.5 Recommendations

- Speed up recruitment processes.
- Establish Fire Safety Unit.
- Budget consideration improvement.

## COMPONENT H: SPORTS AND RECREATION

### 3.20 Sports and Recreation

The unit is responsible for the co-ordination and facilitation of the development of sport and recreation initiative and activities within the O.R Tambo district municipality. This is executed having cognisance of sport and recreation activities as an instrument for social cohesion, nation building, mass participation, recognition of the marginalised group( people living with disability, women, disadvantaged communities).The aim of the unit is to liaise with the relevant stake holders, various spheres of government, The unit is also responsible for the management of the budget allocated to the unit for delivering the quality services in co-ordinating the sport and recreation initiatives.

#### 3.20.1 Legislative Framework

- The Constitution of South Africa, 1996
- National Sports Plan
- White Paper on Sport and Recreation
- National Framework on Sport and Recreation

#### 3.20.2 Sports and Recreation Programmes

- Support to Sport Development programmes ranging from Local, District, Provincial, National and International arenas. (Mayor's Cup, O.R Tambo Games programme)
- Staging capacity building initiatives for sport and recreation administrators
- Rendering support to sport for the vulnerable groups (people living with disability, women and disadvantaged)
- Rendering support to elite sport initiatives for the provincial national and international arena
- Assist in the provision of sport and recreation equipment to various schools, clubs, individuals and federations and sport confederation e.g. Boxing.

### 3.21 Arts, Culture and Heritage

Arts, Culture & Heritage is being recognised as fundamental to the social-cohesion and economic development of the country. The government's policy for local arts, culture and heritage need to be seen overarching context of building a just and equitable society where citizens are enabled

to enjoy the social-cohesion and economic benefits that flow from access to and participation in culture.

The aim of the unit is to develop and preserve ORTDM arts, culture, and heritage to ensure social cohesion and nation-building. It strives to promote and sustain economic development through influencing partnerships (Public Private Partnership). Focus is also directed to the strengthening of the liberation Heritage Route.

### **3.21.1 Legislative Framework**

- The Constitution of South Africa, 1996
- National Heritage Council Act (No. 11 of 1999)
- National Art Council Act 1997, (No. 56 of 1997)
- National Resources Act (No. 25 of 1999)
- Culture Promotion Act (No. 35 of 1983)
- National Library of South Africa Act (No. 92 of 1998)
- White Paper on Arts, Culture and Heritage, 1996
- National Film Strategy, 2014

### **3.21.2 Functions of the Unit**

- The unit is responsible for the co-ordination, facilitation, assistance and support to the LMs, sectors, stakeholders and individuals. It also facilitates, implement the development of Artistic, Cultural, and preservation of Heritage within the district municipality
  - To provide support to associations of artists and to individuals involved in artistic and cultural activities
  - To promote cultural interaction among different cultural components within the district as recognition of cultural diversity;
  - To promote cultural interaction among different cultural components within the district.
  - To encourage the development of a dynamic arts and culture sector
  - To preserve and foster cultural values both at individual and collective levels
- To ensure the preservation of the heritage Liberation Route

### **3.21.3 2021/2022 Financial Year Plans and Achievements**

The unit managed to achieve the following activities for the financial year under review:

- Arts and Craft Material delivered to the Bumbane Art Centre
- Supported Ingquza Hill Massacre Commemoration
- Supported the Artists with music equipment.

## **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

### **3.22 Executive and Council**

The Executive arm of the municipality is politically headed by the Executive Mayor and administratively by the municipal manager. The District municipality is a non-delegated municipality with the Municipal Manager serving as the accounting officer and advisor to the Executive Mayor. The Executive Mayor has the power to elect a Mayoral Committee, which serves as an executive committee of council, to advise the Executive Mayor on executive decisions. The Mayoral Committee is made up of political Members of the Mayoral Committee (MMCs) which are equivalent to the number of executive departments within the municipality. The Executive Mayor reports to Council on all executive functions subsequent to Mayoral Committee meetings.

The Council is the legislative arm of the municipality which is headed by the Council Speaker. The legislative arm houses councillors which serve on different oversight committees. The legislative arm has section 79 committees which are politically headed by chairpersons and these serve as oversight committees to legislative departments. The legislative committees report to and compile reports to council on their oversight function. The legislative arm also houses the Office of the Chief Whip, which impartially takes care of all interests of political parties serving in council.

#### **3.22.1 Mayoral Committee Operations**

The Municipality is governed in terms of an Executive Mayoral System. It has a functional Mayoral Committee in place, headed by the Executive Mayor, supported by the Deputy Executive Mayor and the members of the Mayoral Committee. The Mayoral Committee is appointed by the Executive Mayor in terms of Section 60 of the Municipal Structures Act 117 of 1998 and its role is to assist and advise the executive mayor on the day-to-day business of the municipality. The Mayoral Committee of the municipality consisting of councillors who serve as Mayoral Committee members for the following;

- Budget and Treasury office
- Human Settlements
- Planning Research and IGR
- Special Programs Unit
- Technical Services
- Corporate Services
- Infrastructure, Water, and Sanitation
- Community Services

The Mayoral Committee meetings sit monthly and a special mayoral committee is convened when the need or matters of urgency arises. During the 2021/2022 financial year, twelve (12) Mayoral Committee meetings were held mostly virtual.

#### **3.22.2 Sectoral Engagements and Support**

Engagement and support to sectors are integral for the municipality to develop and understand stakeholders' development views, needs, interests, and expectations as well as assisting the

municipality with strategic decision-making. The Executive Mayoral Office supports several sectors that are instrumental in the livelihood of communities and business interests.

With the ultimate responsibility for sectoral engagement and support vested in the Executive Mayoral Office, the Sectoral Engagement Section is responsible for the Coordination of community involvement in the affairs of the municipality and for providing support to sectors where necessary. Of note, the section has the following desks responsible for ensuring that coordination and support is provided;

- Traditional Leadership
- District Chaplaincy and Interfaith
- Business Fraternity;
- Military veterans

In the year under review, the following engagements by the Office of the Executive Mayor were recorded and achieved.

In addition to the engagements, the Methodist Church, Palmerton in Ingquza Hill received empowerment support from the Municipality when it hosted a three their 3-day Synod Programme.

### 3.22.3 Mayoral Imbizo's an IDP Roadshows

A total of nine (9) Mayoral Imbizos were held in the 2021/2022 financial year. In addition, IDP and Budget Roadshows were held in various clusters across the district.

### 3.23 Financial Services

Financial services are performed under the Budget and Treasury Office which is headed by the Chief Financial Officer. The department is responsible for revenue collection, expenditure management, asset management and supply chain management. This department has a vacancy rate of 48%. Staff compliment as the end of June 2022 for this department is a depicted in the table below:

*Table 27: Employees – Budget & Treasury Office*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
187	91	96	51%

#### 3.23.1 Revenue Collection

With regards to municipal revenue, water supply remains a viable cost recovery mechanism and a primary source of revenue. Insufficient collection of revenue affects the growth of the municipal budget adversely hence the introduction of cost recovery measures. The aforementioned cost recovery measures will be enhanced by the review and development of financial policies that are

to be tabled to Council for adoption.

The department has sought for alternative sustainable sources of revenue generation to boost the municipality's cost recovery mechanisms; to reduce reliance on grants; and improve budget growth.

### **3.23.2 Expenditure and Liability Management**

Expenditure and Liability management is the responsibility of the accounting officer of the municipality, the Municipal Manager. Upon the instance where a municipality incurs unauthorized, irregular or fruitless and wasteful expenditure; the municipality must investigate the cause and hold a person responsible. According to section 32 of the Municipal Finance Management Act, the municipal council must elect/nominate a council committee to investigate the unauthorized, fruitless and wasteful expenditure.

OR Tambo currently sits at an inflated amount of unauthorized, irregular or fruitless and wasteful expenditure, which has been historically accumulated since time immemorial. The accumulation of this amount is the reason the 2017-2022 council delegated MPAC to investigate the deliberate or negligent authorization of a fruitless and wasteful expenditure.

The Committee presented a report to Council with the recommendations that some of the transactions should be condoned on the fact that there was value for money and the services were rendered. The committee then tabled the report to Council and the Council approved the condonement. In its approval the Council further requested the Committee to continue with further investigations of the remainder of the balance as well as the current irregular expenditure.

Irregular expenditure in the District is the result of the implementation of programmes and projects for water services and one of the major contributor is the agreement between the Municipality and Amatola Water Board which was crafted in line with the PFMA but does not comply with the MFMA. Moreover, the other major contributor is the composition of BAC which led to disagreement with AG. Para 29 of SCM regulation regulates composition of committee but is silent on the quorum, AG regarded composition as quorum and any less members' sittings, tenders awarded or recommended are included in irregular expenditure. Management is working tirelessly to regularize the contract of Amatola Water whilst engagements with AG on the BAC composition matter are still continuing.

### **3.24 Corporate Services**

Human resources functions in the District are performed under Corporate Services Department and is mainly responsible for the recruitment of staff members to the District through recruitment and selection policy which is currently in place. This department is the second with a high vacancy rate of 83%. Staff compliment as the start of July 2021 and to end of June 2022 for this department is depicted in the table below:

*Table 28: Employees – Corporate Services*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
431	61	370	86%

### 3.25 Legal Services

The municipality have an in-house legal service department with the support model from the private attorneys, contracted through the panel. The legal services unit manages the litigations through the register and provide legal advice and guidance to the institution on all legal related matters. The unit further provide supports to other Local Municipalities within the district such as Nyandeni, Ingquza Hill and King Sabata Dalindyebo Local Municipalities, and its entity Ntinga Development Agent. This approach serves to build capacity to other municipalities and entities whilst others do not have legal advisors and rely on external legal service providers (consultants).

Over the year under review, the district managed to reduce the number of litigation by 53%. This demonstrates improvement from the planned percentage reduction of 25%. Key matters that have been resolved over the year include matters where there have been claims for breach of contractual obligations, labour matters and some claims for damages suffered especially the loss of life. Whilst there is improvement in the management of the litigations in the institution, the district is still faced with some challenges that include: -

- General failure in the institution to respond to agreements and contractual matters which yield to litigations.
- Non-compliance to policy and legislative matters that are challengeable;
- The increasing labour litigations due to employees deserting the bargaining council processes
- Continuous individuals instructing attorneys to claim the municipality.

### 3.26 Oversight for Service Delivery

Oversight for service delivery functions in the District are performed under Legislative Services Department. This department has a vacancy rate of 11%. Staff complement as the end of June 2022 for this department is depicted in the table below:

*Table 29: Employees – Legislative Services*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
59	52	7	11%

The Legislative Services Department acts as the legislative arm of the municipality by being the home of the District Municipality Council. The Council is the highest decision making body within the municipality and remains independent to the executive arm.

One of the instrumental role(s) the Legislative Department plays is that of municipal oversight in all service delivery initiatives implemented by the executive. Legislative Services Department took an extra mile at improving oversight and accountability by implementing the Municipal Oversight Model (MoM). The background relates to Council of O.R. Tambo District Municipality taking a resolution in September 2013 on the implementing the Separation of Powers. This came as a mandate from the ruling party to pilot the model in O.R. Tambo District Municipality. The Council of O.R. Tambo District Municipality, after adopting the concept of Separation of Powers in 2013, did not have a guiding document in playing its oversight role, hence the Sector Oversight Model (SOM) (used by legislatures) was customized by the municipality, with the assistance of technical experts, to suite the municipal environment. It was therefore referred to as Municipal Oversight Model (MOM). In 2015 the Council adopted the MOM.

After the adoption of Separation of Powers, the Council of O.R. Tambo achieved the following critical milestones that assisted towards the successful implementation of the Oversight Model:

- Restructuring of Section 79 Committees
- Amended Council Standing Orders
- Development of Terms of Reference for S79 Standing & Portfolio Committees
- Development and adoption of Committee System
- Development of Committees and Research Process Maps
- Development of Council Agenda Process Flow
- Development of Committee Analysis Tool
- Alignment of Committee Oversight Reports with Covac Framework.

For smooth implementation of the MOM, the Council had to restructure its Section 79 Committees in a way that will enhance effective oversight. Each municipal department is being oversighted by a Portfolio Oversight Committee that is chaired by a non-executive councillor. O.R. Tambo District Municipality has the following 8 Section 79 Portfolio Oversight Committees:

- |  |                            |
|--|----------------------------|
| • Water and Sanitation Services                | : Chaired by Cllr Ngxamile |
| • Budget and Treasury and Internal Audit       | : Chaired by Cllr Vanda    |
| • Corporate Services                           | : Chaired by Cllr Zondani  |
| • Community Services Portfolio                 | : Chaired by Cllr Madolo   |
| • IGR, Planning, Research & Policy Development | : Chaired by Cllr Vava     |
| • Human Settlement                             | : Chaired by Cllr Ncapayi  |
| • Rural Economic Developmental Planning        | : Chaired by Cllr Ntshuba  |
| • Special Programs & Social Services           | : Chaired by Cllr Matanda  |

According to MOM, each Portfolio Oversight Committee must focus on the following imperatives in each financial year:



- IDP & Budget
- SDBIP
- AG's Report based on Annual Financial Statements
- Focused Intervention Study Report
- Annual Report
- 1st Quarter Report
- 2nd Quarter Report
- 3rd Quarter Report
- 4th Quarter Report

When interrogating each report, the committee chairperson has to follow these steps:

- Step 1: Speaker refers the report to COMMITTEES (Chair of Chairs)
- Step 2: Chairperson and Committee staff analyse the report in line with Municipal Oversight Model (MOM) Analysis Tool
- Step 3: Chairpersons Obtain briefing from Researchers / Committees Officers/Legal Advisor/ Public Participation Officer
- Step 4: Chairperson and Committee Staff Develop preliminary questions
- Step 5: Chairperson and Committee Adopt preliminary questions and send to the Member of the Executive
- Step 6: Chairperson and Committee Receive responses to preliminary questions
- Step 7: Chairperson analyses responses & call for a hearing
- Step 8: Chairperson Convenes a hearing for the Executive to account
- Step 9: Chairperson and Committee make findings, draft report, adopt the oversight report
- Step 10: Chairperson Reports back to Chair of Chairs, then to Speaker
- Step 11: The Chairperson presents the Oversight Report in a Council meeting

The above steps are time consuming and they need to be concluded within 6 weeks for each report.

For each Oversight report to qualify for council adoption, it has to be in line with Committee Oversight & Accountability (COVAC) Framework. This framework is too technical, but demands in-depth understanding and involvement of the Chairperson for effective oversight. In line with COVAC framework, the Chairperson analyses each report looking at the following areas:

- Outcomes (inclusive of the Political Priorities)
- Other National, Provincial, District political and strategic priorities
- Other Oversight Bodies (e.g. CH 9 / CH10 – AGSA etc.)
- Oversight on Technical Performance, Compliance and Quality
- Oversight on Strategic Achievements
- Oversight on Financial Performance (Budget expenditure) (and avoidance / reduction of fruitless and wasteful expenditure)
- Oversight on Meaningful Public Involvement
- Oversight on Resolutions Management (Council and Committee Resolutions)

The above oversight analysis has yielded to positive performance and Audit outcomes in the municipality when comparing the past 6 years. Before the Model was introduced, the Audit Opinion from 2011/12 to 2013/14 the Municipality received disclaimer opinion; meaning the Municipality was unable to provide evidence to substantiate what has been disclosed in the Annual Financial Statements and Annual Performance Report. The stagnation in the audit outcome was due to leadership instability, vacancies in top management, a culture of good governance and accountability not being embedded, and practices that promote clean administration not being entrenched within daily, weekly and monthly activities. The ineffectiveness of governance structures also called into question the reliability of the evidence obtained and the authenticity of the accounting records and documentation.

After the implementation of the Oversight Model, the Audit Opinion changed drastically. From 2014/15 to 2016/17 the Municipality received qualifications. In 2016/17 financial year, the municipality received a Qualified Audit Opinion from the AG with one qualification item. The qualification item was the Irregular Expenditure from prior years, going as far back 2012-2013, which was not investigated by Council.

The above analysis clearly shows that the Chairpersons of Section 79 Portfolio Committees played a very big role in improving municipal performance.

However, since the Chairpersons of Section 79 Portfolio Committees are not part-time, the quality of oversight work gets compromised and tends to be influenced by officials.

### 3.27 Monitoring, Reporting and Evaluation

Monitoring, Reporting and Evaluation unit is under the Office of the Municipal Manager which is led by the Director together with other functions such as Risk Management, Legal Services, Integrated Development Plan, Intergovernmental Relations, Communications and the management of the Municipal Managers office.

This department has a vacancy rate of 59%. Staff compliment as the end of June 2022 for this department is depicted in the table below:

*Table 30: Employees – Office of the Municipal Manager*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
44	18	26	59%

#### 3.27.1 Monitoring, Reporting and Evaluation

The performance management system in ORTDM is driven by a Performance Management Policy/ Framework that was developed and adopted by the Council together with the Budget

related policies in May 2017. This policy/framework provides an overarching framework for managing performance in the district. Strategically, the performance management system used by the ORTDM focuses on supporting the realisation of the Municipality's development objectives, the achievement of predetermined results and promoting compliance with the statutory requirements. The policy/framework is under review to incorporate developments that took place with the performance management space.

The ORTDM has continued to inculcate a culture of performance management and accountability, through various instruments. However, over the past 3 financial years the District has seen decline in the way departments behave in relation to performance management. The decline was as a result of Covid-19 pandemic from 2019/20 and political instability that started to creep in during the 2020/21 to 2021/22 financial year.

The District continues to use manual reporting system which also pose a challenge. Since the start of the challenges listed above, most employees were impacted in different ways resulting in some cases employees having to work from home. The absence of an electronic system and is still a challenge and as a result reporting timelines are not met.

Management of the municipality is held accountable for municipal performance through their Performance Agreements. However, the Municipality has not performed any performance evaluation since the year 2018/19.

There is further an Audit Committee which performs oversight on institutional performance. The structure and its work is further supplemented by the Municipal Oversight Model, wherein there are Council committees per department that provide oversight of the performance. All these play a significant role in improving reporting systems and in strengthening accountability. For the financial year under review only the Audit Committee remained functional. The oversight committees are behind with their work due to institutional instability.

### **3.28 Internal Audit Services**

There's an in house Internal Audit function that is independent and that reports directly to the Audit Committee with dotted line responsibilities to the Municipal Manager. Currently the Internal Audit function has 8 staff members and 43% vacancy rate.

*Table 31: Employees – Internal Audit*

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
14	8	6	43%

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It assists an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The situation in the district is as follows:

- Nyandeni, Ingquza Hill, King Sabata Dalindyebo and Mhlontlo Local Municipalities have functional internal audit functions, whereas Port St Johns Local Municipality, its Agency as well as Ntinga OR Development Agency are fully supported by the District Municipality, as the audits are performed by the District Internal Auditors;
- Audit committees in all the Local Municipalities are in place and functional;
- Ad-hoc support is provided to municipalities with functional internal audit units upon request i.e. Nyandeni LM, KSD LM and Ingquza Hill LM;
- All municipalities in the district have been audited by the Auditor General for the financial year;
- Furthermore, the District Municipality has since established a District Internal Audit Forum during the 2016/2017 financial year, and is of convening with the local municipalities twice a year for the purposes of information sharing.

Key challenges that have been identified in this area include the following:

- audit issues identified raised by AG are not fully addressed as per the management audit action plan.
- recommendations made by Internal Auditors not fully implemented;

### 3.28.1 Audit Committee

The district municipality has a functional Audit Committee. The committee has skills to address financial matters, risk management and audit matters, performance management issues and legal issues. The functions of the Audit Committee are performed within the parameters of the Council-approved Audit Committee Charter. The Charter was approved in August 2021. The Audit Committee sits quarterly and its reports are submitted to Council.

The following table (Table 68) summarises the status of audit committees in the DM and the five LMs in the District:

*Table 32: Status of Audit Committees*

Name Of The Organization	Audit Committee Status
Ntinga O.R. Tambo Development Agency	Committee is in place
Port St Johns Local Municipality	Committee is in place
King Sabata Dalindyebo Local Municipality	Committee is in place
Ingquza Hill Local Municipality	Committee is in place
Nyandeni Local Municipality	Committee is in place
Mhlontlo Local Municipality	Committee is in place

Table 69 below summarises the status of the internal audit function in the DM and the five LMs in the District:

**Table 33: Status of Internal Audit Function**

Name Of The Organisation	Internal Status
Ntinga O.R. Tambo Development Agency	Shared with District Municipality i.e. fully supported by the District Internal Audit unit
Port St Johns Local Municipality	Shared with the District Municipality i.e. fully supported by the District Internal Audit unit
Port St Johns Development Agency	Shared with the District Municipality i.e. fully supported by the District Internal Audit unit
King Sabata Dalindyebo Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings
Ingquza Hill Local Municipality	In-house function but supported by the District on an Ad-hoc basis
Nyandeni Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings
Mhlontlo Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings

### 3.29 Communications

Municipalities must ensure that they have a Communications Unit that empowers and encourages citizens to participate in democracy and improve the lives of all. This should ensure coherence of messages, open and extended channels of communication between the municipality and the people towards a shared vision. The District Municipality has a Communications Unit.

A District Communicators Forum (DCF) has been established and is functional. Over the past year there has been maximum participation of local municipalities, sector department and government entities in the quarterly DCF meetings.

Issues pertaining to the communication cluster are attended to by the relevant LMs. Communicators have been inducted on the role that they need to play in their respective municipalities. A Communication Strategy and Plan was approved by Council in April 2014. For the 2016-2021 term of Council, a Communications Policy remains a draft.

The political and administrative instability in the district in the last two years of the term of council, has however affected the implementation of the following communication programs. Talk to Your Mayor Radio program, Newsletter and Media walkabout. The Talk to you Mayor program couldn't continue after community radio stations were not paid for services rendered during the 2020/21 virtual IDB/Budget roadshows. This then led to the radio stations blacklisting the district municipality.

Newsletter and Media walkabout were affected by the poor performance of the district, as these two initiatives mainly focus on service delivery milestones.

Besides the aforementioned challenges there are challenges that the Communication Strategy and Plan seeks to address. They are the following:

- non- centralised communications;
- communications units not sufficiently resourced in terms of Human Resources and finances (PSJ communications units only has one official in the LM);
- inconsistency in updating information in the municipal websites;
- negative perceptions in the Media;
- inconsistency in attendance of the DCF by some municipalities;
- lack of Corporate Identity;
- varying and inconsistent communication (internal and external);
- internal communication is not done properly;
- communication with external institutions that is poorly managed/channelled;
- service delivery communication to LM and communities;
- no clear communication between DM and LM councils (especially DM and LM council decisions);
- no proper coordination of communication in the district; and
- non-responsive Communication Strategy.

## **COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

*Table 34: Organisational Performance Scorecard*

## KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)											
Goal(s): To promote integrated sustainable community livelihoods											
Goal(s): To provide conducive, adequate and accessible infrastructure											
Goal(s): To provide water and sanitation to every village/community											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
COMMUNITY SERVICES	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	1_1_1_P001	1. Number of early childhood development forum meetings held	P001 Early Childhood Development	R 0	New Indicator	2	2	Fully effective	N/A	N/A
COMMUNITY SERVICES	2. To provide support in the reduction of crime in the District on an annual basis	1_2_1_P002	1. Number of life guards, coastal and water falls patrollers recruited	P002 Coastal and Falls Safety Programmes	R 0	0	0	N/A	Not applicable	N/A	N/A
COMMUNITY SERVICES		1_2_2_P003	2. Number of crime and safety initiatives conducted	P003 School safety and crime prevention initiatives	R 0	5	6	6	Fully effective	N/A	N/A
COMMUNITY SERVICES	3. To provide the best possible municipal health and environmental services to the population of the District	1_3_1_P004	1. Number of programmes implemented as per Environmental Health Scope of Practice and National Environmental Health Norms and Standards	P004 District Municipal Health and Environmental Plan	R 5,850	11	10	10	Fully effective	N/A	N/A
COMMUNITY SERVICES	4. To provide support to sports, recreation, arts, cultural affairs and heritage development and practice	1_4_1_P005	1. Number of sports, recreation, arts, heritage and libraries information & education services initiatives implemented/supported	P005 Sports, Recreation, Arts, Culture, Heritage, Libraries Information and Education Services	R 0	3	0	2	Outstanding performance	The municipality worked in partnership with DSRAC and Impala Platinum Mines by coordinating the refurbishment of 3 libraries within the district.	N/A

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
COMMUNITY SERVICES	5. To promote a sustainable and integrated approach to Disaster Risk Management across the District	1_5_1_P006	1. Percentage of destitute households supported due to disaster	P006 Disaster Impact Assessment and Relief	R 2,449,863	68%	100%	100%	Fully effective	N/A	N/A
COMMUNITY SERVICES		1_5_2_P109	2. Number of District Disaster Risk Profiles revised	P109 District Disaster Risk Profiles	R 0	New Indicator	0	N/A	Not applicable	N/A	N/A
COMMUNITY SERVICES	6. To ensure that fire and emergency incidents are responded to within the required turnaround times	1_6_1_P008	1. Percentage compliance with the attendance time for fire fighting incidents	P008 Response time to fire incidents	R 0	100%	100%	100%	Fully effective	N/A	N/A
EXECUTIVE MAYORAL SERVICES	1. To improve the well-being of vulnerable groups and general welfare of O.R Tambo communities	1_1_2_P009	2. Number of learners financially supported to access education	P009 Financial Academic Assistance program	R 1,000,000	30	0	N/A	Not applicable	N/A	N/A
EXECUTIVE MAYORAL SERVICES		1_1_3_P010	3. Number of support initiatives provided for schools to improve matric results in the district	P010 Schools Support (educational support for the destitute, Star Schools programme, Support to poor performing schools)	R 223,500	7	1	1	Fully effective	N/A	N/A
EXECUTIVE MAYORAL SERVICES		1_1_4_P011	4. Number of programmes implemented from coordinated multi-stakeholder/institutional interventions through the rollout of LIGHT programme	P011 Livelihood Improvement and Greater Household Transformation (One Home One Food Garden, One tree One Child, Inkciyo empowerment, HIV/AIDS coordination, awareness and empowerment, SPU empowerment and capacity building for designated groups)	R 910,167	25	4	4	Fully effective	N/A	N/A
EXECUTIVE MAYORAL SERVICES	7. To instill a sense of community through the	1_7_1_P012	1. Number of National and Internationally aligned programmes implemented in	P012 National and International Icons celebration (Nelson Mandela month, OR Tambo month, Youth month etc.)	R 0	5	0	N/A	Not applicable	N/A	N/A



**KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (40%)**

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
	organisation of special events		recognition of iconic figures								
HUMAN SETTLEMENTS	8. To ensure the provision of Human Settlements programmes within the District	1_8_1_P013	1. Number of houses built for emergency housing situations	P013 Emergency Housing	R 124,145,909	184	100	70	<b>Performance not fully effective</b>	Target not met due to delays on the enrolment of houses with NHBRC leading to late start of the project, Inclement weather conditions, as well poor performance to some contractors.	The projects are multiyear, the contractors will recover as there will be no enrolment of houses. Systems in place are put to ensure early detection of poor performance and to deal with it accordingly.
HUMAN SETTLEMENTS		1_8_2_P014	2. Number of wards distributed with Housing Consumer Education Brochures	P014 Housing Consumer Education	R 0	24	12	14	<b>Performance significantly above expectations</b>	There were Two (2) wards that were not part of the plan to distribute brochures, however due to the natural disasters, during the assessments of the disaster, consumer education was done to ensure that the people understand the Human Settlements processes	N/A

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
HUMAN SETTLEMENTS		1_8_4_P016	4. Number of temporal structures distributed within ORTDM	P016 Temporal Structures	R 0	8	600	0	<b>Unacceptable performance</b>	and procedure Target not met due to poor performance of the contractor and the inclement weather in the month of April and May 2022.	Target will not be implemented as the grant will be withdrawn and the funding will not be available in the next financial year.
HUMAN SETTLEMENTS	16. To establish the necessary support structures to improve the provision of Human Settlements on a continuous basis	1_16_1_P092	1. Number of District Human Settlements Strategy reviewed	P092 District Human Settlements Strategy	R 0	0	0	N/A	<b>Not applicable</b>	N/A	N/A
HUMAN SETTLEMENTS		1_16_2_P110	2. Number of Local Municipalities supported to develop Housing Sector Plans	P110 Housing Sector Plans	R 0	0	0	N/A	<b>Not applicable</b>	N/A	N/A
HUMAN SETTLEMENTS		1_16_3_P111	3. Number of milestones completed towards township establishment for middle and high income settlements	P111 Township Establishment for formalisation of informal settlements	R 0	0	3	2	<b>Performance not fully effective</b>	The Funding agreement between the municipality and the department of Human Settlements was deemed unenforceable and the municipality could not continue as being the implementing agent.	The municipality to set aside budget for the upgrading township establishment.
RURAL, ECONOMIC AND DEVELOPMENT	9. To recycle 70% of all waste	1_9_1_P017	1. Tons of waste recycled	P017 Landfill Management	R 0	1099	1635.535	1599	<b>Performance not fully effective</b>	The reason for deviation was due to the fact that	Re-strategies the program to suit the

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment						
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action	
PLANNING (REDP)											waste harvesters refused to supply material as a results of non payment of their previous supplies since the municipality could not pay claims for service provider	current situation.
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	17. To ensure that at least 80% of projects comply with environmental regulations	1_17_1_P093	1. Number of monitoring and evaluations conducted on MIG projects for Environmental Impact Assessment (EIA) implementation	P093 Environmental Impact Assessment Compliance	R 0	20	60	60	Fully effective	N/A	N/A	
TECHNICAL SERVICES	10. To coordinate IGR Structures and intervene in the implementation of transport, roads and electricity	1_10_6_P087	6. Number of milestones completed on renovating Prosperity Building (Phase 2)	P087 Prosperity Building	R 1,657,000	0	0	N/A	Not applicable	N/A	N/A	
TECHNICAL SERVICES		1_10_9_P094	9. Number of milestones completed on renovating OR Tambo Offices	P094 OR Tambo Offices	R 0	2	0	N/A	Not applicable	N/A	N/A	
TECHNICAL SERVICES		1_10_8_P089	8. KM's of gravel access roads assessed	P089 Rural Road Asset Management System	R 3,002,000	1645,5km	100km	0km	Unacceptable performance	The Professional service provider for this service was not yet appointed due to the tender objection that was submitted	Objection was concluded and the project will be re-advertised in the new financial year	

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
TECHNICAL SERVICES	5. To promote a sustainable and integrated approach to Disaster Risk Management across the District	1_5_5_P022	5. Number of milestones completed for the construction of Disaster Management Centre	P022 District Disaster Management Centre	R 890,045	7	2	2	<b>Fully effective</b>	N/A	N/A
WATER AND SANITATION	11. To provide reliable water and sanitation services	1_11_1_P023	1. Percentage compliance of Drinking water quality	P023 Water Quality	R 984,184	79%	93%	88%	<b>Performance not fully effective</b>	Variance between the number of samples taken versus number of points registered on the system, inability to sample points due to water outages during time of sampling.	Teams to prioritize repairs to the schemes especially sampled points to ensure availability of water during sampling schedule. The system calculates the average based on the registered points versus sampled points.
WATER AND SANITATION		1_11_2_P024	2. Percentage compliance of waste water effluent quality	P024 Effluent Quality		44%	90%	59%	<b>Unacceptable performance</b>	Due to ineffective operations and maintenance of wastewater facilities, Shortage of staff to operate wastewater facilities, Dilapidated wastewater	Review, update and implement wastewater risk abatement plans to ensure that risks associated with operations of wastewater plants are

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment						
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action	
WATER AND SANITATION	12. To expedite the reduction of water and sanitation backlogs	1_12_1_P026	1. Number of water tanks provided to communities	P026 Rain water harvesting	R 0	90	0	N/A	<b>Not applicable</b>	N/A	N/A	controlled and mitigated and hence improve wastewater quality compliance. Refurbishment of the non functioning systems. Prioritization of filling vacant posts at the plants
WATER AND SANITATION		1_12_2_P027	2. Purified mega litres of water carted and delivered to communities.	P027 Water Carting	R 2,588,900	147.8	32	30.7	<b>Performance not fully effective</b>	Number of trucks delivering water to communities decreased due to contracts that lapsed. and the municipality relied on their own trucks. There was at some point no trucks operating except for the trucks which were received from Amatola Water and DWS after floods in April.	Repairs of the municipal trucks will be fast-tracked so that water can be delivered to communities	

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Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
WATER AND SANITATION		1_12_3_P028	3. Number of households with access to basic level of water services	P028 Access to Water Services	R 0	2868	1500	1184	Performance not fully effective	The municipal trucks had breakdowns. There were delays in completion of Ntokozweni Water Supply which was planned to be completed in Q3 where water connections would be realized. The delays were due to non payment of the contractor resulting to slow progress	The Contractor has been paid and work is in progress.
WATER AND SANITATION		1_12_4_P029	4. Number of households with access to basic level of sanitation services	P029 Access to Sanitation Services	R 0	11964	1850	1289	Performance not fully effective	The project for KSD Ward 30 Sanitation which was also included in the target was awarded late in quarter 3.	Work is in progress and the project will be completed in the next first quarter of the new financial year.
BUDGET & TREASURY OFFICE (BTO)		1_12_5_P030	5. Number of indigent registers reviewed and updated	P030 Free Basic Services	R 0	1	1	1	Fully effective	N/A	N/A
WATER AND SANITATION		1_12_6_P031	6. Number of water projects completed	P031 Water Projects	R 85,706,781	15	10	11	Fully effective	N/A	N/A
WATER AND SANITATION		1_12_7_P032	7. Number of Water Treatment Works/Waste Water Treatment Works (WTW) maintained	P032 Maintenance of existing water treatment works	R 29,900	4	2	2	Fully effective	N/A	N/A

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**Goal(s): To provide water and sanitation to every village/community**

Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
WATER AND SANITATION		1_12_8_P033	8. Number of stand-alone schemes maintained/refurbished	P033 Maintenance/Refurbishment of stand-alone schemes	R 0	43	20	20	Fully effective	N/A	N/A
WATER AND SANITATION		1_12_9_P034	9. Number of Ventilated Improved Pit (VIP) toilets provided	P034 Eradication of sanitation backlog	R 32,000,000	11964	1850	1289	Performance not fully effective	The project for KSD Ward 30 Sanitation which was also included in the target was awarded late in quarter 3.	Work is in progress and the project will be completed in the next first quarter of the new financial year.
WATER AND SANITATION		1_12_10_P035	10. Number of public toilet facilities refurbished/constructed	P035 Refurbishment/Construction of ablution facilities	R 0	0	0	N/A	Not applicable	N/A	N/A
WATER AND SANITATION		1_12_11_P036	11. Number of households with sludge removed	P036 VIP Sludge Management	R 0	0	0	N/A	Not applicable	N/A	N/A
WATER AND SANITATION		1_12_12_P037	12. Number of sanitation projects completed	P037 Sanitation Projects	R 11,812,648	0	1	1	Fully effective	N/A	N/A
WATER AND SANITATION	13. To reduce water losses from 27% to 20%	1_13_1_P038	1. Number of bulk/zone meters refurbished/installed	P038 Water Conservation and Demand Management	R 0	8	0	N/A	Not applicable	N/A	N/A
WATER AND SANITATION	14. To improve access to spatial information and data management for planning and service delivery	1_14_1_P039	1. Number of Local Municipalities spatial databases developed	P039 Development of spatial database in the District	R 0	1	1	1	Fully effective	N/A	N/A
WATER AND SANITATION	15. To improve response time to complaints raised at the call centre	1_15_1_P095	1. Average response time to complaints raised	P095 Complaints Management	R 0	11 hours	12 hours	12 hours	Fully effective	N/A	N/A

## KPA 2: LOCAL ECONOMIC DEVELOPMENT

KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT (20%)											
Goal(s): To promote rapid and sustainable economic growth within the limits of available natural resources											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
HUMAN SETTLEMENTS	1. To capacitate 400 emerging contractors	2_1_1_P040	1. Number of trainings conducted on building regulations	P040 Community Capacity Building on Building Regulations	R 0	2	0	N/A	Not applicable	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	2. To assist all municipalities in the district to be SPLUMA compliant	2_2_1_P041	1. Number of Local Spatial Development Frameworks developed/reviewed	P041 Spatial Development Frameworks	R 0	1	2	2	Fully effective	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)		2_2_2_P042	2. Number of SPLUMA initiatives conducted	P042 SPLUMA Initiatives	R 0	3	2	2	Fully effective	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	3. To establish a fully functional value chain recycling programme	2_3_1_P096	1. Number of programmes implemented on Regional Recycling	P096 Regional Recycling	R 1,838,893	7	14	14	Fully effective	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	4. To improve air quality and environmental management in the district	2_4_1_P043	1. Number of Environmental management projects implemented	P043 Environmental Management	R 0	14	16	16	Fully effective	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	5. To promote tourism in the District	2_5_1_P044	1. Number of tourism development initiatives and events supported/conducted	P044 Tourism development	R 100,789	12	6	6	Fully effective	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT	6. To boost agriculture contribution and improve food	2_6_2_P046	2. Number of Rural Agro-Industrial programmes	P046 RAFI (Rural Agro-industrialisation)	R 690,946	9	5	3	Performance not fully effective	Two of the set targets were not achieved due to non availability	The programmes will be implemented in



KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT (20%)											
Goal(s): To promote rapid and sustainable economic growth within the limits of available natural resources											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
PLANNING (REDP)	security in the District		developed & implemented	Finance Initiative) Implementation						of funds withheld by NT.	the next financial year
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)		2_6_3_P097	3. Number of partnership programmes implemented for Agro-processing sector	P097 Agro-Processing Sector Partnership Programmes	R 1,808,360	6	5	4	Performance not fully effective	Ram's improvement program could not be done due to withholding of funds by treasury.	Rescheduled for next financial year
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)		2_6_4_P098	4. Number of programmes implemented on aquaculture and forestry	P098 Aquaculture and Forestry Development	R 0	5	1	1	Fully effective	N/A	N/A
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)	7. To provide support to entrepreneurs, create employment opportunities and boost investment to grow the district economy	2_7_1_P047	1. Number of programmes/initiatives implemented to support Informal trade, Enterprises, Cooperatives and SMME's	P047 Informal trade, Enterprises, Cooperatives and SMME support	R 2,606,310	11	6	4	Performance not fully effective	The 2 programs were not achieved due to unavailability of funds	The programs will be implemented in the next financial year
RURAL, ECONOMIC AND DEVELOPMENT PLANNING (REDP)		2_7_2_P048	2. Number of jobs opportunities created through Expanded Public Works Programme	P048 Employment Creation	R 9,763,516	2543	4004	3461	Performance not fully effective	Target not achieved as most sites were not back to full capacity of labour employment after the contractor invoices were paid	Water projects are currently active and there are expected projects in the new financial year

### KPA 3: FINANCIAL MANAGEMENT AND VIABILITY

KEY PERFORMANCE AREA (KPA) 3: FINANCIAL VIABILITY AND MANAGEMENT (15%)											
Goal(s): To manage the financial viability of the OR Tambo District Municipality through sound management and good governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
BUDGET & TREASURY OFFICE (BTO)	1. To effectively and efficiently manage and grow the district municipality's revenue through a mix of revenue management, enhancement and protection strategies	3_1_1_P049	1. Percentage Collection Rate	P049 Collection Rate	R 0	85%	71%	82%	Fully effective	N/A	N/A
BUDGET & TREASURY OFFICE (BTO)		3_1_2_P050	2. Cost coverage Rate	P050 Cost coverage		1 Month	1-3 months	1 month	Fully effective	N/A	N/A
BUDGET & TREASURY OFFICE (BTO)		3_1_3_P051	3. Revenue collected against projections	P051 Revenue Collection		R283.3 Million	R281 Million	R297,3 Million	Performance significantly above expectations	Sector departments had outstanding debts and were waiting for equitable share that was transferred in April and they paid their accounts	N/A
BUDGET & TREASURY OFFICE (BTO)		3_1_4_P052	4. Projected returns in high-earning future investments	P052 Cash Investment	R 0	R15.27 Million	R4.9 Million	R10 Million	Outstanding performance	Grant funding allocation received in the third quarter assisted in realising interests when the funds were not yet spent.	N/A
BUDGET & TREASURY OFFICE (BTO)		3_1_5_P099	5. Debt coverage	P099 Debt Coverage	R 0	R 0	R 0	R 0	Fully effective	N/A	N/A
WATER AND SANITATION	2. To improve the internal control environment and enhance efficiencies in	3_2_1_P053	1. The percentage of the capital budget spent on capital projects in the IDP	P053 Capital Budget	R 1,078,480,366	61%	100%	69%	Performance not fully effective	Nonperformance of grants is due to delays in the release of grants by NT that resulted in the	The municipality will apply for roll over in the new financial year for the funds not spent

KEY PERFORMANCE AREA (KPA) 3: FINANCIAL VIABILITY AND MANAGEMENT (15%)											
Goal(s): To manage the financial viability of the OR Tambo District Municipality through sound management and good governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
	expenditure management										
BUDGET & TREASURY OFFICE (BTO)		3_2_2_P054	2. Percentage of salaries paid on the prescribed date	P054 Salaries	R 0	100%	100%	100%	Fully effective	N/A	N/A
BUDGET & TREASURY OFFICE (BTO)		3_2_3_P055	3. Percentage of payments processed within 30 days of receipt of valid invoice	P055 Payments	R 0	77%	100%	33%	Unacceptable performance	Funds were not available to pay all the creditors and service providers	Improve collection rate to have more funds to pay creditors in the new financial year
BUDGET & TREASURY OFFICE (BTO)	3. To achieve mSCOA compliance by the district municipality in line with the National Treasury Regulations and Guidelines	3_3_1_P056	1. Number of monthly mSCOA data strings submitted to National Treasury within 10 working days	P056 mSCOA	R 0	12	12	10	Performance not fully effective	Data strings for April and June were submitted late due to stem shutdown as a result of cut of electricity by KSD	Improve intergovernmental relations so that in the case of non payment services will not be interrupted
BUDGET & TREASURY OFFICE (BTO)	4. To submit credible Annual Financial Statements to the Auditor General by 31 August on an annual basis	3_4_1_P057	1. Number of credible Annual Financial Statements submitted to Auditor General by 31 August & 30 September	P057 Annual Financial Statements	R 0	2	2	2	Fully effective	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER	5. To ensure the effective implementation of demand management, acquisition management, contract management,	3_5_1_P058	1. Percentage of bids awarded within 90 days after closing date	P058 Supply Chain Management	R 0	50%	100%	0%	Unacceptable performance	The validity periods for the bids that were advertised during the 2021-22 Financial year were extended due to none	Bid committees to be encouraged to comply with the council calendar and consider bids submitted within the validity periods.

KEY PERFORMANCE AREA (KPA) 3: FINANCIAL VIABILITY AND MANAGEMENT (15%)												
Goal(s): To manage the financial viability of the OR Tambo District Municipality through sound management and good governance												
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment						
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action	
	supplier performance management and SCM risk management										sittings of the bid committees.	
BUDGET & TREASURY OFFICE (BTO)	6. To ensure that the annual budget planning and preparation is sustainable, credible, funded and mSCOA compliant	3_6_1_P059	1. Number of mSCOA compliant Budgets submitted to MAYCO	P059 mSCOA compliant Budget	R 0	2	3	3	Fully effective	N/A	N/A	
BUDGET & TREASURY OFFICE (BTO)	7. To achieve the required level of service in the most cost effective manner through the efficient management of the municipality's assets	3_7_1_P060	1. Number of GRAP compliant Asset Registers compiled	P060 GRAP Compliant Asset Register	R 0	4	4	4	Fully effective	N/A	N/A	

### KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
EXECUTIVE MAYORAL SERVICES	1. To instill good governance and strengthen public participation through effective communication between Municipalities and communities	4_1_1	1. Number of Mayoral committee meetings held	N/A	R 0	15	10	9	Performance not fully effective	Target achieved. However, the department misplaced attendance register for the meeting held on 15 February 2022 and therefore is unable to substantiate the performance.	The department will establish filing system
EXECUTIVE MAYORAL SERVICES		4_1_2	2. Number of Mayoral Imbizo's and Sectoral engagements held	N/A	R 8,006	16	9	9	Fully effective	N/A	N/A
LEGISLATIVE SERVICES	2. To instill good governance in all municipal operations and strengthen relations with stakeholders	4_2_1_P062	1. Number of oversight research reports developed in line with Municipal Oversight Model (MOM)	P062 Municipal Oversight Model	R 0	13	30	18	Performance not fully effective	The target not achieved due to institutional instability that resulted in the municipality being put under section 139. Secondly its due to local government elections e.g. from 30 October to 30 December	The municipality will ensure that the departing councilors complete their work so that the new committees can commence with the work of the new financial year

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
LEGISLATIVE SERVICES		4_2_2	2. Number of Ordinary, Open Council and Committee meetings held	N/A	R 73,500	137	82	90	Performance significantly above expectations	The instability resulted in the over achievement where the council was dealing with the instigation of investigations and other matters etc.	N/A
LEGISLATIVE SERVICES		4_2_3	3. Number of reports submitted to council on petitions raised	N/A	R 0	0	2	1	Performance not fully effective	The petitions committee did not sit during quarter 3 and therefore the report could not be tabled to council	Quarter 3 issues were combined with quarter 4 issues since the committee never sat to deal with them. Therefore one consolidated report was submitted to council instead of 2.

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
LEGISLATIVE SERVICES		4_2_4_P100	4. Number of Speaker's outreach programmes conducted	P100 Speakers Outreach	R 0	12	0	N/A	Not applicable	N/A	N/A
LEGISLATIVE SERVICES		4_2_5	5. Number of District Speaker's Forum Meetings held	N/A	R 0	New Indicator	4	3	Performance not fully effective	The instability resulted in the target not being achieved as the previous Speaker was affected by section 139 of the constitution.	The Speakers forums have been resuscitated and the department will ensure that the forum is function in the new financial year
LEGISLATIVE SERVICES		4_2_6_P101	6. Number of Whippery caucuses conducted	P101 Whippery Constituency	R 1,000,000	51	23	25	Fully effective	N/A	N/A
LEGISLATIVE SERVICES		4_2_6_P101	6. Number of whippery constituency programmes conducted	P101 Whippery Constituency		0	2	0	Unacceptable performance	The target not achieved due to institutional instability that resulted in the municipality being put under section 139. Secondly its due to the fact that the municipality did not have funds.	The municipality will conduct its constituency work in the new financial year
OFFICE OF THE MUNICIPAL MANAGER	2. To instill good governance in all municipal	4_2_5_P063	5. Number of Risk Management Charters reviewed	P063 Risk Management Charter	R 0	0	1	1	Fully effective	N/A	N/A

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
	operations and strengthen relations with stakeholders		and submitted to MM								
OFFICE OF THE MUNICIPAL MANAGER		4_2_6_P064	6. Number of district risk assessment conducted	P064 Implementation of Risk Strategy		0	1	1	Fully effective	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_2_7_P102	7. Number of quarterly risk assessment follow ups conducted	P102 Risk Management		3	0	N/A	Not applicable	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_2_8_P065	8. Number of quarterly reports on number of cases reported through the District Fraud hotline	P065 District Fraud Hotline		N/A	0	N/A	Not applicable	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_2_9	9. Number of quarterly reports on functionality of IGR	N/A		4	4	4	Fully effective	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_2_10_P103	10. Number of IGR Strategies developed for the Local Municipalities	P103 IGR Coordination	R 0	0	0	N/A	Not applicable	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_2_11_P104	11. Number of reports on ISDM Implementation	P104 ISDM Implementation		4	0	N/A	Not applicable	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_2_12_P105	12. Number of Municipal Support Framework reviewed	P105 Municipal Support Framework	R 0	0	1	0	Unacceptable performance	The Municipal Support Framework could not be concluded due	The Municipal Support Framework will be incorporated as part of IGR



KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
OFFICE OF THE MUNICIPAL MANAGER		4_2_13_P066	13. Number of reports on support provided to Municipalities	P066 Municipal Support		2	2	2	Fully effective	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER	3. To ensure effective, well-coordinated and integrated district wide communication	4_3_1_P106	1. Number of Integrated Communications Policy and Strategy reviewed	P106 Integrated Communications Policy and Strategy	R 1,369,708	0	1	0	Unacceptable performance	The Integrated Communications Policy and Strategy have been reviewed and awaiting council workshop before council adoption	The Integrated Communications Policy and Strategy will be workshopped and adopted by council in quarter 2 of the new financial year.
OFFICE OF THE MUNICIPAL MANAGER		4_3_2_P067	2. Number of quarterly communication Initiatives implemented	P067 Communication Initiatives		17	17	17	Fully effective	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER	4. To ensure a district wide coordination of implementation,	4_4_1_P068	1. Number of municipal institutional performance	P068 Institutional Performance	R 0	7	5	5	Fully effective	N/A	N/A

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
	monitoring and evaluation of the IDP		reports submitted to Council								
OFFICE OF THE MUNICIPAL MANAGER		4_4_2_P069	2. Number of formal Performance Evaluation(s) of Section 54 and 56 Managers conducted	P069 PMS Policy & Framework Implementation		0	1	0	<b>Unacceptable performance</b>	The Performance Evaluations of Section 54 and 56 Managers could not be conducted during the quarter under review as a result of Performance agreements of senior managers and Municipal manager which where only concluded in the month of April 2022 due to the institutional instability.	The Performance Evaluations of Section 54 and 56 Managers have been differed to the 2022/2023 financial year.
OFFICE OF THE MUNICIPAL MANAGER		4_4_3_P070	3. Number of mSCOA compliant IDP's adopted by council	P070 mSCOA compliant IDP		0	1	1	<b>Fully effective</b>	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER		4_4_4_P071	4. Number of reports on implementation of District Development Plan (DDP) vision 2030	P071 District Development Plan Initiatives	R 950,000	2	2	2	<b>Fully effective</b>	N/A	N/A

KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)											
Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
OFFICE OF THE MUNICIPAL MANAGER		4_4_5_P072	5. Number of Service Delivery Budget and Implementation Plan(s) SDBIP approved by the Executive Mayor	P072 Service Delivery Budget and Implementation Plan		1	1	1	Fully effective	N/A	N/A
OFFICE OF THE MUNICIPAL MANAGER	5. To ensure compliance with legislation, policies, regulations and to minimise exposure to avoidable litigations	4_5_1_P073	1. Annual percentage reduction in litigation cases	P073 Litigations	R 41,181,741	47%	25%	53%	Outstanding performance	Involvement of leadership in identifying matters that needed to be settled assisted in the reduction of litigation cases	N/A
OFFICE OF THE MUNICIPAL MANAGER	6. To obtain a clean audit opinion	4_6_1_P074	1. Audit Opinion	P074 Audit Opinion	R 0	Qualified	Unqualified	Qualified	Performance not fully effective	The municipality obtained qualified audit opinion based on the following: Irregular Expenditure Property, Plant & Equipment Prepayments Employee Related Costs Fruitless & Wasteful Expenditure Capital Commitments	Management will develop Management Audit Action Plan (MAAP) which is used as a tool address the qualification matter and the emphasis of matter

**KEY PERFORMANCE AREA (KPA 4): GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)**
**Goal(s): To build a coherent district that is responsive, accountable and promotes clean governance**

Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
INTERNAL AUDIT		4_6_2_P075	2. Number of follow-up quarterly reports on Internal Audit and Auditor-General issues compiled	P075 Follow-up audit	R 0	3	4	4	Fully effective	N/A	N/A
INTERNAL AUDIT		4_6_3	3. Number of Audit Committee meetings held	N/A	R 0	6	6	6	Fully effective	N/A	N/A
INTERNAL AUDIT		4_6_4_P076	4. Number of organisations provided with Internal Audit support	P076 Internal Audit Support	R 0	7	7	7	Fully effective	N/A	N/A
INTERNAL AUDIT		4_6_5_P077	5. Number of risk-based internal audit plan, internal Audit charter and Audit Committee charter reviewed	P077 Risk Based Internal Audit Plan	R 0	0	1	1	Fully effective	N/A	N/A
INTERNAL AUDIT		4_6_6_P113	6. Number of audits conducted	P113 Institutional Audits	R 0	14	18	18	Fully effective	N/A	N/A

## KPA 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

KEY PERFORMANCE AREA (KPA) 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (10%)											
Goal(s): To develop, transform and capacitate the OR Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
CORPORATE SERVICES	1. To effectively and efficiently recruit and retain competent Human Capital	5_1_1_P078	1. Average number of days taken to fill posts	P078 Recruitment and Selection	R 0	68 days	90 days	37 days	Outstanding performance	There was a pressure to fill the position	N/A
CORPORATE SERVICES	2. To ensure a well-trained, motivated and professional workforce	5_2_1_P079	1. Percentage of a municipality's budget actually spent on implementing its workplace skills plan	P079 Workplace Skills Plan (WSP) Budget	R 13,100	0,6%	1%	0%	Unacceptable performance	The municipality allocated budget that is lesser than the budgeted employee costs due to insufficient funds.	The municipality will be encouraged to comply with the norm of 1% budget allocation
CORPORATE SERVICES		5_2_2_P080	2. Percentage of Training Budget Spent	P080 WSP Training Programmes		71%	100%	100%	Fully effective	N/A	N/A
CORPORATE SERVICES	3. To increase the number of people from employment equity target groups in the three highest levels of management	5_3_1_P081	1. Number of employment equity plans reviewed	P081 Employment Equity Plan	R 0	0	0	N/A	Not applicable	N/A	N/A
CORPORATE SERVICES		5_3_2_P107	2. Number of Employment Equity reports submitted to Department of Labour	P107 Employment Equity Plan Reporting	R 0	0	1	1	Fully effective	N/A	N/A
CORPORATE SERVICES	4. To provide effective and efficient human resources and corporate administration support	5_4_1_P082	1. Number of employee wellness and occupational health and safety programmes implemented	P082 EAP & OHS Programmes	R 1,412,552	7	6	6	Fully effective	N/A	N/A
CORPORATE SERVICES		5_4_2_P083	2. Number of ICT Risk Assessments conducted	P083 ICT Risk Assessment	R 632,044	1	1	0	Unacceptable performance	Target not achieved due to instability and the fact that ICT has not been fully functionally	There is an assessment report commissioned by Provincial Treasury around

KEY PERFORMANCE AREA (KPA) 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (10%)											
Goal(s): To develop, transform and capacitate the OR Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.											
Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
											and the Municipality has appointed ICT Steering Committee Chairperson. ICT Risk assessment is planned to be conducted in the second quarter of the new financial year.
CORPORATE SERVICES		5_4_3_P108	3. Number reports on implementation of ICT Annual Plan	P108 ICT Annual Plan		4	4	3	Performance not fully effective	No projects from the ICT plan were implemented in quarter 3 due to budget constraints	The municipality to allocate enough budget for the Implementation of ICT plan in the new financial year
CORPORATE SERVICES		5_4_4_P084	4. Number of quarterly reports on municipal buildings maintained/upgraded on security	P084 Safety & Security	R 610,153	5	4	4	Fully effective	N/A	N/A
CORPORATE SERVICES		5_4_5	5. Number of Local Labour Forum meetings held	N/A	R 0	6	4	3	Performance not fully effective	The Municipality was engulfed by instability and when the new Councilors were inaugurated the Council was faced with the issue of electing members to serve as Employer Component in the LLF	The new Council was inaugurated on the 01st December 2021 and the LLF has been functional since. The department will make sure that all LLF meetings sits regularly as per the itinerary.
CORPORATE SERVICES		5_4_6_P085	6. Number of quarterly reports on the implementation of the disaster	P085 Records Management	R 0	0	0	N/A	Not applicable	N/A	N/A

**KEY PERFORMANCE AREA (KPA) 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (10%)**

**Goal(s): To develop, transform and capacitate the OR Tambo District Municipality and its local municipalities to ensure effective and efficient resource utilisation making it capable of delivering its mandate.**

Department	Strategic Objective	Indicator Code	Key Performance Indicator (KPI)	Project	Adjusted Budget	Annual Performance Assessment					
						Annual Actual 2020/21	Annual Targets 2021/22	Annual Actual 2021/22	Performance assessment	Reasons for deviation	Corrective action
			recovery plan for municipal records								

## CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 Employee Totals, Turnover and Vacancies

##### 4.1.1 Total Number of Number of Municipal Employees per Department

Table 35: *Total Employees*

Employees				
Description	2021/22			
	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	%
Water and Sanitation	772	580	192	25%
Technical Services	63	11	52	83%
Community Services	175	127	48	27%
Human Settlements	35	9	26	74%
Rural, Economic and Development Planning	107	25	82	77%
Budget & Treasury Office	187	91	96	51%
Corporate Services	431	61	370	86%
Internal Audit	14	8	6	43%
Legislative Services	59	52	07	11%
Executive Mayoral Office	117	95	24	21%
Office of the Municipal Manager	44	18	26	59%
Executive Mayoral Services	50	46	4	8%
<b>TOTAL</b>	<b>2054</b>	<b>1123</b>	<b>933</b>	<b>45%</b>



#### 4.1.2 Turnover Rate

##### 4.1.2.1 Turnover rate on top management positions

Table 36: *Vacancy Rate at top management level*

Vacancy Rate on Top Management Positions: 2020/21			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Director Water and Sanitation	1	1	8
Director Technical Services	1	0	0.00
Director Community Services	1	0	0.00
Director Human Settlements	1	0	0.00
Director Executive Mayoral Services	1	0	0.00
Director Legislative Services	1	0	0.00
Director Rural Economic Development and Planning	1	0	0.00
Director Internal Audit	1	0	0.00
Director Corporate Services	1	1	8
Director Office of the Municipal Manager	1	0	0.00
<b>Total</b>	12	2	17

##### 4.1.2.2 Vacancy Rate on District Employees

Table 37: *District Vacancy Rate*

Vacancy Rate on all District Employees				
Total number of employees	Vacant positions	New Employees (2019/20)	Resignations in 2019/20	Turnover Rate
1123	933	0	11	1.1%
42 Contracted General Workers 300 EPWP Workers				

##### 4.1.2.3 Staff Turnover per Category and Post Level

Table 38: *Staff Turnover*

Resignations/Terminations	
Senior Managers	2
Middle management	3

General staff	19
<b>Total</b>	<b>24</b>
<b>Retirements</b>	
Senior Managers	0
Middle management	1
General staff	20
<b>Total Retirements</b>	<b>21</b>
<b>Deaths</b>	
Senior Managers	0
Middle Managers	0
General staff	21
<b>Total deaths</b>	<b>21</b>

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 Policies

Table 39: *Municipal Policies*

Policy	Status	Date Adopted by Council or Comment on failure to adopt
Attendance & Punctuality	New	12 October 2015
Essential user scheme	Reviewed	27 June 2019
Overtime policy	Reviewed	27 February 2019
Acting allowance policy	Reviewed	12 October 2015
Code of conduct policy	Reviewed	03 November 2018
Termination of services policy	Reviewed	12 October 2015
Training & Development Policy	Reviewed	27 June 2019
Study Assistance Policy	Reviewed	27 June 2019
Experiential Training Policy	Reviewed	27 June 2019
Orientation & Induction Policy	Reviewed	03 Nov 2017
Employment Equity Policy	Reviewed	03 Nov 2017
Subsistence & Travelling policy	Reviewed	28 June 2019
Integrated Employee/Employer Wellness	Reviewed	28 June 2019
Retention policy	Reviewed	28 June 2019
Whistle Blowing policy	New	12 October 2015
Sexual Harassment	New	27 June 2019
Information & Communication Technology	Reviewed	27 June 2019
Security Management & Access Control policy	Reviewed	12 October 2015
Danger Allowance	New	30 October 2020
Cellphone policy	New	31 May 2019
Recruitment & Selection Policy	New	27 June 2019

### 4.3 Injuries, Sickness and Suspensions

**Table 40: Injuries, Death, Pensions and Terminations**

Category	Number Of Employees
Injuries	00
Death	22
Pension	27
Contract expired	08
Resignations	11
Dismissals	02

The table below illustrates the number and cost of injuries on duty incurred during the financial year:

**Table 41: Cost of Injuries**

Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	16	1	6%	3	60
<b>Total</b>	<b>16</b>	<b>1</b>	<b>6%</b>	<b>3</b>	<b>60</b>

The table below illustrates the number of days and cost of sick leave for the financial year under review:

**Table 42: Cost of Sick Leaves**

Salary band	Total sick leave	Employees using sick leave	Proportion of sick leave without medical certification	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	No.	%	No.	Days	R' 000
Unskilled skilled (TG 1-3)	0	0	00	00		
Semi-Skilled (TG 4-8)	254	44	5,77%	511		
Skilled Technical & Academically Qualified/Junior Management/Supervisors/foreman/superintendents (TG 9-13)	321	32		494		

Salary band	Total sick leave	Employees using sick leave	Proportion of sick leave without medical certification	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	No.	%	No.	Days	R' 000
Professionally qualified & experienced specialist (TG 14-18)	170	13	18,13%	173		
Senior management (TG 18-22)	0	0	0.0	04	0.00	
MM and S57	0		0.0	12	0.00	
<b>Total</b>	<b>745</b>	<b>89</b>		<b>1182</b>		<b>0</b>

During the financial year, the District suspended nine employees and the details of the case are illustrated in the table below:

**Table 43: Details of Cases for Suspended Employees**

Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Intimidation, Threats, Gross Insolence, Gross Impropriety, & Assault, Gross dereliction of duties, Bringing the name of municipality into disrepute, Gross insubordination	21/02/2021	A disciplinary enquiry is in process	Not yet finalised
Harassment, hurling insults, and derogatory remarks to a fellow employee, obstructing fellow employees from entering municipal premises for the purposes of executing their duties. Organizing, participating and leading an illegal or	09/02/2021	The disciplinary matter is partially completed and awaiting for the final sanction from the appointed Presiding Officer.	Not yet finalised

Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
unprotected strike, contrary to the provisions of the standard of conduct clause 1.2.11 and Labour Relations Act 66 of 1995 and breach of municipal communication policy. Intimidation, Gross Insubordination, putting the name of municipality into disrepute			
Intimidation or / and threats to another fellow employee, harassment and further initiated, organised, led and participated in an unprotected / illegal industrial action	09/02/2021	The matter is scheduled to sit on the 15 <sup>th</sup> December 2021.	Not yet finalised

The table below has the list of disciplinary cases that were handled during the financial year:

**Table 44: Disciplinary Cases**

Position	Department	Area	Nature Of Offence	Progress	Date Finalized	Finding	Sanction
Manager: IGR, IDP, International Relations & Municipal Support	Municipal Manager	Myezo	Harassment, hurling insults, and derogatory remarks to a fellow employee, obstructing fellow employees from entering municipal premises for the purposes of executing their duties.	The matter is partially completed and awaiting for the sanction.	14/12/2021		Not yet issued.

Position	Department	Area	Nature Of Offence	Progress	Date Finalized	Finding	Sanction
			Organizing, participating and leading an illegal or unprotected strike, contrary to the provisions of the standard of conduct clause 1.2.11 and Labour Relations Act 66 of 1995 and breach of municipal communication policy. Intimidation, Gross Insubordination, putting the name of municipality into disrepute				
Senior Community Safety and Coastal Officer	Community Services	Myezo	Intimidation or / and threats to another fellow employee, harassment and further initiated, organized, led and participated in an unprotected / illegal industrial action	A disciplinary enquiry was previously held on the and invited panelist were present except for the alleged employee and her representative (even though a notice of enquiry was acknowledged by employee as received).	Not yet	N/A	N/A
Security Guard	Corporate Services	Government Printers	Intimidation, Threats, Gross Insolence,	The matter was held on the 16 <sup>th</sup>	16 <sup>th</sup> February 2022	Not yet issued.	N/A

Position	Department	Area	Nature Of Offence	Progress	Date Finalized	Finding	Sanction
			Gross Impropriety, & Assault, Gross dereliction of duties, Bringing the name of the municipality into disrepute and Gross insubordination.	February 2022. Both employer and alleged employee led the evidence successfully. Parties will make a submission of closing arguments to Presiding Officer not later than end of business, Friday, 25th February 2022.			

#### 4.4 Employee Wellness

The employee wellness program seeks to assist employees with dealing with emotional, psychological, health, financial and physical well-being to ensure that they are productive at work to ensure the mandate of the O.R Tambo District Municipality is executed. Under the employee wellness, we have the Occupational Health and Safety unit, which seek to ensure employees are free from risk and hazard in the work place guided by OHS Act 58 of 1993 as amended.

##### 4.4.1 Employee Wellness programs implemented 2021/2022 financial year

During the first quarter the unit conducted a financial education workshop at Nyandeni Satellite lite offices, the purpose of conducting the financial education workshop was to assist the employees to change their mind-set in term of handling money, budgeting and saving and to also allow them to make informed decisions with their financial resources.

On the 3rd and 4th quarter the unit conducted a wellness program on Emotional well-being and coping during the COVID-19 pandemic at Mhlontlo area and again at Port St Johns area for the water purification plants surrounding the area and KSD area. Following an assessment and discussion of the challenges that employees may be faced with during the COVID-19 pandemic the wellness unit decided to plan these program to provide emotional support for the employees of O.R Tambo DM.

#### 4.4.2 Occupational Health and Safety programs implemented 2021/22 financial year

The OHS unit conducted medical surveillance and vaccination after receiving reports that there are employees who are exposed to biomedical agents they work with. An Occupational Medical Practitioner was appointed to investigate all reported cases on occupational illness and prevent illnesses by vaccinations. The following areas were vaccinated:

1. 20 employees were vaccinated at Mqanduli water purification plant.
2. 20 employees vaccinated at Coffee bay treatment works
3. 20 employees vaccinated at Mthatha blockage
4. 20 employees Port St John's water purification plant
5. The OHS unit conducted risk assessment as per the regulations issued out by Department of employment and labour.

### COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

#### 4.5 Performance Rewards

The Municipality has started with the process of engaging internally for the purposes of cascading the Performance Management & Development System (PMDS). This has been informed by the proclamation of Local Government Municipal Systems Act: Municipal Staff Regulations of 20<sup>th</sup> September 2021 in chapter 4. A draft PMDS policy has been developed and will be part of the planned Municipal Policy Workshop to be conducted during the year 2022/23 financial year. The target was to pilot the programme to cascade PMDS and contracting to Middle Management of the Municipality.

#### 4.6 Skills Development and Training

Training interventions are structured according to the:

- Study assistance programme (Formal qualifications)
- Skills programmes/ Short courses
- Learner ships &
- Experiential training programme (student trainees and Internships)

*Table 45: Skills Programme/ Short Course Implemented – Employed Learners (18.1)*

Learning Programme	Duration of Training	Actual No. of Beneficiaries	COST	Name of Training Provider
CPMD	8 months	2	116 000.00	WITS School of Governance
SAMTRAC	10	2	R 8 099.98	NOSA



Learning Programme	Duration of Training	Actual No. of Beneficiaries	COST	Name of Training Provider
PAYMENT OF MEMBERSHIP	0	11	R 31 878.00	INSTITUTE OF INTERNAL AUDITORS (IIA)
<b>Total</b>		<b>15</b>	<b>R 155 977.98</b>	

**Table 46: Study Assistance Implemented- Employed Learners (18.1)**

No.	Institution	Learning Programme	Actual No. Enrolled	Department
1	WSU	LLB	1	Water & Sanitation Services
2	UFH	Bachelor of Public Admin	3	Community Services
3	UFH	Master of Public Administration	1	Legislative Services
4	UNISA	PGDP in Security Management	1	Corporate Services
5	North West University	Masters in Environmental Management	1	Community Services
6	WITS	PGD in Management	1	Legislative Services
7	South Business School	Advanced Diploma in Disaster Management	1	Community Services
8	South Business School	N.D. – Disaster Management	1	Office Of Executive Mayor
<b>TOTAL NO.</b>			<b>10</b>	
<b>TOTA EXPENDITURE</b>		<b>R 229 541.00</b>		

**Table 47: Leanership & Experiential Training (18.1 & 18.2)**

No.	Name of Training Intervention	Stake Holder	Actual No. Trained	Type Of Training
1	Students Trainees	Youth	6	Experiential training WIL
<b>TOTAL</b>			<b>6</b>	

**COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE**

**4.7 Employee Expenditure**

Employee costs for the financial year under review were R731, 304, 138 and to R19, 456, 433 for Councillors.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

#### 5.1 Statement of Financial Performance

*Table 48: Statement of Financial Performance*

OR Tambo District Municipality

(Registration number : DC15)

Consolidated Annual Financial Statements for the year ended 30 June 2022

#### Statement of Financial Performance

Figures in Rand	Note(s)	Economic Entity		Controlling Entity	
		2022	2021 Restated*	2022	2021 Restated*
<b>REVENUE</b>					
<b>Revenue from Exchange Transactions</b>					
Service Charges	22	303,752,916	300,164,216	303,752,916	300,164,216
Rental of Facilities and Equipment	23	415,672	323,478	33,855	7,170
Interest Earned - External Investments	24	10,902,473	15,656,903	10,790,076	15,461,947
Interest Earned - Outstanding Debtors	24	32,877,677	24,970,985	32,877,677	24,970,985
Operational revenue	25	16,858,073	13,128,776	3,198,976	1,637,882
Income from Agency Services	26	367,018	631,100	203,152	217,997
<b>Total revenue from exchange transactions</b>		<b>365,173,829</b>	<b>354,875,458</b>	<b>350,856,652</b>	<b>342,460,197</b>
<b>Revenue from Non-exchange Transactions</b>					
<b>Transfer revenue</b>					
Transfers and Subsidies Received	27	1,524,718,664	1,681,608,432	1,524,718,664	1,680,901,300
<b>Total revenue from non-exchange transactions</b>		<b>1,524,718,664</b>	<b>1,681,608,432</b>	<b>1,524,718,664</b>	<b>1,680,901,300</b>
<b>Total revenue</b>		<b>1,889,892,493</b>	<b>2,036,483,890</b>	<b>1,875,575,316</b>	<b>2,023,361,497</b>
<b>EXPENDITURE</b>					
Employee Related Costs	28	(775,643,839)	(805,575,562)	(731,304,138)	(760,630,872)
Remuneration of Councillors and Board Members	29	(20,297,202)	(21,211,997)	(19,456,433)	(20,384,515)
Depreciation and Amortisation	30	(236,909,826)	(237,886,305)	(231,644,456)	(232,471,264)
Impairment Losses	31	(102,511,175)	(33,856,165)	(94,752,777)	(33,764,752)
Bad Debts Written off	32	(12,666,625)	(19,587,153)	(12,666,625)	(19,587,153)
Finance Costs	33	(21,819,477)	(17,164,144)	(21,709,311)	(16,900,991)
Contracted Services	34	(127,995,672)	(146,725,025)	(123,150,914)	(144,864,927)
Transfers and Subsidies	35	(53,695,841)	(251,777,818)	(103,922,616)	(296,035,356)
Inventory Consumed	36	(46,793,864)	(46,658,209)	(35,295,149)	(37,315,153)
Inventory Losses	37	(11,439,667)	(12,486,997)	(11,439,667)	(12,486,997)
Operational Costs	38	(207,846,370)	(209,151,152)	(200,209,726)	(200,250,048)
<b>Total expenditure</b>		<b>(1,617,619,558)</b>	<b>(1,802,080,527)</b>	<b>(1,585,551,812)</b>	<b>(1,774,692,028)</b>
<b>Operating surplus</b>		<b>272,272,935</b>	<b>234,403,363</b>	<b>290,023,504</b>	<b>248,669,469</b>
Actuarial Gain / (Loss)	19	13,864,000	(5,371,000)	13,864,000	(5,371,000)
Gains / (Losses) on Disposal of Property, Plant and Equip	39	645,194	(4,747)	645,194	50,116
Reversal of Impairment	40	26,666	-	26,666	-
Biological Assets - Adjustments		5,716,732	2,956,707	-	-
Biological Assets - Gains		1,203,559	299,169	-	-
Biological Assets - Losses		(460,180)	(477,300)	-	-
		<b>20,995,971</b>	<b>(2,597,171)</b>	<b>14,535,860</b>	<b>(5,320,884)</b>
Income tax		-	-	-	-
<b>Surplus for the year</b>		<b>293,268,906</b>	<b>231,806,192</b>	<b>304,559,364</b>	<b>243,348,585</b>

## 5.2 Grants

Overall unspent conditional grant amounted to R188 million. Rollover application submitted but rejected by the National Treasury.

## 5.3 Asset Management

For the year ended 30 June 2021, the municipality reported a total of R 7, 2 billion (30 June 2020: (R 7,1 billion) of property plant and equipment. This shows a significant increase of R 900 million and is due to the acquisition of new assets and the transfer of completed infrastructure assets. Property plant and equipment is broken down into immoveable property, moveable property, infrastructure assets, intangible assets and heritage assets.

These assets are recorded in GRAP 17 compliant assets registers, and the registers comply with the approved assets management policy adopted by the municipality council. On a quarterly basis, the asset management unit submits reports to council in the form of asset registers. These asset registers are divided under moveable assets and infrastructure asset registers.

There have been serious challenges in both the implementation of the asset management policy and the completeness of the asset registers. This is evidenced by the findings of auditor general as they form part of the qualification paragraphs of the audit report. Some of the challenges are but not limited to:

- Completeness of the asset registers.
- Impairment issues and revaluation of useful life.
- Asset verification issues.
- Rights and obligation issues.
- Fleet management issues
- Overstatement of assets register and
- Depreciation and amortisation

### 5.3.1 Key Elements from the Asset Management Policy

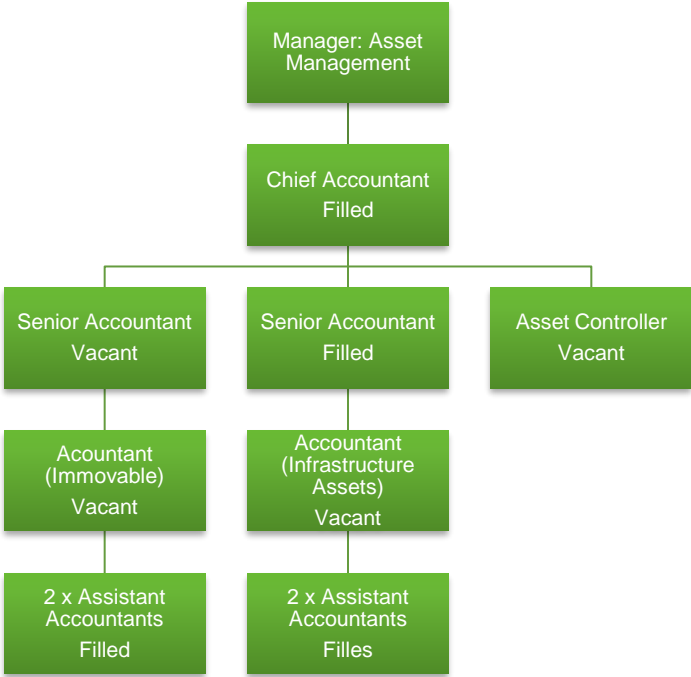
The O. R. Tambo District Municipality's asset management policy has the following key elements. These elements also incorporate the responsibilities of municipal officials as required by section 78 (1) (e) of the municipal finance management act.

- Recognition of capital assets: initial measurement
- Subsequent measurement of capital assets
- Recognition of inventory items
- Asset types
- Discontinued operations

- Minor assets
- Asset acquisition
- Creation of new infrastructure assets
- Donated assets
- Asset maintenance and useful life
- Residual value of assets
- Depreciation
- Maintenance of assets and asset registers
- Renewal of assets
- Replacement of assets
- Asset disposal
- Writing off of assets
- Physical control of assets
- Insurance of assets
- Safekeeping of assets

**5.3.2 Organisational Structure of the Asset Management Unit**

*Figure 9: Asset Management Structure*



### 5.3.3 Staff Delegation

Listed below is the work plan for Asset Management, Property Plant and Equipment

Isolation of responsibilities and Segregations of duties for the current Asset Management staff is illustrated in the table below:

*Table 49: Asset Management Staff Delegation*

Roles and Responsibilities	Position
Manager	All functions
Chief Accountant	All functions
Land and Building	Assistant Accountant
Intangible assets and Leases	Assistant Accountant
Computers, Laptops and Insurance	Assistant Accountant
Furniture	Assistant Accountant
Motor Vehicles and its Insurance	Assistant Accountant

### 5.3.4 Issues under Development

- The municipality is in the process of procuring an asset management as well as the asset verification system
- Integration of all asset registers into the financial management system Solar
- Review of the organisational structure
- Review of the policies and introduction of standard operating procedures
- Capacity building of the current staff in GRAP standards

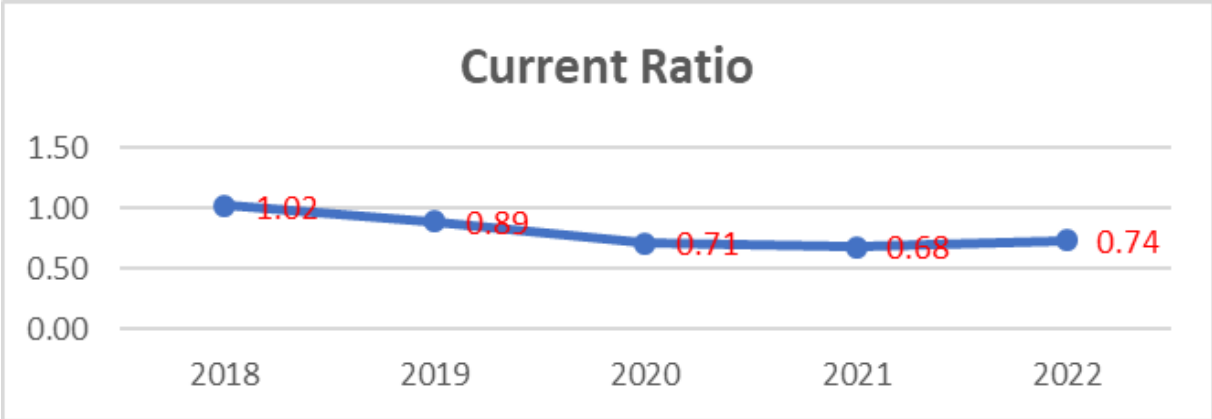
### 5.3.5 Plans to Address the Development Issues

- Conversion of manual asset register into the system is in progress.
- Acquisition of an automated asset verification tool
- Advertisement of critical vacant positions
- Conduct workshops for reviewed assets management policies and procedure manuals.
- Capacitation of asset management staff will be done through training and workshops.

5.4 Financial Ratios based on Key Performance Ratios

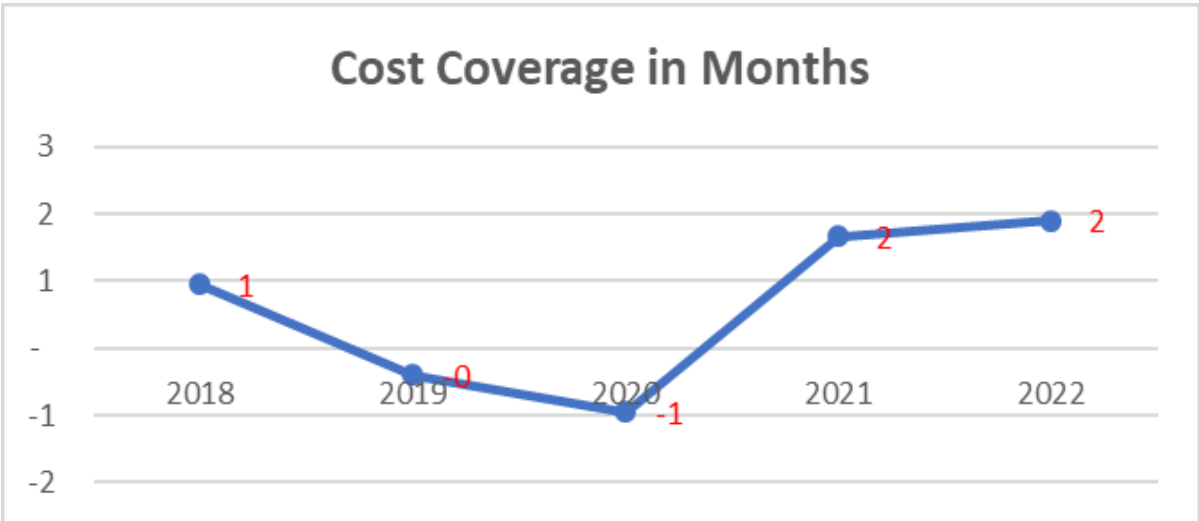
5.4.1 Liquidity ratio

Figure 10: Liquidity Ratio Analysis from 2018 - 2022



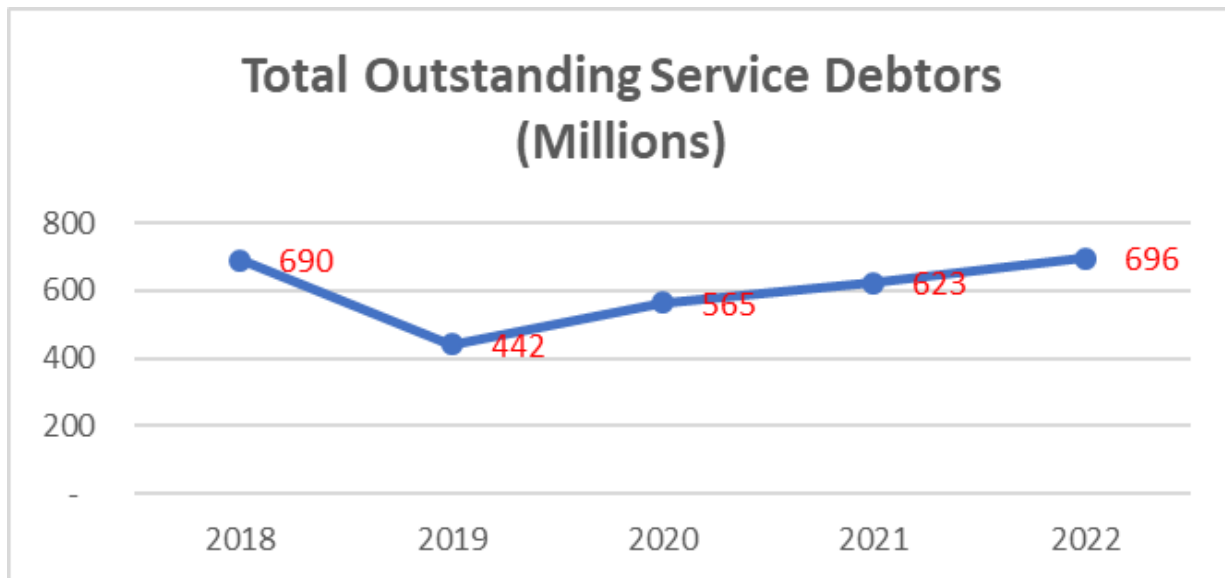
5.4.2 Cost coverage

Figure 11: Cost Coverage from 2018 - 2022



### 5.4.3 Total outstanding service debtors

Figure 12: Total outstanding service debtors from 2018 - 2022

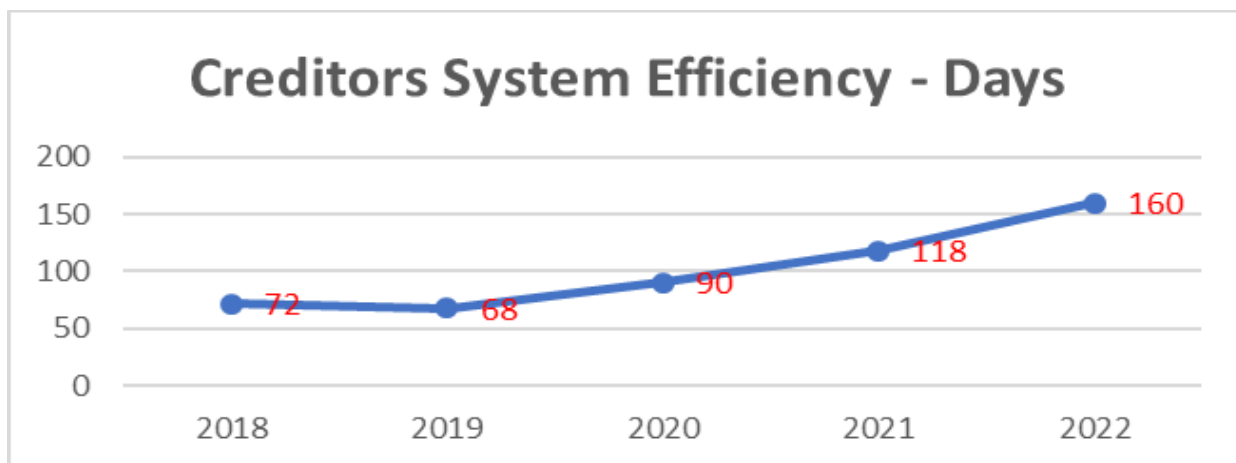


### 5.4.4 Debt coverage

The OR Tambo DM does not have long-term borrows / loans.

### 5.4.5 Creditors system efficiency

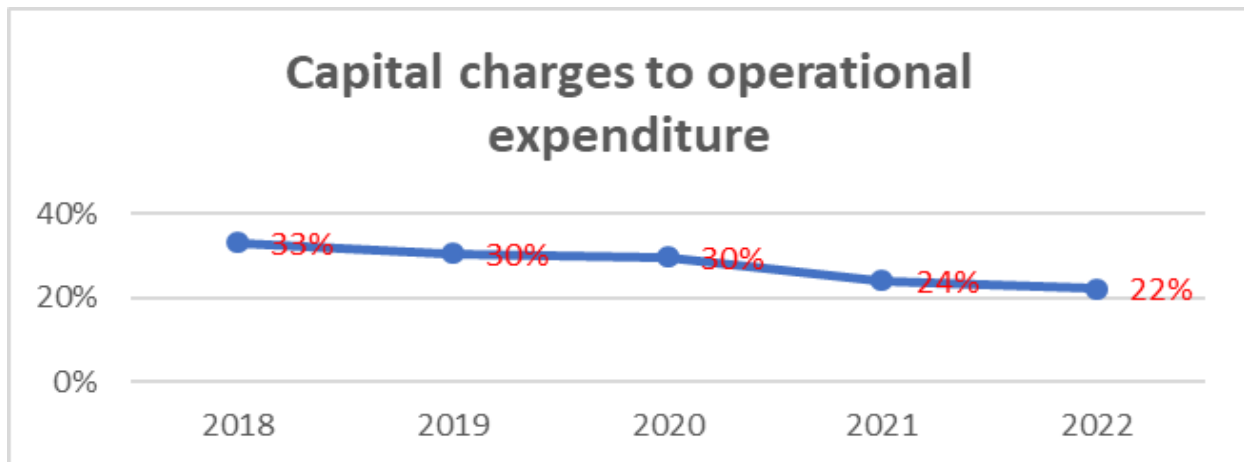
Figure 13: Creditors system efficiency from 2018 - 2022





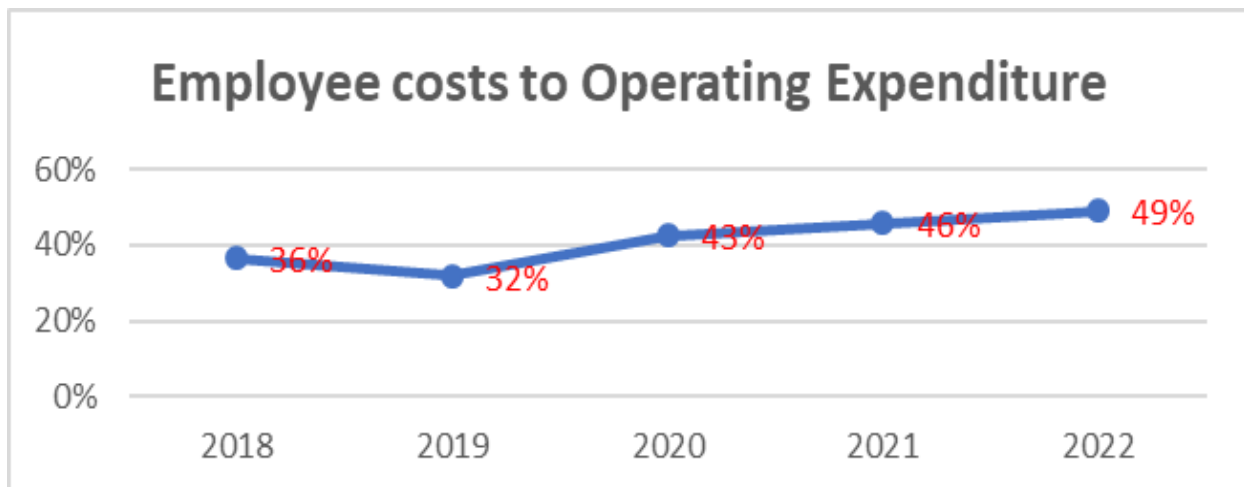
#### 5.4.6 Capital charges to operational expenditure

Figure 13: Capital charges to operating expenses from 2018 - 2022



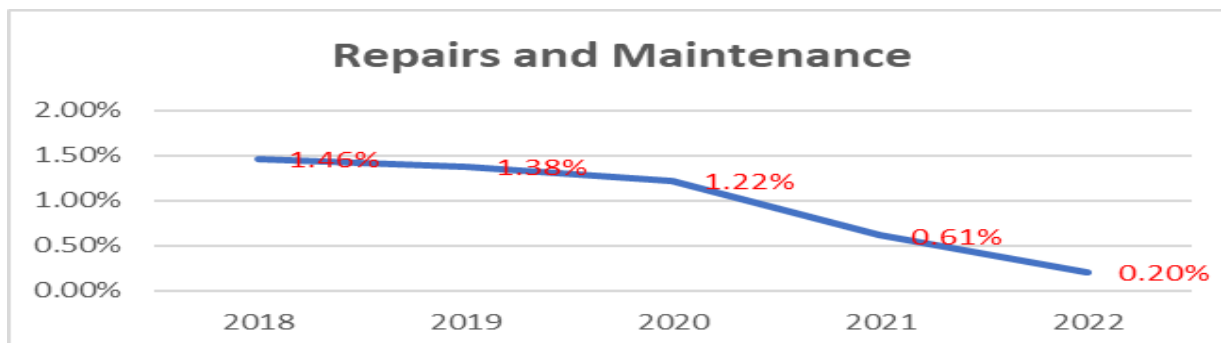
#### 5.4.7 Employee costs

Figure 14: Employee costs from 2018 - 2022



### 5.4.8 Repairs and maintenance

Figure 15: *Repairs & Maintenance from 2018 - 2022*



Repairs and maintenance expenditure has been below the norm of 8% for the past 5 years. The municipality is unable to meet the norm due to financial constraints.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.5 Capital Expenditure

Total expenditure amounted to R459 million (2021: R571 million) which is comprised of:

Table 50: *Capital Expenditure*

<b>Asset Class</b>	<b>Amount</b>
Furniture and fixtures	609,153
IT equipment	93,800
Infrastructure WIP	458,436,894
Machinery and Equipment	56,823
	<b><u>459,196,670</u></b>

### 5.6 Sources of Finance

Table 51: *Sources of Finance*

- Service Changes (Water and Sewerage)
- Rental of Assets (Hall and Kei Fresh)
- Interest Earned on Outstanding Debtors and External Investments
- Income from Agency Services
- Grants
- Other revenue

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.7 Cash Flow

Cash and cash equivalent opening balance amounted to R400.7 million, the net decrease in cash and cash equivalents during the year amounted to R11.9 million and resulting in the closing balance on cash and cash equivalents of R388.8 million.

### 5.8 Borrowing and Investments

The District did not have any borrowings at year end. With regards to investments, the district made cash investments during the financial and earned interest amounting to R10.4 million. The balance of short-term investments at year end was R319.5 million invested in the following institutions:

*Table 52: Investments*

- |                       |               |
|-----------------------|---------------|
| • First National Bank | R318 million  |
| • Standard Bank       | R 1 million   |
| • ABSA                | R200 thousand |
| • Nedbank             | R292 thousand |
| • Investec            | R 94 thousand |

### 5.9 Public Private Partnership

The District does not have any Public Private Partnerships.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.10 Supply Chain Management

The municipality has made a significant progress in developing and implementing the supply chain management policy and practices in compliance with the guidelines set out in the Supply Chain Management Regulations as well as the amended Preferential Procurement Regulations, 2017.

Whilst internal controls have also been strengthened by developing check list for compliance with SCM regulations in procurement there have been serious deficiencies in fully complying with the supply chain management regulations due to persistent staff vacancies and lack of systems to detect people who close family members who are conducting business with the municipality. This is evidenced by the finding of the auditor general in their audit report.

As part of its strategic improvement goal in reducing irregular expenditure, the municipality has adopted a strategy to reduced unauthorised, irregular, fruitless and wasteful expenditure.

Currently the general manager supply chain management unit is only left with one (1) module to be fully compliant with the requirements of regulation 12 of the Minimum Regulations on Minimum Competency Levels.

#### **5.11 Generally, Recognised Accounting Practice (GRAP) Compliance**

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

The Municipality is fully GRAP compliant. The current year accounting framework is consistent with the previous year. The requirements as per the Accounting Standards Board have been taken into consideration to the improved Standards of GRAP.

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS

#### 6.1 Auditor General Reports: Year (2021/22)

- The Municipality obtained qualified audit opinion for the 2021/22 financial year. Upon receipt of the audit report during December 2022, the Municipality conducted a thorough analysis and understanding of the AGSA's audit report. The findings informed the development of the "Management Audit Action Plan" (MAAP), which has been summarised into the "Strategic Audit Action Plan 2021/22 document. A MAAP is a tool that the Municipality uses to address the qualification matter and the emphasis of matter.
- Management has identified the following areas deserving strategic focus in the implementation of the Management Audit Action Plan. These areas are:
- Review and updating of the contracts register to enable accurate reporting of commitments;
- Review and updating of the Infrastructure and Work in progress registers to enable accurate reporting of commitments;
- Review both the Infrastructure and WIP register in order to have accurate and complete register.
- Develop a methodology that will assist while performing the restatements.
- To update and reconcile the retention register on a quarterly basis
- Review and updating of SCM compliance checklists to improve controls around procurement processes.
- Develop quarterly reports on the implementation of the UIF&WE strategy.
- Develop a service level agreement with Amatola as an implementing agent of the district.
- To appoint a technical committee that will include Labour relations, to assist Payroll and HR to prepare a report according to the Covid levels and disclose fruitless and wasteful expenditure.
- Continuously monitor the grant spending and develop controls which will prevent the underspending of grants
- Review, updating and documentation of internal control processes (procedure manuals) for all key processes of the Municipality, followed by a change management process to ensure the attitude of council, management and staff on internal controls is transformed;
- Develop a register of all suppliers that have been identified as being in-service of the state
- Council adoption of a stringent process for monitoring the implementation of the management audit action plan and consequence management in the event of failure to implement. The MAAP is a standing item of Management, Audit Committee and MAYCO meetings.
- The action plan will be submitted to Council, together with the Annual Report at the Council meeting of 31 January 2023.

**COMPONENT B: AUDITOR GENERAL OPINION – 2021/22**

**6.2 Auditor General Report Year: (2021/22)**

Report of the Auditor-General to the Eastern Cape Provincial Legislature and the Council on the OR Tambo District Municipality

Report on the audit of the consolidated and separate financial statements

**Qualified opinion**

1. I have audited the consolidated and separate financial statements of the OR Tambo District Municipality, set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2022, the consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, consolidated and separate cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the OR Tambo District Municipality as at 30 June 2022, and consolidated and separate financial performance, consolidated and separate statement of changes in net assets, consolidated and separate cash flow statement and statement of comparison of budget and actual amounts, for the year ended, in accordance with the South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

**Basis for qualified opinion**

**Plant, property and equipment**

3. The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. Some infrastructure work in progress (WIP) was incorrectly recognised as completed infrastructure assets and some of the completed infrastructure assets were incorrectly recognised as infrastructure WIP. Consequently, infrastructure WIP disclosed in note 8 to the consolidated and separate financial statements was understated and infrastructure assets were overstated. I could not determine the full extent of these misstatements on the infrastructure assets and infrastructure WIP stated at R4,8 billion (2020-21: R5 billion) and R2,3 billion (2020-21: R1,9 billion) respectively as it was impractical to do so. In addition, this resulted in the overstatement of the depreciation expense and we could not determine its impact on the infrastructure depreciation stated at R215 million in note 8 to the consolidated and separate financial statements, as it was impractical to do so.

**Capital commitments**

4. The municipality recorded some of its capital commitments at incorrect amounts for the year under review. This was due to inadequate systems and processes within municipality to

ensure that capital commitments were correctly recorded. Consequently, capital commitments as disclosed at R842,8 million (2020-21: R1,2 billion) in note 45 to the consolidated and separate financial statements were overstated. It was however, impractical to determine the full extent of the misstatement.

**Fruitless and wasteful expenditure**

5. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for fruitless and wasteful expenditure. As disclosed in note 54 to the consolidated and separate financial statements, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the fruitless and wasteful expenditure corresponding figure stated at R50,8 million in the consolidated and separate financial statements. This has an impact on the closing balance of fruitless and wasteful expenditure for the current year which is stated at R56,3 million.

**Prepayments**

6. During the 2021 financial year, the municipality did not have an adequate system in place to account for prepayments made, as a result the municipality did not record all of its prepayments and some prepayments were recorded at incorrect amounts. I was unable to confirm the prepayments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure of prepayments stated at R64,6 million in the consolidated and separate financial statement.

**Employee related costs**

7. During the 2021 financial year, the municipality incorrectly paid the covid-19 danger allowance to its employees who worked during the national lockdown using an un-approved rate. This led to an overstatement of employee related costs by R42 million in the consolidated and separate financial statements. Management did not correct the matters giving rise to this overstatement. I could not determine the full extent of this misstatement on the corresponding figure of employee related costs at R805,6 million as it was impractical to do so.

**Context for the opinion**

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

**Emphasis of matters**

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

**Restatement of corresponding figures**

12. As disclosed in note 47 to the consolidated and separate financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2022.

**Unspent conditional grants and receipts**

13. As disclosed in note 16 to the consolidated and separate financial statement, the municipality has unspent conditional grants and receipts of R188,4 million (2020/21: R191,7 million).

**Other matter paragraph**

14. The following other matter paragraph will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

**Unaudited disclosure notes**

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

**Responsibilities of the Accounting Officer for the consolidated and separate financial statements**

16. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Generally Recognised Accounting Practice (South Africa) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

18. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable

assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

19. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

**Report on the audit of the annual performance report****Introduction and scope**

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
21. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance area	Pages in the annual performance report
Key performance area 1: basic service delivery and infrastructure	x – x

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. The material findings on the usefulness and reliability of the performance information of the selected key performance area are as follows:



#### Key performance area 1; Basic service delivery and infrastructure

##### Indicator: Number of water projects completed

25. The method of calculation for measuring the planned indicator was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work, and I was unable to audit the reliability of the achievement of 11 completed water projects and the reported target of 10 in the annual performance report.

##### Percentage compliance of drinking water quality

26. I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the target of 93%, which was reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.

##### Number of households with access to basic level of water services

27. I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against a target of 1500, as reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. In addition, I was unable to obtain sufficient appropriate audit evidence to support the actual achievement of 1 184 as reported in the annual performance report due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

##### Various indicators

28. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Indicator description	Reported achievement
Number of households with access to basic level of sanitation services	1 289
Number of Ventilated Improved Pit (VIP) toilets provided	1 289
Purified mega litres of water carted and delivered to communities	30,7

##### Other matter

29. I draw attention to the matter below.

##### Achievement of planned targets

30. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 26 to 29 of this report.

#### Report on the audit of compliance with legislation

##### Introduction and scope

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

##### Annual financial statements

33. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
34. The 2020/21 annual report was not made public after being tabled in council, as required by section 127(5)(a)(i) of the MFMA.
35. The local community was not invited to submit representations in connection with the 2020/21 annual report, as required by section 127(5)(a)(ii) of the MFMA.
36. The council failed to adopt an oversight report containing the council's comments on the 2020/21 annual report, as required by section 129(1) of the MFMA.

##### Procurement and contract management

37. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

38. The preference point system was not applied some of the procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
39. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.
40. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
41. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.
42. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM Regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM Regulation 38(1).

#### Asset management

43. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

#### Strategic planning and performance management

44. The performance management system and related controls were not properly implemented or were inadequate as there was no evidence of adequate monitoring and review processes conducted as required by municipal planning and performance management regulation 7(1).

#### Expenditure management

45. Reasonable steps were not taken to prevent irregular expenditure amounting to R113,3 million as disclosed in note 55 to the consolidated and separate annual financial statements, as required by section 62(1)(d) of the MFMA.
46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R5,4 million, as disclosed in note 54 to the consolidated and separate annual financial statements, in contravention of section 62(1)(d) of the MFMA.
47. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R31,9 million, as disclosed in note 53 to the consolidated and separate annual financial statements, in contravention of section 62(1)(d) of the MFMA.

#### Consequence management

48. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
49. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
50. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

#### HR management

51. We were unable to obtain sufficient appropriate audit evidence that appropriate systems and procedures to monitor, measure and evaluate performance of staff were developed and adopted, as required by section 67(1)(d) of the Municipal System Act (MSA).
52. The municipal manager and senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

#### Conditional grants

53. Performance in respect of programmes funded by the municipal infrastructure grant (MIG), regional bulk infrastructure grant (RBIG), water services infrastructure grant (WSIG) was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

#### Other information

54. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.
55. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
56. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
57. I did not receive the other information prior to the date of this report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this

auditor's report and re issue an amended report as appropriate. However, if it is corrected this will not be necessary

#### Internal control deficiencies

58. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report
59. Leadership did not effectively implement all the necessary disciplines to enable effective oversight that promotes the achievement of credible reporting in the financial management, annual performance reporting and compliance with laws and regulations. In addition, leadership did not effectively monitor the implementation of corrective actions to address internal control deviations and compliance requirements.
60. The municipality developed an audit action plan to address the prior year findings, but this was not fully implemented, which resulted in repeat findings on the annual financial statements, annual performance report and compliance with relevant laws and regulations. Furthermore, management did not implement daily and monthly internal controls to ensure that the annual performance report is supported by valid supporting information.

#### Material irregularities

61. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

#### Material irregularities identified during the audit

##### Covid 19 danger allowance was paid using an incorrect rate

62. The municipality made overpayments of the covid 19 danger allowance to its employees who worked during the level 5, 4 and 3 of the national lock down, by using an incorrect or an unapproved rate. This resulted in non-compliance with section 65(2)(a) of the MFMA, which requires that the municipality should have and maintain an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. The non-compliance with the legislation resulted in a material financial loss.
63. The accounting officer was notified of the material irregularity on 7 April 2022 and invited to make written submission on the actions taken or to be taken to address the matter. The actions taken and planned are as follows:
- The accounting officer (AO) referred this matter to the municipality disciplinary board investigating matters of financial misconducts

- The committee has met and scheduled its work for the current year and it is prioritising this matter. To date it has been established that a total of 510 employees have been paid a total amount of R48 108 229,70 and this was communicated to the committee.
  - The AO developed a danger allowance policy that was approved by the council.
  - The disciplinary board has been requested to provide quarterly updates to the council.
64. On conclusion of the investigation by the municipality disciplinary board, the accounting officer is planning to take the appropriate actions against those who should be held accountable of the transgression and or loss of public funds if any and the recovery of the overpayments made.
65. I will follow-up on the investigation and the implementation of the planned actions during my next audit.

#### Status of previously reported material irregularities

##### Prepayments made to an implementing agent for water projects

66. The municipality made payments to its implementing agent for water projects, for goods and services not yet received. This resulted in non-compliance with section 65(2)(a) of the Municipal Finance Management Act 56 of 2003 (MFMA), which requires that the municipality should have and maintain an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. The non-compliance with legislation resulted in a likely material financial loss because the amount could still be recovered from the implementing agent.
67. The accounting officer was notified of the material irregularity on 7 April 2021 and invited to make written submission on the actions taken or to be taken to address the matter. The actions taken and planned are as follows:
- The implementing agent had subsequently performed some work for which the relevant evidence was audited during the current audit
  - The implementing agent had refunded the municipality an amount of R46 million on 30 June 2022.
  - The municipality had reported the matter to the Directorate for Priority Crime Investigation (DPCI), the matter was still in progress at the time of this report.
68. On conclusion of the investigation by the DPCI, the accounting officer is planning to take appropriate steps against the identified responsible officials. I will follow up on the implementation of the planned actions during my next audit.

#### Other reports

69. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on

the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

70. The Special Investigating Unit (SIU) was investigating the matters included below as contained in the proclamation (R80 of 2022) by the President, gazetted (GG 47107) on 29 July 2022, in respect of the municipality:
- The procurement of, or contracting for goods, works or services by or on behalf of the municipality and payments made in respect thereof in a manner that was not fair, competitive, transparent, equitable or cost-effective; or contrary to applicable legislation, manuals, guidelines, practice notes, circulars or instructions issued by the National Treasury or the relevant Provincial Treasury; or manuals, policies, procedures, prescripts, instructions or practices of, or applicable to the municipality.
  - Any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality in relation to the provision of strategic, technical and operational support services to the strategic programmes and management office of the municipality in terms of tender number ORTDM – SCMU33-17/18.
  - Any unlawful or improper conduct by officials or employees of the municipality, applicable service providers of the municipality; or any other person or entity, in relation to the allegations set out in the proclamation.

71. These investigations were still in progress at the date of signing this report.

*Auditor-General.*

East London

15 December 2022



## 6.3 Management Audit Action Plan 2021/2022

Table 53: Management Audit Action Plan (MAAP)

Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person	
<b>Basis of Qualification (Qualification Paragraph)</b>								
1	Property, plant and equipment	<p>The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. Some infrastructure work in progress (WIP) was incorrectly recognised as</p>	<p><b>Stands-COAF 20: PPE -</b> Incomplete assets transferred to Completed assets - Classification</p> <p>During the testing the infrastructure opening balance, the following issue was identified: 1. Upon physical inspection it was noted that only the reservoirs have been completed, however there are no pumps</p>	This is caused by lack of management oversight over classification of assets.	Management should ensure that they do not transfer parts of the assets that are dependent to other assets are still in construction. As these assets cannot do work as intended by the management individually.	<p>To visit the whole population of both asset Infrastructure and WIP register with the intention to clean both registers.</p> <p>Restate opening balance of PPE.</p>	<p>28 February 2023</p> <p>30 April 2023</p>	CFO

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		completed infrastructure assets and some of the completed infrastructure assets were incorrectly recognised as infrastructure WIP. Consequently, infrastructure WIP disclosed in note 8 to the consolidated and	stations and reticulation, resulting in the project not actually running yet. Therefore, this should still be included in WIP as it is not yet operating.  2. Only if the completed part is able to be used independently from the part(s) of the asset that is still under construction, the completed part is considered ready for its intended use.					

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
2		separate financial statements was understated and infrastructure assets were overstated. I could not determine the full extent of these misstatements on the infrastructure assets and infrastructure WIP stated at R4, 8 billion (2020-21: R5 billion) and R2, 3 billion (2020-21: R1, 9	<p><b>COAF 37: PPE -</b> Completed projects not transferred out of the WIP register</p> <p>Some projects were completed but not transferred out of the WIP register to completed assets register.</p>	This is due to lack of proper review of the WIP register	Management note the finding, management will ensure all projects in WIP register are physically verified at year end to ensure only projects not available for use are recorded in this register.	<p>To fastrack the procurement processes of the Service provider who will assist in updating of both asset Infrastructure and WIP registers.</p> <p>To develop businesses process for water projects.</p> <p>Water Services to prepare quarterly project implementation plan/report in relation to Asset register and WIP and submit it to Asset management office.</p> <p>To restate the</p>	<p>30 April 2023</p> <p>28 February 2021</p> <p>30 April 2023</p> <p>Quarterly</p> <p>30 April 2023</p>	<p>CFO</p> <p>Director Water Services</p> <p>CFO</p>

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		billion) respectively as it was impractical to do so. In addition, this resulted in the overstatement of the depreciation expense and we could not determine its impact on the infrastructure depreciation stated at R215 million in note 8 to the consolidated and separate financial statements, as it was				PPE opening balance		



	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		impractical to do so.						

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
3	Capital commitments	The municipality recorded some of its capital commitments at incorrect amounts for the year under review. This was due to inadequate systems and processes within municipality to ensure that capital commitments were correctly recorded. Consequently, capital commitments as	<p><b>CoAF 34:</b> Capital commitments: Commitments have been incorrectly valued due to incorrect payment certificates and retention.</p> <p>Some misstatements were identified while testing of commitments, it was noted that the Retention and Expenditure to Date amounts were incorrectly calculated for the selected contracts and as a result the commitments balance at the 30 June 2022 was inappropriately calculated</p>	The same findings as reported above were identified in the prior year. This has taken place due to the lack of appropriate management review of the Commitment/Contract Register to ensure that accurate payments certificates have been considered and also, retention has been appropriately determined.	Management should ensure that the Contracts/Commitments Register is appropriately reviewed to ensure that all commitments listed have been valued correctly at the 30 June 2022 and that the necessary documentation is available to confirm the valuation of these commitments.	<p>Develop retention standard operating procedure manual which will be discussed with consultants.</p> <p>To perform a reconciliation on all projects where retention is still not paid and confirm if the retention is correctly calculated.</p>	31 March 2023	Director Water Services

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
4		disclosed at R842, 8 million (2020-21: R1, 2 billion) in note 45 to the consolidated and separate financial statements were overstated. It was however, impractical to determine the full extent of the misstatement.	ISS.93-Stands: COAF 34: Capital commitments - Prior year misstatements not adequately corrected (ISS 93)  While trying to test whether management have adequately revised the prior year whole population to enable me to test whether the prior year qualification on capital commitments has been adequately addressed it has come to the auditors awareness that management did not entirely address the issues led to	Management did not correct the whole population for the prior period error identified in the prior year. We are reverting back to prior year misstatements and therefore prior year commitments are materially misstated by the projected amount of R136.5 Million.	Management must review the commitments register for accuracy and completeness by ensuring the retentions and expenditure to date are correctly calculated and recorded on the register.	To update and reconcile the retention register on a quarterly basis.  Review of Commitments/Contract register on a quarterly basis.	Quarterly	Director Water Services

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
			qualification on commitments such as accruals incorrectly recorded in the incorrect financial year due to payment certificates as well as incorrect calculation of retention.					

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
5	Employee Related Costa	During the 2021 financial year, the municipality incorrectly paid the covid-19 danger allowance to its employees who worked during the national lockdown using an un-approved rate. This led to an overstatement of employee related costs by R42 million in the consolidated and separate	COAF 56: Fruitless and Wasteful: Opening Balance: Only Level 3 danger allowance disclosed in the AFS.  Payments relating to level 3 of the lockdown only and did not take into account/corrected for the overpayments of the covid 19 danger allowance relating to level 5 and 4 of the lockdown as such the restatement/correction made is not accurate and complete.	This was as a result of adequate review by the appropriate level of management and the possibility that this issue was still being investigated by the municipality	Management should properly evaluate the overpayments made relating to the covid 19 danger allowance and perform the necessary disclosures in the AFS for the next financial year.	To appoint a technical committee that will include Labour relations, to assist Payroll and HR to prepare a report according to the Covid levels.  To present the report to DC Board.	31 January 2023  31 March 2023	Municipal Manger

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		financial statements. Management did not correct the matters giving rise to this overstatement. I could not determine the full extent of this misstatement on the corresponding figure of employee related costs at R805, 6 million as it was impractical to do so.						

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
6	Prepayments	During the 2021 financial year, the municipality did not have an adequate system in place to account for prepayments made, as a result the municipality did not record all of its prepayments and some prepayments were recorded at incorrect amounts. I was unable to confirm the prepayments by	<p><b>COAF 54:</b> Prepayment: Prior year misstatements not restated.</p> <p>During the audit of prepayment, we have obtained an understanding from management with regards to the process followed to revise the prepayment schedule and restate prior year qualification on prepayment. Auditors have obtained understanding that management did not restate prior year misstatement, as they still have not received information from</p>	Management did not correct the whole population for the prior period error identified in the prior year.	Management should ensure that information is obtained from the implementing agent in order to ensure that restatements are processed	<p>1. To restate the opening balance</p> <p>2.To establish a steering project management committee in relation to KSD electricity which will produce monthly progress reports.</p> <p>3. To develop a standard operating procedure for prepayments.</p>	<p>30 April 2023</p> <p>Monthly</p> <p>31 March 2023</p>	<p>CFO</p> <p>Director Water Services</p>

Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
	alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure of prepayments stated at R64, 6 million in the consolidated and separate financial statement.	Amatola, who they have made the prepayments to. Management were therefore unable to confirm the value of the work performed as at 30 June 2022. Therefore, based on the above the prior year qualification on prepayments, the issue still exists and will be reported in the management report.					



	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
7	Fruitless and Wasteful Expenditure	I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for fruitless and wasteful expenditure. As disclosed in note 54 to the consolidated and separate financial statements, the restatement was made to rectify a previous year	COAF 56: Fruitless and Wasteful: Opening Balance: Only Level 3 danger allowance disclosed in the AFS.	This was as a result of adequate review by the appropriate level of management and the possibility that this issue was still being investigated by the municipality	Management should properly evaluate the overpayments made relating to the covid 19 danger allowance and perform the necessary disclosures in the AFS for the next financial year.	The disclosure will be done after obtaining the report from the Disciplinary board.  To update AG with the progress	30 June 2023	Municipal Manager
			Payments relating to level 3 of the lockdown only and did not take into account/corrected for the overpayments of the covid 19 danger allowance relating to level 5 and 4 of the lockdown as such the restatement/correction made is not accurate and complete.				30 April 2023	

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		<p>misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the fruitless and wasteful expenditure corresponding figure</p>						

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		<p>stated at R50, 8 million in the consolidated and separate financial statements. This has an impact on the closing balance of fruitless and wasteful expenditure for the current year which is stated at R56, 3 million.</p>						
<b>Matters of Emphasis</b>								

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
8	Restatement of correspondence figures	As disclosed in note 47 to the consolidated and separate financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2022.	Not applicable	Not applicable	Not applicable	<p>a) A memo reminding departments about invoices not yet paid will be prepared with clear deadlines</p> <p>b) To develop a methodology for restatement</p> <p>c) Issue a memo to limit time frame of travelling claims with one month exception (June).</p> <p>d). To develop a credible list of creditors.</p> <p>e). A clear deadline will be enforced</p> <p>f). A central</p>	30-Apr-23	CFO

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
						separate email for the invoices of the service providers (fruitless & wasteful expenditure.  g). An awareness' of the central email for the service provider's invoices will be done  h) There will be a restatement of methodology  i). A memo initiated by HR for the cut-off date		

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
9			During the testing of retentions, it was discovered that the retention amounts as per listing do not agree with the amount audited/recalculations performed	The cause of the issue is that management did not take into account the 5% (Contract Value) limit that is retained from the projects and municipality has retained amounts above the limit.	Management should ensure that the Retention Register is appropriately reviewed to ensure that all Retention listed have been valued correctly at the 30 June 2022 and that the necessary documentation is available to confirm the valuation of these Retention.	To update and reconcile the retention register on a quarterly basis	Quarterly	CFO
<b>Report on the Audit of the Annual Performance report</b>								

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
10	Audit of the annual performance report	The method of calculation for measuring the planned indicator was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations	<b>COAF 19:</b> AOPO: Sanitation project- Reported output is not valid, not accurate and not complete: <b>Indicators</b> Number of households with access to basic level of sanitation services. Number of Ventilated Improved Pit (VIP) toilets provided. Achieved for both indicators: 1289 Upon review of portfolio of evidence for the indicators above, it was noted that there are duplicates, invalid ID's included and there are households with	The cause of the issue is that there no validation of information submitted for quarterly and annual performance reporting. No proper reviews to confirm integrity of data used to report targets met.	Data integrity must be performed by all officials responsible for reporting purposes. There must be a copy of ID attached to each happy letter to eliminate fictitious ID numbers/ households. Coordinates for each VIP must be reported in the form used as a confirmation for a completed and accepted VIP toilets (register/happy letter). Management responsible for reporting must perform excel procedures on the data to identify ID numbers with less	1. To prepare and submit monthly reports on number of households with access to basic level of sanitation with happy letters and ID copies.  2. To produce a list of connected households with a column confirming that the ID number has been validated with SA ID validator  3.To develop a system for capturing VIP toilets.	Monthly  30 June 2023	Director IWS

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		were placed on the scope of my work, and I was unable to audit the reliability of the achievement of 11 completed water projects and the reported target of 10 in the annual performance report.	no ID numbers. Invalid ID numbers were confirmed through SA ID validator ( <a href="http://www.checkid.co.za">www.checkid.co.za</a> ). Auditor could not confirm accuracy and validity of the data reported therefore overstatement of reported output.		than 13 digits that might be incorrectly recorded.			



	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
1 1		I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against a target of 1500, as reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by	<p><b>COAF 14:</b> AOPO: PO28- Accuracy of the reported output could not be performed</p> <p>During testing of P028, indicator above, the accuracy of the reported achievement could not be recalculated due to inadequate portfolio of evidence (POE) being submitted. This is a repeat finding as it was also issued in the prior year. The municipality committed in the prior year as follows: "In Future, for confirmation, a confirmation letter</p>	Information supporting output is not in place due to that prior year commitments have not been implemented.	Management should implement necessary controls to ensure that there is adequate supporting documentation to substantiate the number of households with access to basic level of water services. Documentation in the form of acknowledgement letter signed by the ward committee member/ happy letters from the community benefited from water services rendered.	<p>1. To prepare and submit monthly reports on number of households with access to basic level of water</p> <p>2. To obtain and submit a valid and signed off actual list of households connected at the time of project handover from the ward Councilor/Traditional Leader</p>	Monthly	Director IWS

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		<p>alternative means. In addition, I was unable to obtain sufficient appropriate audit evidence to support the actual achievement of 1 184 as reported in the annual performance report due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequent</p>	<p>of Households per village or Administrative Area from the Ward Councilor or Local Chief will be requested and will be attached in the Technical Reports</p>					

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		ly, I was unable to determine whether any further adjustments were required to these reported achievements						

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
1 2		I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the target of 93%, which was reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures	<p><b>AOPO:</b> - Scope limitation- No evidence to support measures taken to improve performance</p> <p>Indicator: Percentage compliance of Drinking water quality</p> <p>Requested the following information through RFI 92 that was due on 18 November 2022 and information was not submitted.</p> <p>Information requested: Evidence that repairs took place after June 2022 to address the issue of</p>	Information is not filed appropriately to be easily retrieved when requested.	Management should have processes in place to submit the requested information timeously	<p>To produce a report on schemes that were not functioning during the sampling process.</p> <p>WSA to make a follow up WSP on the repairs and maintenance of the nonfunctioning schemes.</p>	Monthly	Director Water and Services

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.	water not coming out of the water schemes. This is an indication that there is no corroborative evidence to support measures taken to improve performance therefore it affect presentation and disclosure requirements.					

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
1 3		The achievements were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the	Portfolio of evidence submitted does not talk to the reported target therefore there is no credible sufficient and appropriate audit evidence to support the over-achieve reported. Information used is for the activities relating to the prior year.	This is an indication that there was no proper review of portfolio of evidence to ensure accuracy of the reported achievement	The municipality must amend and report on information and activities took place between during the year under audit. All reports signed must be dated.	POE will be monitored on a monthly basis, requesting the list of the completed projects from the ward councilor	Monthly	Director Water and Services

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.						
<b>Other matters</b>								

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
1 4	Annual Financial Statements	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial	<p><b>COAF 59: AFS Compliance - Annual report 2020/21</b></p> <p>No evidence that the annual report was made in public. The annual report is not in the web site of OR Tambo District Municipality.</p> <p>2. The 2020/21 annual report was tabled to council on the 31st of May 2022. At the time, the MPAC was dealing with the backlog for investigation of the 2018/19 UIF &amp; WE and finalisation of the oversight report for 2019/20. The backlog</p>	Lack of oversight by management.	The management should ensure that compliance with legislation is adhered to and oversight report is tabled on time.	The 2021/22 Annual report and the backlog will be tabled to Council in compliance to the legislation. Subsequent to that, the other legislative compliance including advert, community engagement, MPAC verifications and investigations will follow in line with the investigation. The final report will be tabled by 31 March 2023.	31-Mar-23	MM



	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		<p>statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.</p> <p>34. The 2020/21 annual report was</p>	<p>emanates from covid19 lockdown conditions, political instability and end of term in 2022.</p> <p>The MPAC had adopted an annual plan for 2022/23 that incorporates consideration of the Oversight Report for 2020/21 and 2021/22 in the second and third quarter of 2022/23</p> <p>Therefore, there is no oversight report for the council to adopt.</p>					

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		<p>not made public after being tabled in council, as required by section 127(5)(a)(i) of the MFMA.</p> <p>35. The local community was not invited to submit representations in connection with the 2020/21 annual report, as required by section 127(5) (a) (ii) of the MFMA.</p> <p>36. The council failed to</p>						

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		adopt an oversight report containing the council's comments on the 2020/21 annual report, as required by section 129(1) of the MFMA.						

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
15	Procurement and Contract management	Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1) (a) and (c).	SCM : Three quotation not received, no reason documented and approved  It was noted that three quotations were not obtain and no reasons were recoded and approved by the chief financial officer or an official designated by the chief financial officer for some of the transactions	Management received less than three quotation after they have advertised and continued to award the suppliers responded.	Management should ensure that they record reasons for not obtaining three quotation and must be approved by chief financial officer or an official designated by the chief financial officer.	The CFO will approve all quotations awarded without three quotations.  Reviewal of orders to be done constantly.	Ongoing	CFO
16		The preference point system was not applied some of the procurement of goods and	SCM: No PPR calculation were performed (Quotes)  Some of the quotes were not dealt with, in accordance with	Management followed the judgment of the court that was held on the 16 of February 2022.	Management should ensure that they comply with the laws, regulations National Treasury media statement.	The Municipality will comply with the revised regulations.  Review of the SCM policy to comply with the new regulations.	Ongoing  31 January 2023.	CFO

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		services above R30 000 as required by section 2(1) (a) of the Preferential Procurement Policy Framework Act.	the 2017 Regulations as per the NT media statement issued on 30 May 2022.					
17		Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required	<p>SCM : Local Content and Production Procurement (irregular expenditure) ISS.64</p> <p>The invitation to bid in respect of some of the awards did not specify the minimum threshold for local production and content:</p>	Lack of oversight by management in ensuring that laws and regulations applicable to the municipality are complied with.	Management should ensure that the advert stipulate minimum threshold for local production and content. Also specify that only local production and content will be considered and evaluated further.	<p>All specifications to be checked against the DTI requirements for local content.</p> <p>To ensure there is a dedicated personnel to check the compliance with the legislation.</p>	<p>Ongoing</p> <p>31 January 2023</p>	CFO

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.						

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
18		Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.	Procurement and contract management: Supplier submitted a false declaration (ISS 24)  Some suppliers are connected to persons employed by the state, however, suppliers did not declare the connection.	The municipality only relies on the declaration of interest (MBD 4) submitted by the supplier and CSD reports during the procurement process.	Management should investigate the identified suppliers to get an understanding as to why the supplier failed to declare. Where applicable, the results of the investigation should be reported to National Treasury for inclusion in the register of restricted suppliers. Management should keep a register of suppliers that have been identified as being in-service of the state and use the register to ensure that awards are not made to the same suppliers who have failed to	To write a memo to all learning Institutions so as to submit the declarations forms for compliance.  A memo will also be written to all service providers who were found to be in the service of state during the audit.	31-Jan-23	CFO

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
					disclose interest or connection. If an award is made again on this communicated suppliers, it will result to irregular expenditure			



	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
19		Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.	Not applicable	Not applicable	Not applicable	<p>A form will be developed that shows the performance of each project (A benchmarking will be done and customised)</p> <p>As an interim measure, EPWP employees will be utilised as a temporal arrangement to do project administration for each project.</p>	28-Feb-23	Director Water Services

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
20		Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(1) (j) and SCM Regulation 44. Similar awards were identified in the previous year and no effective	Procurement and contract management: Supplier submitted a false declaration (ISS 24)  Some suppliers are connected to persons employed by the state, however, suppliers did not declare the connection.	The municipality only relies on the declaration of interest (MBD 4) submitted by the supplier and CSD reports during the procurement process.	Management should investigate the identified suppliers to get an understanding as to why the supplier failed to declare. Where applicable, the results of the investigation should be reported to National Treasury for inclusion in the register of restricted suppliers. Management should keep a register of suppliers that have been identified as being in-service of the state and use the register to ensure that awards are not made to the same suppliers who have	To develop a register of all suppliers that have been identified as being in-service of the state and ensure that awards are not made to the same suppliers who have failed to disclose interest	31-Jan-23	CFO

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		steps were taken to prevent or combat the abuse of the SCM process, as required by SCM Regulation 38(1).			failed to disclose interest or connection. If an award is made again on this communicated suppliers, it will result to irregular expenditure			
21	Asset Management	An effective system of internal control for assets was not in place, as required by section	<b>COAF 20:</b> PPE - Contract number per the FAR is different from the supporting document  Internal control deficiency were	Lack of oversight by management in reviewing the information that is used for the purpose of preparing AFS.	Management should ensure that the internal controls established for the Municipality are being carried out.	To capture the projects completed in the FAR and confirm the project number recorded and also confirm if the total amount agree to the	Ongoing	CFO

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		63(2) (c) of the MFMA.	identified in the following projects extracted from the Fixed Asset Register			supporting documentation.		
22	Strategic planning and performance management	The performance management system and related controls were not properly implemented or were inadequate as there was no evidence of adequate monitoring and review processes conducted as required	Not applicable	Not applicable	Not applicable	To review Performance Management Policy/Framework	31-May-23	MM

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		by municipal planning and performance management regulation 7(1).						

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
2 3	<b>Expenditure Management</b>	<p>Reasonable steps were not taken to prevent irregular expenditure amounting to R113, 3 million as disclosed in note 55 to the consolidated and separate annual financial statements, as required by section 62(1) (d) of the MFMA.</p> <p>Reasonable steps were not taken to prevent fruitless and wasteful expenditure</p>	<p>In terms of Section 32(4) of the MFMA the accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of— (a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality; (b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and</p>	<p>There was inadequate effective monitoring by management to ensure that compliance with the relevant regulation is done.</p>	<p>Management should promptly inform the mayor, the MEC for local government in the province and the Auditor-General for the irregular expenditure incurred. This non-compliance was reported in the prior years.</p>	<p>To inform the mayor, the MEC for local government in the province and the Auditor-General for the irregular expenditure incurred on a quarterly basis.</p> <p>To implement the UIF&amp;WE strategy and compile quarterly reports.</p>	<p>Quarterly</p>	<p>CFO</p>

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		<p>amounting to R5, 4 million, as disclosed in note 54 to the consolidated and separate annual financial statements, in contravention of section 62(1) (d) of the MFMA.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure amounting to R31, 9 million, as disclosed in</p>	<p>(c) the steps that have been taken— - to recover or rectify such expenditure; and - to prevent a recurrence of such expenditure. The accounting officer did not promptly inform the mayor, the MEC for local government in the province and the Auditor-General for the irregular expenditure incurred:</p>					

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		note 53 to the consolidated and separate annual financial statements, in contravention of section 62(1) (d) of the MFMA.						



	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
24	Consequence Management	Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA	Unauthorized expenditure, Irregular expenditure and fruitless and wasteful expenditure incurred by the municipality in the prior year was not investigated to determine if any person is liable for the expenditure, as required by sections 32(2)(a) and 32(2)(b) of the MFMA.	The cause of the finding was due to the fact that the MPAC was still busy with the fruitless, unauthorized and irregular expenditure for the period 2012/2013 to 2018/19 financial year.	Management should ensure there are sufficient processes to investigate unauthorised, irregular and fruitless and wasteful expenditure.	MPAC to fastrack the 2019/20 Investigations and to start the 2020 /22 UIF&US within the financial year.	30 June 2023	MM
		Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the				To source a service provider to support MPAC investigations	30 April 2023	

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		expenditure, as required by section 32(2)(b) of the MFMA. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA						

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
25	HR Management	We were unable to obtain sufficient appropriate audit evidence that appropriate systems and procedures to monitor, measure and evaluate performance of staff were developed and adopted, as required by section 67(1) (d) of the Municipal System Act (MSA). The municipal	The team was unable to obtain sufficient appropriate audit evidence that appropriate systems and procedures to monitor, measure and evaluate performance of staff were developed and adopted, as required by section 67(1) (d) of the MSA. This is because the OR Tambo Municipality does not have a performance policy for all staff members.  It was noted the senior managers did not sign performance agreements	As per discussion with the HR management, these policies have not yet been implemented.	Management should ensure that all applicable laws and regulations are adhered to. This can be done by keeping and maintaining a compliance register which gets periodically reviewed for compliance and any applicable changes to laws & regulations  Management should ensure that they comply with Legislative requirements	Acting MM to sign the performance agreement before end of February 2023.	28 February 2023	MM
				The cause of the above finding is due to inadequate monitoring by management.		Annual assessment and midyear assessment for Directors will be conducted.	31 March 2023	

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		manager and senior managers did not sign performance agreements within the prescribed period, as required by section 57(2) (a) of the MSA.	within the prescribed period, as required by section 57(2) (a) of the MSA. The Municipal Manager did not sign a performance agreement for the year under review					

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
26	Conditional Grants	Performance in respect of programmes funded by the municipal infrastructure grant (MIG), regional bulk infrastructure grant (RBIG), water services infrastructure grant (WSIG) was not evaluated within two months after the end of the financial year, as required by section	There is no evidence suggesting that the evaluation performance in respect of programmes funded/ partially funded by the MIG, RBIG and WSIG was performed two months after year-end and there was no evidence of submission of their evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2021/22 financial year applicable to a provincial department or a municipality.	The cause of the finding is due to a lack of oversight by management in ensuring adequate compliance with relevant laws and regulations are adhere to.	Management should develop and implement controls over monitoring and review of adherence to laws and regulations to mitigate a risk of non-compliances.	To develop a service level agreement with Amatola as an implementing agent of the district	31-Mar-23	MM

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		12(5) of the Dora.	In addition, portion of funds received from the MIG, RBIG and WSIG were transferred to Amatola Water Board based on a payment schedule that was not approved by the National Treasury, as required by section 17(2) of the Division of Revenue Act (Act 16 of 2019).					

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
27	Internal control deficiencies	I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant	During the testing the infrastructure opening balance, the following issue was identified: 1. Upon physical inspection it was noted that only the reservoirs have been completed, however there are no pumps stations and reticulation, resulting in the project not actually running yet. Therefore, this should still be included in WIP as it is not yet operating. 2. Only if the completed part is able to be used independently from the part(s) of	This is caused by lack of management oversight over classification of assets...	Management should ensure that they do not transfer parts of the assets that are dependent to other assets are still in construction. As these assets cannot do work as intended by the management individually.	The Municipality will develop an Infrastructure Business process which will include the naming of assets.  A session will be held with AG so as to reach an understanding on the naming of assets.	31-Mar-23	Director Water Services and CFO

	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on	the asset that is still under construction, the completed part is considered ready for its intended use.					
<b>28</b>		compliance with legislation included in this report 59. Leadership did not effectively implement all the necessary disciplines	Some projects were completed but not transferred out of the WIP register to completed assets register	This is due to lack of proper review of the WIP register	Not applicable	Prepare a report detailing the status of the project on a quarterly basis.  BTO to conduct a physical verification within a month after the submission of the quarterly report.	Quarterly	Director Water Services  CFO



	Section	Paragraph/summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
29		to enable effective oversight that promotes the achievement of credible reporting in the financial management, annual performance reporting and compliance with laws and regulations. In addition, leadership did not effectively monitor the implementation of corrective actions to address	<b>CoAF 34:</b> Capital commitments: Commitments have been incorrectly valued due to incorrect payment certificates and retention. Some misstatements were identified while testing of commitments, it was noted that the Retention and Expenditure to Date amounts were incorrectly calculated for the selected contracts and as a result the commitments balance at the 30 June 2022 was inappropriately calculated	This has taken place due to the lack of appropriate management review of the Commitment/Contract Register to ensure that accurate payments certificates have been considered and also, retention has been appropriately determined.	Management should ensure that the Contracts/Commitments Register is appropriately reviewed to ensure that all commitments listed have been valued correctly at the 30 June 2022 and that the necessary documentation is available to confirm the valuation of these commitments.	To update and reconcile the retention register on a quarterly basis.  Development of Standard operating procedure on Retentions.  Review of Commitments/Contract register on a quarterly basis.	Quarterly  31 January 2022  Quarterly	CFO  Director Water and Sanitation  CFO

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
30		internal control deviations and compliance requirements. 60. The municipality developed an audit action plan to address the prior year findings, but this was not fully implemented, which resulted in repeat findings on the annual financial statements, annual performance report and compliance	SCM : Three quotation not received, no reason documented and approved  it was noted that three quotations were not obtained and no reasons were recorded and approved by the chief financial officer or an official designated by the chief financial officer for the sum of transactions	Management received less than three quotations after they have advertised and continued to award the suppliers responded.	Management should ensure that they record reasons for not obtaining three quotations and must be approved by chief financial officer or an official designated by the chief financial officer.	To ensure there is a dedicated personnel to check the compliance with the legislation.	31-Mar-23	CFO

	Section	Paragraph/ summary	Detailed Findings	Root cause	Recommendation	Action	Due Date	Responsible Person
		with relevant laws and regulations. Furthermore, management did not implement daily and monthly internal controls to ensure that the annual performance report is supported by valid supporting information.						

# APPENDICES

## APPENDIX A – COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE (July to October 2021)

### 1. List of Council Members

No	Surname & Initial	Designation
1	Nkompela X.	SPEAKER
2	Sokanyile T.	EXECUTIVE MAYOR
3	Ngozi W.	CHIEF WHIP
4	Nogumla R.Z	DEPUTY EXECUTIVE MAYOR
5	Ngqongwa N.	MMC: WATER AND SANITATION SERVICES
6	Giyose R.M	MMC: BTO AND INTERNAL AUDIT
7	Mdledle N.	MMC: CORPORATE SERVICES
8	Mjokovana D.	MMC: COMMUNITY SERVICES & DISASTER MANAGEMENT
9	Zozo D.	MMC: REDP
10	Mdoda Z.	MMC: HUMAN SETTLEMENT
11	Godongwana S.	MMC: SPECIAL PROGRAMMES & SOCIAL SERVICES
12	Dambuza M.	MMC: IGR, PLANNING, RESEARCH AND POLICY DEVELOPMENT
13	Sabona J.	MMC: TECHNICAL SERVICES
14	Nokhanda B.	CHAIR OF CHAIRS
15	Gcinindawo N.	CHAIRPERSON : ETHICS & MEMBERS INTEREST
16	Pepping P.N	CHAIRPERSON: MPAC
17	Cwecwe N.	CHAIRPERSON: WOMENS CAUCUS
18	Rolobile L.	CHAIRPERSON : PETITIONS AND PUBLIC PARTICIPATION
19	Mgaweni T.	CHAIRPERSON: OCMOL STANDING COMMITTEE
20	Mandita K.	CHAIRPERSON: BTO & INTERNAL AUDIT PORTFOLIO COMMITTEE
21	Mchithakali N.	CHAIRPERSON: COMMUNITY SERVICES & DISASTER MANAGEMENT PORTFOLIO COMMITTEE
22	Ntukuntezi S.I.	CHAIRPERSON: REDP PORTFOLIO COMMITTEE
23	Gusana Z.	CHAIRPERSON: WATER AND SANITATION SERVICES PORTFOLIO COMMITTEE
24	Qaqa M.S.	CHAIRPERSON: PLANNING, RESEARCH AND IGR PORTFOLIO COMMITTEE
25	Mziba L	CHAIRPERSON: CORPORATE SERVICES PORTFOLIO COMMITTEE
26	Fono N.	CHAIRPERSON: HUMAN SETTLEMENT
27	Malindi X.	CHAIRPERSON: SPECIAL PROGRAMS AND SOCIAL SERVICES
28	Sabisa T.N.	CHAIRPERSON: TECHNICAL SERVICES PORTFOLIO COMMITTEE
29	Bara B.	CLLR
30	Beqezi N.	CLLR
31	Bokwe F.	CLLR

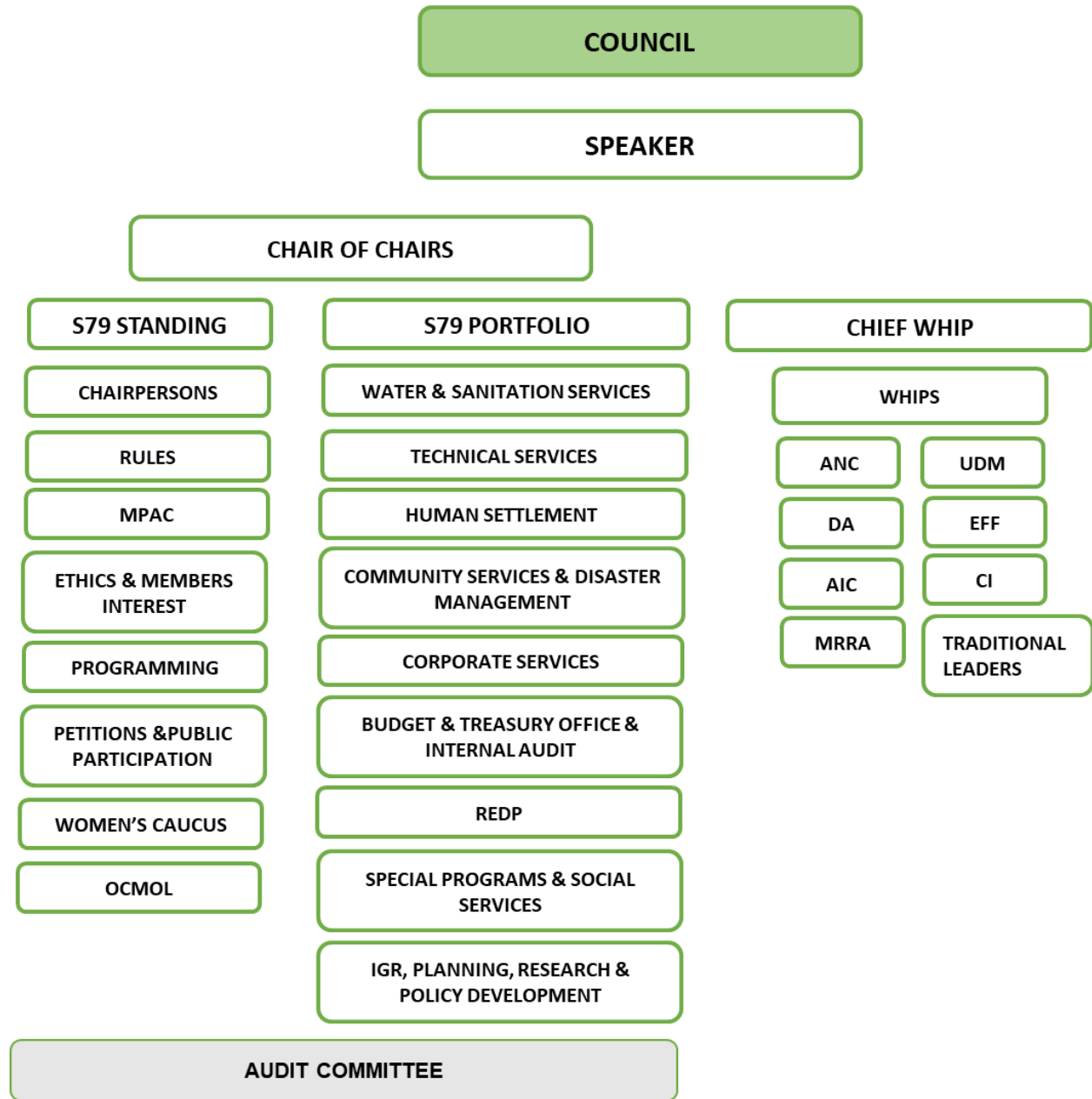
No	Surname & Initial	Designation
32	Bontsa E.S.	CLLR
33	Bunzana M.	CLLR
34	Cube Z.	CLLR
35	Dudumayo B.R	CLLR
36	Dumisa T.	CLLR
37	Gaxeni F.	CLLR
38	Gqetywa N.I.	CLLR
39	Gqwetha B.	CLLR
40	Mabasa S.N.	CLLR
41	Mabongo L.	CLLR
42	Madwantsi P.	CLLR
43	Malghas B.	CLLR
44	Malghas U.	CLLR
45	Maqhajini L.	CLLR
46	Matanzima S.	CLLR
47	Mbangatha N.	CLLR
48	Mjoji L.	CLLR
49	Mkontwana N.	CLLR
50	Msakeni M.	CLLR
51	Mzimane N.	CLLR
52	Ndabeni M.	CLLR
53	Ndude L.M.	CLLR
54	Nkani N.	CLLR
55	Pato T.Z.	CLLR
56	Qangani S.	CLLR
57	Tshotsho L.	CLLR
58	Xangayi C.T.	CLLR
59	Nkosi Dudumayo M.	TRADITIONAL LEADER
60	Nkosi Groom J.J.	TRADITIONAL LEADER
61	Nkosi Mdutshane A.C.G.	TRADITIONAL LEADER
62	Nkosi Meji N.	TRADITIONAL LEADER
63	Nkosi Mjoji P.A.	TRADITIONAL LEADER
64	Nkosi Mtirara B.P.	TRADITIONAL LEADER
65	Nkosi Mtirara M.	TRADITIONAL LEADER
66	Nkosi Ndabeni V.	TRADITIONAL LEADER
67	Nkosi Ndamase N.	TRADITIONAL LEADER
68	Nkosi Ndamase H.	TRADITIONAL LEADER
69	Nkosi Ranuga M.	TRADITIONAL LEADER
70	Nkosi Sandile A.	TRADITIONAL LEADER
	<b>Note</b>	<b>1 vacancy for a councillor</b>

## 2. List of Council Members: 2021/26 Term (December 2021 to June 2022)

No	Surname & Initial	Designation
1	Capa N.Y.	SPEAKER
2	Ngqondwana M.D.	EXECUTIVE MAYOR
3	Ngqongwa N.	CHIEF WHIP
4	Sokanyile T.	DEPUTY EXECUTIVE MAYOR
5	Ngudle M.P.	MMC: INFRASTRUCTURE: WATER AND SANITATION SERVICES
6	Giyose M.R.	MMC: BTO AND INTERNAL AUDIT
7	Mdledle N.U.	MMC: CORPORATE SERVICES
8	Gcingca N.	MMC: COMMUNITY SERVICES
9	Ndabeni M.	MMC: REDP
10	Sabisa T.N.	MMC: HUMAN SETTLEMENT
11	Mtuku N.B.	MMC: SPECIAL PROGRAMMES & SOCIAL SERVICES
12	Gqomo N.	MMC: IGR, PLANNING, RESEARCH AND POLICY DEVELOPMENT
13	Ngozi W.	MMC: TECHNICAL SERVICES
14	Dambuza M.B.	CHAIR OF CHAIRS
15	Jacob U.	CHAIRPERSON : ETHICS & MEMBERS INTEREST
16	Dywili N.	CHAIRPERSON: MPAC
17	Tokwana C.S.	CHAIRPERSON : PETITIONS AND PUBLIC PARTICIPATION
18	Ranai W.F.	CHAIRPERSON: OCMOL STANDING COMMITTEE
19	Vanda N.L.	CHAIRPERSON: BTO PORTFOLIO COMMITTEE
20	Madolo S.	CHAIRPERSON: COMMUNITY SERVICES PORTFOLIO COMMITTEE
21	Ntshuba V.W	CHAIRPERSON: REDP PORTFOLIO COMMITTEE
22	Ngxamile N.P.	CHAIRPERSON: WATER AND SANITATION SERVICES PORTFOLIO COMMITTEE
23	Vava K.	CHAIRPERSON: PLANNING, RESEARCH AND IGR PORTFOLIO COMMITTEE
24	Zondani V.B.	CHAIRPERSON: CORPORATE SERVICES PORTFOLIO COMMITTEE
25	Ncapayi V.	CHAIRPERSON: HUMAN SETTLEMENT
26	Matanda N.P.	CHAIRPERSON: SPECIAL PROGRAMS AND SOCIAL SERVICES
27	Tshikitshwa T.	CHAIRPERSON: TECHNICAL SERVICES PORTFOLIO COMMITTEE
28	Badli T.	CLLR
29	Bodoza B.	CLLR
30	Bunzana M.	CLLR
31	Dlani X.H.	CLLR
32	Dudumayo B.R.	CLLR
33	Fukula M.A.	CLLR
34	Gabada P.V.	CLLR
35	Gcilitshana L.	CLLR

No	Surname & Initial	Designation
36	Jam – Jam M.A.	CLLR
37	Knock R.	CLLR
38	Libazi M.	CLLR
39	Mabhedumana B.	CLLR
40	Makaba M.	CLLR
41	Mapolisa Z.	CLLR
42	Maseko M.	CLLR
43	Matubatuba N.	CLLR
44	Mfamela M.	CLLR
45	Mgquba A.	CLLR
46	Mhlaba S.	CLLR
47	Molakalaka L.C.	CLLR
48	Ncolosi S.N.	CLLR
49	Ndzumo T.	CLLR
50	Ngxekana M.	CLLR
51	Njisane S.	CLLR
52	Njovane S.	CLLR
53	Nondaka Z.	CLLR
54	Nonkonyana N.	CLLR
55	Ntsodo Z.E.	CLLR
56	Sekese A.	CLLR
57	Sidlova	CLLR
58	Somzana N.	CLLR
59	Zozi Z.	CLLR
60	Chief Mtirara M.	TRADITIONAL LEADER
61	Chief Ndamase M.	TRADITIONAL LEADER
62	Chief Gwadiso A.P.	TRADITIONAL LEADER

**APPENDICE B – COMMITTEE AND COMMITTEE PURPOSES**





## STRUCTURE OF SECTION 79 COMMITTEES

SECTION 79 STANDING COMMITTEE	CHAIRPERSON	SECTION 79 OVERSIGHT PORTFOLIO COMMITTEES	CHAIRPERSON
1. Rules Committee	Cllr X. Nkompela	1. Special Programmes and Social Services	Cllr. X. Malindi
2. Programming Committee		2. IGR, Planning, Research and Policy Development	Cllr. M.S. Qaqa
3. Chairperson's Committee	Cllr. B. Nokhanda	3. Human Settlements	Cllr. N. Fono
4. Municipal Public Accounts Committee (MPAC)	Cllr. N. Pepping	4. Community Services and Disaster Management	Cllr. N. Mchithakali
5. Ethics and Members Interest Committee	Cllr. N. Gcinindawo	5. Corporate Services	Cllr. L. Mziba
6. Multiparty Women's Caucus	Cllr. N. Cwecwe	6. Water and Sanitation Services	Cllr. Z. Gusana
7. Petitions and Public Participation Committee	Cllr. L. Rolobile	7. Budget and Treasury Office and Internal Audit	Cllr. K.D. Mandita
8. Oversight Committee for Mayor's Office and Legislature(OCMOL)	Cllr. T. Mgaweni	8. Rural and Economic Development & Planning	Cllr. S.I. Ntukuntezi
		9. Technical Services	Cllr. T. Sabisa

## SCOPE OF THE TERMS OF REFERENCE (PURPOSE) FOR S79 STANDING COMMITTEES

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
1. Rules Committee	<ol style="list-style-type: none"> <li>1. To promote the realisation of the vision, strategic objectives and priorities of O.R. Tambo District Municipality.</li> <li>2. To assist the Council in developing and administering Standing Rules for Council meetings for its efficient functioning of the committees of Council.</li> <li>3. To develop, advise and monitor the implementation of Council's policy with regard to Civic Functions and presentations.</li> <li>3. To diligently perform its power and functions in terms of these terms of references.</li> </ol>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	4. To promote adherence to appropriate dress code for all council and committee meetings.
2. Programming Committee	1. To oversee and regulate the programming of Council's agenda and proceedings. 2. To recommend a Programme of debates. 3. To diligently perform its power and functions in terms of these terms of references.
3. Chairperson's Committee	1. To oversee and regulate the functioning of the Section 79 Standing Committees and Portfolio Committees activities\ programmes, and reporting. 2. To strengthen the oversight role and accountability played by council committees. 3. To diligently perform its power and functions in terms of these terms of references.
4. Municipal Accounts Committee (MPAC) <span style="float: right;">Public</span>	<p><b>3.1 ROLE OF THE MPAC</b></p> <p>The Committee is accountable to Council and is operating as an overseer and makes recommendations to the Council for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the Accounting Officer, Heads of Departments, officials and other members of senior management. The role of the Committee is to assist the Council to ensure that:</p> <p>3.1.1 The municipality fulfils its constitutional mandate of service delivery to the community and achieves the set objectives;</p> <p>3.1.2 The municipality is managed in an efficient, effective and ethical, corruption and fraud free manner; and</p> <p>3.1.3 The municipal resources are utilised in an economic manner.</p> <p><b>3.2 AUTHORITY OF THE MPAC</b></p> <p><b>The MPAC Committee has the authority as per the SALGA recommendations:</b></p> <p>3.2.1 To call the Executive and/or any Councillor to report on any matter reported in terms of finances to ensure that every cent is accounted for.</p> <p>3.2.2 To <b>oversee all programmes of the municipality</b> and to investigate value for money on projects – overseeing the planning and implementation of projects against expenditure.</p>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<p>3.2.3 To request, access information and monitor such based on suspicion of imprudent financial management.</p> <p>3.2.4 to instruct the Executive and any other committee members, management and other employees to be present at a given meeting to hear and answer for themselves and for possible interview and input regarding items of the agenda.</p> <p>3.2.5 To direct any matter for investigation through the relevant investigation Departments, Office of the Auditor General and law enforcement agencies within its terms of reference.</p> <p>3.2.6 To have unrestricted access through the Office of the Accounting Officer to employees of Council, information relating to all personnel, books of account, records, assets and liabilities of the Council and to any other sources of relevant information that may be required from the Council for the purpose of carrying out its duties and responsibilities.</p> <p>3.2.7 To seek any information (and have access) it requires from any MMC/Councillor. All MMCs and Councillors are <b>directed</b> to co-operate with any request made by the Committee.</p> <p>3.2.8 MPAC shall have direct access to <b>internal and external auditors</b> and may direct investigations in any matter when necessary.</p> <p>3.2.9 The Committee should have permanent referral as they become available, of –</p> <ul style="list-style-type: none"> <li>(a) all accounts and financial statements of the municipality;</li> <li>(b) all reports of the Auditor-General;</li> <li>(c) all reports of the Audit Committee;</li> <li>(d) Information on compliance (see section 128 and 133 of the MFMA);</li> <li>(e) Information in respect of any disciplinary actions taken in terms of the Municipal Finance Management Act (MFMA);</li> <li>(f) Information in respect of transgressions in terms of the MFMA.</li> </ul> <p>3.2.10 The Committee also has the right to summon any person to give evidence before it, or to require any person or institution to report to it. In the interest of accountability, the Committee may call individuals who were responsible at the time of the events, even though they may since have resigned from the municipality.</p>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<p>3.2.11 Receive technical support from the Internal Audit office.</p> <p>3.2.12 The committee must hold public hearings and instruct other committee members, management and other employees to be present at a given meeting to hear and answer for themselves and for possible interview and input regarding items of the agenda.</p> <p>3.2.13. The committee must monitor the extent to which its recommendations and those of the AG are carried out.</p> <p>3.2.14 The committee must invite and receive submissions from the public.</p> <p>3.2.15 The committee must undertake fieldwork (i.e. oversight visits within the municipality) to get first-hand information on any municipal matters.</p> <p>3.2.16 The committee must consider recommendations and reports from the Audit Committee.</p> <p>3.2.17 MPAC may consider any financial reports or financial statements jointly with the Audit Committee.</p> <p><b>3.2.18 MPAC must consider the oversight reports of the portfolio committees with regard to quarterly performance, budget expenditure and focused intervention study.</b></p> <p><b>3.2.19 The committee must ensure that the municipality complies with the provisions of the King IV Report.</b></p> <p>3.2.20 MPAC requires the executive to attend its meetings where required, and will not be able to engage the municipal manager (accounting officer) and senior management in the absence of the executive or political office bearers, as this will encroach on the role of the executive who has the responsibility for oversight over the administration of the municipality.</p> <p><b>The MPAC is not authorised to:</b></p> <ul style="list-style-type: none"> <li>(a) Discuss matters that are still under investigation or <i>sub-judice</i>, but can in-committee receive progress reports on matters under investigation.</li> <li>(b) Report to Council on allegations not investigated.</li> <li>(c) Call any person outside Council (e.g. contractor, service provider, etc.) to account for the monies of the municipality and municipal entities where such outside person is implicated in the forensic investigation report.</li> </ul>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
5. Ethics and Members Interest Committee	<p>(1) To promote adherence to the Code of Conduct for councilors.</p> <p>(2) To develop, advise and monitor the implementation of Council's policy with regard to councilor's welfare and benefits.</p> <p>(3) To diligently perform its power and functions in terms of these terms of references.</p> <p>(4) To promote adherence to council standing orders.</p> <p>(5) To promote adherence to appropriate dress code for all council and committee meetings.</p>
6. Multiparty Women's Caucus	<p>1. To act as an advisory, influencing and consultative body by representing the interests and concerns of women members in Council and making submissions to the Council.</p> <p>2. To engage on empowerment issues with women in political structures outside Council.</p>
7. Petitions and Public Participation Committee	<p>1. to encourage active involvement of communities and community organisations in the affairs of the municipality;</p> <p>2. to increase the effectiveness of Public Participation in the affairs of the municipality;</p> <p>3. to ensure the consideration, monitoring and tracking of petitions lodged to the municipality;</p> <p>4. to ensure that timeous feedback is given to Petitioners;</p> <p>5. to ensure adherence to Community Complaints and Petitions Handling Policy; Public Participation Policy; and Public Participation Strategy;</p>
8. OCMOL	<p>The Committee's work is based on four important goals, namely:</p> <ul style="list-style-type: none"> <li>➤ Ensure that the Office of the Executive Mayor (OEM) and Legislature are governed with effective oversight, transparent and accountable governance;</li> <li>➤ To roll out effective community participation mechanisms to ensure involvement of O.R. Tambo District Municipality residents in the business of the Municipality with specific emphasis on the OEM and oversee whether the Legislature effectively and efficiently discharges its key obligation of Public Participation;</li> <li>➤ To entrench multi-party democracy in the business of Council;</li> <li>➤ To ensure that the two offices adhere to relevant legal frameworks or provisions for optimal service delivery</li> </ul> <p><b>COMMITTEE STRATEGIC OBJECTIVES</b></p>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<p>The OCMOL Standing Committee recognized that the Strategic Objectives needed to speak to the following key areas:</p> <ul style="list-style-type: none"> <li>• Promote Good Governance</li> <li>• Improve Transparency</li> <li>• Ensure Accountability</li> <li>• Enhance Efficiency and Effectiveness</li> </ul> <p>The work of the Committee is also driven by three main Strategic Objectives (SO) along with accompanying imperatives. The strategic objectives are as follows:</p> <p>(a) To conduct oversight and scrutiny of the Executive and Administration to assist in the attainment of the municipality's strategic agenda.</p> <ul style="list-style-type: none"> <li>➤ The imperatives entail the scrutiny of the IDP and Strategic Plans, SDBIP Quarterly reports, Budget, Annual Report as well as conducting Focused Intervention Studies / Oversight Visits. <ul style="list-style-type: none"> <li>➤ Scrutiny Process: research analysis of SDBIP, deliberating on the Departments' presentation through Oversight Committee questions to the Department and compiling a Committee report to Council.</li> </ul> </li> </ul> <p>(b) Involve the public in overseeing the work of the OEM and Legislature, by securing public input as a means to verify performance and on the IDP / budget and Annual Report.</p> <ul style="list-style-type: none"> <li>➤ The imperatives entail inviting relevant stakeholders (NGO's, individuals) to Committee meetings. <ul style="list-style-type: none"> <li>➤ Process: inviting communities to contribute to Committee's IDP/ Budget and Annual Report deliberations, involving targeted stakeholders e.g. NGOs, Chapter 9 &amp; 10 institutions by identifying relevant issues for Chapter 9 &amp; 10 institutions' participation and considering community inputs in compilation of Committee reports to Council.</li> </ul> </li> </ul> <p>( c) Committee oversees whether the Legislature effectively and efficiently discharges its key obligation of Public Participation (Overseeing the Overseer).</p> <ul style="list-style-type: none"> <li>➤ The imperative entails securing presentations and reports by Secretary on the institution's public participation activities</li> </ul>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<ul style="list-style-type: none"> <li>➤ Process: Scrutiny and analysis of reports, engaging the Public on the finding of the contents of the reports, creating a Committee report to Council</li> </ul> <p>(d) Enhance the capacity of the Committee to be able to execute its roles and responsibilities efficiently and effectively.</p> <ul style="list-style-type: none"> <li>➤ The imperative entails initiating research projects on review of policies and bylaws. <ul style="list-style-type: none"> <li>➤ Process: identifying by-laws to be reviewed; conducting socio-economic impact and legal study on the bylaw or policy; engagement with Departments on identified by-laws; compiling a Committee report.</li> </ul> </li> </ul>

**SCOPE OF THE TERMS OF REFERENCE (PURPOSE) FOR S79 PORTFOLIO COMMITTEES**

SECTION 79 PORTFOLIO COMMITTEES NAME	PURPOSE
<p>1. Water and Sanitation Services</p> <p>2. Technical Services Portfolio Committee</p> <p>3. Human Settlement and Disaster Management Portfolio Committee</p> <p>4. Corporate Services</p> <p>5. Community Services</p> <p>6. Budget &amp; Treasury Office (BTO) and Internal Audit</p> <p>7. Planning, Research and Intergovernmental Relations</p> <p>8. Special Programs and Social Services Portfolio Committee</p> <p>9. REDP</p>	<p>(1) The Committee maintains oversight on the Member of the Mayoral Committee (MMC), and the department in fulfilling their responsibilities, including the implementation of policies, By-laws, regulations and other applicable legislation.</p> <p>(2) To fulfil its oversight responsibility, the Committee must scrutinize and oversee the extent to which the department is fulfilling its Constitutional obligations in respect of –</p> <ul style="list-style-type: none"> <li>(i) the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5, and any other matter assigned to it by national or provincial legislation; and</li> <li>(ii) the promotion and fulfilment of all the rights enshrined in Chapter 2 - the Bill of Rights, sub-sections 7 – 39;</li> </ul> <p>(3) To scrutinize the reports of the department, for submission to Council pursuant to the requirements of, but not limited to, the Structures, Systems and Finance Acts</p>

SECTION 79 PORTFOLIO COMMITTEES NAME	PURPOSE
	<p>respectively and to report to Council with recommendations;</p> <p>(4) To scrutinize the reports of institutions established by Chapter 9 of the Constitution, in particular, the reports of the Auditor-General to the extent that reflections on the department are made by the Auditor-General.</p> <p>(5) To establish mechanisms that will enable the Committee to undertake Focused Intervention studies and Oversight visits;</p> <p>(6) To facilitate the participation of the public in the oversight processes of the Committee; and</p> <p>(7) To ensure the scrutiny and review of the efficacy of policies and By-laws made, as a means of ensuring accountable and responsive local government.</p>

## COUNCIL & COMMITTEE MEETINGS ATTENDANCE

### COUNCIL MEETINGS ATTENDANCE

No	Surname & Initial	Designation	% Attendance for 37 Council meetings held in 2020/21	Other
1	Nkompela X.	SPEAKER	68	
2	Sokanyile T.	EXECUTIVE MAYOR	78	
3	Ngqongwa N.	CHIEF WHIP	73	
4	Nogumla R.Z	DEPUTY EXECUTIVE MAYOR	73	
5	Ngozi W.	MMC: WATER AND SANITATION SERVICES	62	
6	Giyose R.M	MMC: BTO AND INTERNAL AUDIT	65	
7	Mdledle N.	MMC: CORPORATE SERVICES	51	
8	Mjokovana D.	MMC: COMMUNITY SERVICES & DISASTER MANAGEMENT	89	



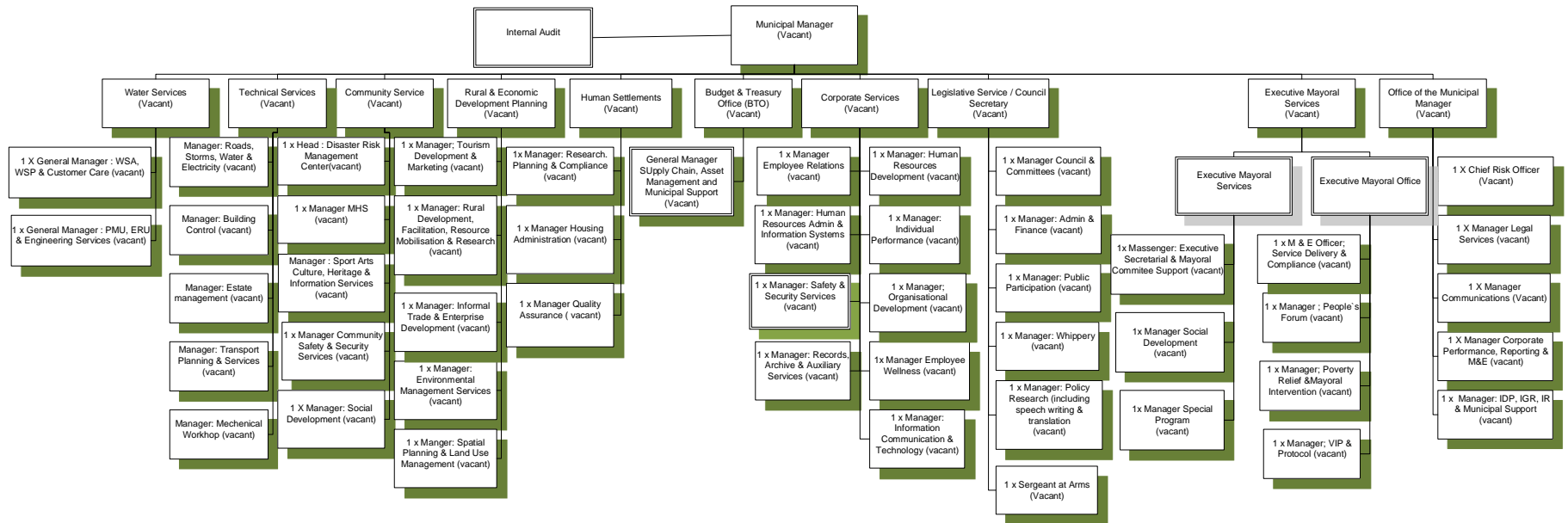
No	Surname & Initial	Designation	% Attendance for 37 Council meetings held in 2020/21	Other
9	Zozo D.	MMC: REDP	81	
10	Mdoda Z.	MMC: HUMAN SETTLEMENT	100	
11	Godongwana S.	MMC: SPECIAL PROGRAMMES & SOCIAL SERVICES	57	
12	Dambuza M.	MMC: IGR, PLANNING, RESEARCH AND POLICY DEVELOPMENT	32	
13	Sabona J.	MMC: TECHNICAL SERVICES	86	
14	Nokhanda B.	CHAIR OF CHAIRS	86	
15	Gcinindawo N.	CHAIRPERSON : ETHICS & MEMBERS INTEREST	92	
16	Pepping P.N	CHAIRPERSON: MPAC	57	
17	Cwecwe N.	CHAIRPERSON: WOMENS CAUCUS	24	
18	Rolobile L.	CHAIRPERSON : PETITIONS AND PUBLIC PARTICIPATION	92	
19	Mgaweni T.	CHAIRPERSON: OCMOL STANDING COMMITTEE	100	
20	Mandita K.	CHAIRPERSON: BTO & INTERNAL AUDIT PORTFOLIO COMMITTEE	73	
21	Mchithakali N.	CHAIRPERSON: COMMUNITY SERVICES & DISASTER MANAGEMENT PORTFOLIO COMMITTEE	97	

No	Surname & Initial	Designation	% Attendance for 37 Council meetings held in 2020/21	Other
22	Ntukuntezi S.I.	CHAIRPERSON: REDP PORTFOLIO COMMITTEE	81	
23	Gusana Z.	CHAIRPERSON: WATER AND SANITATION SERVICES PORTFOLIO COMMITTEE	100	
24	Qaqa M.S.	CHAIRPERSON: PLANNING, RESEARCH AND IGR PORTFOLIO COMMITTEE	95	
25	Mziba L	CHAIRPERSON: CORPORATE SERVICES PORTFOLIO COMMITTEE	78	
26	Fono N.	CHAIRPERSON: HUMAN SETTLEMENT	100	
27	Malindi X.	CHAIRPERSON: SPECIAL PROGRAMS AND SOCIAL SERVICES	86	
28	Sabisa T.N.	CHAIRPERSON: TECHNICAL SERVICES PORTFOLIO COMMITTEE	89	
29	Bara B.	CLLR	86	
30	Beqezi N.	CLLR	95	
31	Bokwe F.	CLLR	100	
32	Bontsa E.S.	CLLR	57	
33	Bunzana M.	CLLR	73	
34	Cube Z.	CLLR	43	
35	Dudumayo B.R	CLLR	49	
36	Dumisa T.	CLLR	100	

No	Surname & Initial	Designation	% Attendance for 37 Council meetings held in 2020/21	Other
37	Gaxeni F.	CLLR	54	
38	Gqetywa N.I.	CLLR	97	
39	Gqwetha B.	CLLR	92	
40	Mabasa S.N.	CLLR	84	
41	Mabongo L.	CLLR	68	
42	Madwantsi P.	CLLR	100	
43	Malghas B.	CLLR	97	
44	Malghas U.	CLLR	97	
45	Maqhajini L.	CLLR	81	
46	Matanzima S.	CLLR	97	
47	Mbangatha N.	CLLR	92	
48	Mjoji L.	CLLR	78	
49	Mkontwana N.	CLLR	68	
50	Msakeni M.	CLLR	70	
51	Mzimane N.	CLLR	76	
52	Ndabeni M.	CLLR	27	<i>Replaced Cllr Myolwa in Quarter 3 of 2020/21</i>
53	Ndude L.M.	CLLR	76	
54	Nkani N.	CLLR	92	
55	Pato T.Z.	CLLR	84	
56	Qangani S.	CLLR	95	
57	Tshotsho L.	CLLR	43	
58	Xangayi C.T.	CLLR	89	
59	Nkosi Dudumayo M.	TRADITIONAL LEADER	97	
60	Nkosi Groom J.J.	TRADITIONAL LEADER	89	
61	Nkosi Mdutshane A.C.G.	TRADITIONAL LEADER	92	
62	Nkosi Meji N.	TRADITIONAL LEADER	62	
63	Nkosi Mjoji P.A.	TRADITIONAL LEADER	86	
64	Nkosi Mtirara B.P.	TRADITIONAL LEADER	46	
65	Nkosi Mtirara M.	TRADITIONAL LEADER	49	

No	Surname & Initial	Designation	% Attendance for 37 Council meetings held in 2020/21	Other
66	Nkosi Ndabeni V.	TRADITIONAL LEADER	62	
67	Nkosi Ndamase N.	TRADITIONAL LEADER	30	
68	Nkosi Ndamase H.	TRADITIONAL LEADER	73	
69	Nkosi Sandile	TRADITIONAL LEADER	17	<i>Replaced Nkosi Cebiso in the mid of Quarter 3 of 2020/21</i>
70	Nkosi Ranuga M.	TRADITIONAL LEADER	68	

# APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE



## APPENDIX D – FUNCTIONS OF MUNICIPALITY/ ENTITY

	O.R. Tambo
Water	Yes
Sanitation	Yes
Municipal Health	Yes
Electricity Reticulation	No
Air pollution	-
Building regulation	-
Child care facilities	-
Fire fighting	Yes
Local Tourism	Yes
Municipal Airports	Yes
Municipal Planning	Yes
Public Transport	Yes
Pontoons and ferries	-
Disaster Management	Yes
Storm water	-
Trading regulation	-
Beaches and amusement facilities	-
Billboards and advertisements	-
Cemeteries, parlours and crematoria	-
Cleansing	-
Traffic packing	-
Street lighting	-
Street trading	-
Refuse removal dumps and solid waste disposal	-
Public places	-

**APPENDIX E & F WARD REPORTING & INFORMATION**

**FIRST QUARTER 2021/2022**

<b>Municipality</b>	<b>No. of Wards</b>	<b>No. of wards with Ward Schedules</b>	<b>No. of Ward Committee Meetings Organized</b>	<b>% Attendance by Ward Committee Members</b>	<b>% Attendance by CDWs</b>	<b>Door-to-Door Campaigns Conducted</b>	<b>Community Meetings Organized</b>	<b>No. of wards submitted Monthly Reports to the Office of the Speaker</b>	<b>No. of wards with Updated Ward Profile</b>
Nyandeni LM	32	32	32	316 of 320= 99%	15 of 26= 58%	Nil	12 of 293	32	32
			32	298 of 320= 93%	18 of 26= 69%	Nil	6 of 293	32	
			32	312 of 320= 97%	21 of 26= 80%	Nil	36 of 293	32	
Port St Johns LM	20	20	20 of 20	172 of 200= 86	14 of 20	128 of 185	119 of 191	20 of 20	20
			20 of 20	179 of 200= 89%	14 of 20	124 of 191	20 of 20	20 of 20	
			20 of 20	168 of 200= 86	14 of 20	124 of 191		20 of 20	
Ingquza Hill LM	32	32	23 of 32	196 of 320= 61%	15 of 23= 65%	None	None	23 of 32	32

Municipality	No. of Wards	No. of wards with Ward Schedules	No. of Ward Committee Meetings Organized	% Attendance by Ward Committee Members	% Attendance by CDWs	Door-to-Door Campaigns Conducted	Community Meetings Organized	No. of wards submitted Monthly Reports to the Office of the Speaker	No. of wards with Updated Ward Profile
			27 of 32	215 of 320=67%	17 of 23 =73%	None	None	27 of 32	
			24 of 32	183 of 320=57%	16 of 23 =69%	None	None	24 of 32	
Mhlontlo LM	26	26	15 of 26	150 of 260=58%	08 of 23=35%	102 of 260	00 of 260	18 of 26	26
			17 of 26	116 of 260=45%	06 of 23=26%	113 of 260	00 of 260	15 of 26	
			14 of 26	150 of 260=58%	08 of 23=35%	93 of 260	00 of 260	14 of 26	
King Sabata Dalindyebo LM	36	36	36	355 of 360=98%	22 of 34=64%	Nil	3	36	N/A
			36	356 of 360=98%	18 of 35=51%	Nil	3	36	
			36	356 of 360=98%	16 of 35=46%	Ni	3	36	



**SECOND QUARTER 2021/2022 (October- December 2021)**

<b>Municipality</b>	<b>No. of Wards</b>	<b>No. of wards with Ward Schedules</b>	<b>No. of Ward Committee Meetings Organized</b>	<b>% Attendance by Ward Committee Members</b>	<b>% Attendance by CDWs</b>	<b>Door-to-Door Campaigns Conducted</b>	<b>Community Meetings Organized</b>	<b>No. of wards submitted Monthly Reports to the Office of the Speaker</b>	<b>No. of wards with Updated Ward Profile</b>
Nyandeni LM	32	32	32	316 of 320=99%	15 of 26=58%	Nil	12 of 293	32	32
			32	298 of 320=93%	18 of 26=69%	Nil	6 of 293	32	
			32	312 of 320=97%	21 of 26=80%	Nil	36 of 293	32	
Port St Johns LM	20	20	20 of 20	172 of 200 =86%	14 of 20	128 of 185	119 of 191	20 of 20	20
			20 of 20	179 of 200 =89%	14 of 20	124 of 191	20 of 20	20 of 20	
			20 of 20	168 of 200 =86%	14 of 20	124 of 191		20 of 20	
Ingquza Hill LM	32	32	23 of 32	196 of 320=61%	15 of 23 =65%	None	None	23 of 32	32
			27 of 32	215 of 320=67%	17 of 23 =73%	None	None	27 of 32	
			24 of 32	183 of 320=57%	16 of 23 =69%	None	None	24 of 32	
Mhlontlo LM	26	26	15 of 26	150 of 260=58%	08 of 23=35%	102 of 260	00 of 260	18 of 26	26
			17 of 26	116 of 260=45%	06 of 23=26%	113 of 260	00 of 260	15 of 26	
			14 of 26	150 of 260=58%	08 of 23=35%	93 of 260	00 of 260	14 of 26	
King Sabata Dalindyebo LM	36	36	36	355 of 360=98%	22 of 34=64%	Nil	3	36	N/A
			36	356 of 360=98%	18 of 35=51%	Nil	3	36	

Municipality	No. of Wards	No. of wards with Ward Schedules	No. of Ward Committee Meetings Organized	% Attendance by Ward Committee Members	% Attendance by CDWs	Door-to-Door Campaigns Conducted	Community Meetings Organized	No. of wards submitted Monthly Reports to the Office of the Speaker	No. of wards with Updated Ward Profile
			36	356 of 360=98%	16 of 35=46%	Ni	3	36	

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY MONITORING TOOL OF FUNCTIONALITY OF WARD COMMITTEES  
THIRD QUARTER 2021/2022 (January-March 2022)**

Municipality	No. of Wards	No. of wards with Ward Schedules	Months of the Quarter	No. of Ward Committee Meetings Organized	% Attendance by Ward Committee Members	% Attendance by CDWs	Door-to-Door Campaigns Conducted	Community Meetings Organized	No. of wards submitted Monthly Reports to the Office of the Speaker	No. of wards with Updated Ward Profile
King Sabata Dalindyebo LM	37		January	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			February	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			March	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Due to the establishment of Ward Committees, there were no sittings of ward committees during this Quarter

**Narrative Report**

Community Meetings were held during IDP Outreach Program.

Door to door have not been Conduct as the Ward Committee members are still newly established.

Ward Committee Meeting Schedules have been submitted.

All 37 Ward do not have Ward Profile in place.

**RECOMMENDATIONS**

- Ward Committee Secretary should be trained on the process of developing Ward Profile.
- There must a mechanism that can be implemented to encourage CDWs to attend ward committee meetings

### PROGRESS UPDATE ON INDUCTION FOR QTR 3

For Quarter three, there was the establishment of new ward committee structures across the district which was had the following outcomes.

<b>Municipality</b>	<b>Total</b>	<b>No. inducted</b>	<b>No outstanding</b>	<b>Women</b>	<b>Youth</b>	<b>Disabled</b>	<b>Business</b>	<b>Religion</b>	<b>Civic</b>	<b>Other</b>
Ingquza hill	320	-	-	128	64	-	-	-	-	-
KSD	370	367	3	36	37	31	36	2	37	185
Mhlontlo	259	259	1	123	31	12	15	25	30	30
Nyandeni	320	310	10	310	48	-	-	-	-	-
Port St Johns	188	-	-	112	47	08	-	-	-	-

### Fourth Quarter 2022

**April- June 2022**

<b>Municipality</b>	<b>No. of Wards</b>	<b>No. of wards with Ward Schedules</b>	<b>No. of Ward Committee Meetings Organized</b>	<b>% Attendance by Ward Committee Members</b>	<b>% Attendance by CDWs</b>	<b>Door-to-Door Campaigns Conducted</b>	<b>Community Meetings Organized</b>	<b>No. of wards submitted Monthly Reports to the Office of the Speaker</b>	<b>No. of wards with Updated Ward Profile</b>
Nyandeni LM	32	32	32	312 of 320= 97%	17 of 26=65%	Nil	18 of 293	32	32
			32	292 of 320=931%	19 of 26=73%	Nil	32 of 293	32	
			32	301 of 320=94%	22 of 26=84%	Nil	21 of 293	32	
Port St Johns LM	20	20	19 of 20	162 of 190=85%	16 of 20 =80%	132 of 191	178 of 181	20	20
			19 of 20	162 of 190 = 85%	15 of 20=75%	128 of 191	119 of 181	20	
			19 of 20	162 of 190 =85%	20 of 20=100%	174 of 191	174 of 181	20	
Ingquza Hill LM	32	26	19 of 32	160 of 320 =63%	19 of 23 =73%	None	None	19 of 32	32
			22 of 32	224 of 320 =83%	23 of 23=88%	None	None	22 of 32	
			24 of 32	207 of 320 = 78%	23 of 23=88%	None	None	24 of 32	
Mhlontlo LM	26	26	17 of 26	150 of 260=58%	08 of 23=35%	102 of 260	00 of 260	18 of 26	26
			17 of 26	116 of 260=45%	06 of 23=26%	113 of 260	00 of 260	15 of 26	
			14 of 26	150 of 260=58%	08 of 23=35%	93 of 260	00 of 260	14 of 26	
King Sabata Dalindyebo LM	37	37	335 of 366= 92%	31 of 37=83%	Nil	37	37	NIL	N/A
			348 of 366=95%	31 of 37=83%	Nil	NIL	37	NIL	
			352 of 366=96%	28 of 37=75%	Nil	NIL	37	NIL	

## APPENDIX G – REPORT OF THE MUNICIPAL AUDIT COMMITTEE

### 1. INTRODUCTION

In accordance with Section 166 of the Municipal Finance Management Act 56 of 2003 (the MFMA), the Audit Committee has been established as an Independent Committee of the Council. It is further subject to the recommendations of the King Report on Corporate Governance. The Committee performed its duties in terms of its Council approved Charter and the MFMA.

The Committee presents its report for the financial year ended 30 June 2022.

### 2. AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE

During the 2021/22 financial year the municipality had the following audit committee members,

Name	Qualifications	Number of meetings attended
Mr C. Sparg – Chairperson	B. Com, CTA, CA(SA)	6
Mr G. Labane	B. Com (Hons), Advanced Certificate in auditing, National Dip CMA, CTA, CA(SA)	6
Mr S. Ngqele	B. Juris, LLB, CPMD, Advocate.	6
Mr M. Msiwa	B. Sc (Civil Eng), MBL	6
Ms N. Ngxisho	National Dip CMA, Practical Project Management, Postgraduate Dip in Management, MBA	6

The Auditor-General has a standing invitation to attend Audit Committee meetings. The Municipal Manager, Chief Financial Officer, Chief Risk Officer, Director: Internal Audit and other key executive members are required to attend the meetings of the Committee. The Internal Auditor, Auditor-General, and Management are afforded individual closed sessions with the Committee.

### 3. AUDIT COMMITTEE RESPONSIBILITY

The responsibility of the Audit Committee is governed by its Charter and by a combination of the MFMA and King IV Report on Corporate Governance, with the MFMA being the overriding legislation.

The role of the Committee is to advise Council and Management on matters relating to accounting, safeguarding of assets, financial reporting, internal controls, and governance. This includes performing an oversight function on the effectiveness or otherwise of good corporate governance at the institution. The MFMA goes further and details specific responsibilities that the Audit Committee must fulfil. The adopted formal terms of reference of the committee is reviewed annually and the Committee reports that it has regulated its affairs in compliance with these terms of reference and has discharged all its responsibilities as contained therein. In the execution of its duties during the 2021/22 financial year, the activities of the Committee have included the matters listed below:

### 4. EFFECTIVENESS OF INTERNAL CONTROL

In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors and External Auditors, it was noted that matters were reported indicating deficiencies in the system of internal control or deviations therefrom. The rate of implementation of action plans by management to correct internal control weaknesses identified by Internal and External Audit, as well as Audit Committee recommendations, was slow. As a result, the internal control environment was weak during the year under review. In addition, the reports presented to the Audit Committee were inadequate in certain cases. These matters contributed to the continued unsatisfactory audit outcomes.

### 5. ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The activities of the Audit Committee included the following:

- Reviewed and discussed the unaudited annual financial statements.
- Obtained explanations for significant variances compared to the budget and / or previous financial year.
- Reviewed for changes in accounting policies and practices.
- Reviewed and discussed the unaudited information on pre-determined objectives.

Following the review of the unaudited annual financial statements and performance report, the Committee resolved that they be recommended for submission to the Auditor General South Africa for auditing. Due to the fact that internal controls and processes were not fully effective during the year under review, and that the documents were not completed with sufficient time to enable an adequate review by Internal Audit and the Audit Committee, management was advised that the documents may not be free from material misstatements.

#### 6. INTERNAL AUDIT

In respect of Internal Audit, the activities of the Committee included the following:

- Reviewed the effectiveness and adequacy of the internal audit services and adequacy of its annual work plan.
- Considered whether the independence, objectives, organisation, staffing plans, financial budget, audit plans and standing of the internal audit function provide adequate support to enable the committee to meet its objectives.
- Reviewed the results of the work performed by the internal audit services in relation to financial reporting, corporate governance, risk areas, internal control and any reports / significant investigations and management response.
- Reviewed the coordination between the internal audit function and the external auditors.
- Monitored the implementation of actions to deal with control weaknesses identified in Internal Audit reports. It should be noted that there is room for improvement in the rate of implementing these findings, the Committee is committed to support / assist the municipality in this area.

The Committee is satisfied with the competency of the Internal Audit Function and commends Internal Audit for the efforts made towards completion of the Operational Risk-based Audit Plan for the year.

#### 7. RISK MANAGEMENT AND OTHER MATTERS

It should be noted that significant improvements are required in the area of risk management and ICT Governance. The Committee is pleased to report that independent Chairpersons of the Risk Management Committee and ICT Steering Committee have been appointed at the time of preparing this report, though due to the fact that these appointments took place late in the 2021/22 financial year, both the Risk Management Committee and ICT Steering Committee did not function effectively during the year under review and adequate progress reports were not submitted to the Audit Committee.

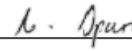
The Committee is committed to support / assist the municipality in these and other areas where improvement is required.

#### 8. EXTERNAL AUDIT

The Audit Committee met with the Auditor General of South Africa (AGSA) in order to discuss the Audit Strategy at the commencement of the audit and have further met with the AGSA during the completion phase of the audit process to discuss the draft Management Report and Audit Report and to ensure that all matters relating to the audit were resolved. We concur with and accept the opinion of the AGSA on the financial statements of the Municipality for the year ended 30 June 2022.

#### 9. APPRECIATION

Sincere appreciation is extended to the Council, Members of the Audit Committee, the Municipal Manager, Management, Internal Audit and the AGSA for their support and co-operation in enabling the Committee to execute and fulfil its responsibilities.



Mr C. Sparg CA(SA)

Audit Committee Chairperson

January 2023

## **APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS**

The municipality had no long-term contracts or Public Private Partnership contract during the current financial year.

**APPENDIX I - SERVICE PROVIDER PERFORMANCE SCHEDULE**



**APPENDIX J - DISCLOSURE OF FINANCIAL INTERESTS  
DECLARATION OF INTEREST REGISTER FOR MEMBERS OF O.R. TAMBO DISTRICT  
MUNICIPAL COUNCIL**

<b>INITIAL &amp; SURNAME</b>	<b>DATE OF DECLARATION</b>	<b>DECLARATION OF INTERESTS</b>
1. CLLR ZOZO	10 JULY 2010	DIRECTOR BATHOPELE CLEANING HOUSE 16 MNYAMANZI HILLCREST ERF 23 MQANDULI
2. CLLR R.Z NOGUMLA	10 JULY 2019	BOARD MEMBER –PHUMULO MASUALLE FOUNDATION
3. CLLR T.SOKANYILE	07 OCTOBER 2019	DONATION OF A CHIEF FROM CHIEF ZWELAGUGI,CHIEF RANUGA, KING NDAMASE AND CHIEF DUDUMAYO
4. CLLR R.B.DUDUMAYO	04 MARCH 2020	DIRECTOR RIBO DISTRIBUTORS AND DELIVERY
5. CHIEF P.A. MJOJI	27 FEBRUARY 2020	TRADITIONAL LEADER <u>DIRECTOR</u> <ul style="list-style-type: none"> <li>• INKONJANE COMMUNITY RADIO STATION</li> <li>• DIRECTOR MALANGENI DEVELOPMENT TRUST</li> <li>• KHWALO FUNERAL SERVICES</li> </ul> CONSULTANCY : QAPO COMMUNITY STATION SPONSORSHIP: <ul style="list-style-type: none"> <li>• R70 000 from Mineworkers</li> <li>• Laptop and furniture from Provident Fund</li> <li>• Sandiso Consultants – Desktop Computer</li> </ul> <u>DIRECTOR:</u> Waka-Madanga Business Enterprise
6. CLLR. L.MJOJI	30 JANUARY 2020	NOTHING TO DECLARE
7. CLLR MANDITA	19 FEBRUARY 2020	<ul style="list-style-type: none"> <li>• COMPENSATION FROM ROAD ACCIDENT FUND and WORKMEN'S COMPENSATION</li> <li>• TELKOM RETIREMENT FUND</li> </ul>

INITIAL & SURNAME	DATE OF DECLARATION	DECLARATION OF INTERESTS
		<ul style="list-style-type: none"> <li>RESIDENTIAL PROPERTY AT KUYASA, ZIMBANE and Location</li> </ul>
8. CLLR MADWANTSI	17 FEBRUARY 2020	NOTHING TO DECLARE
9. CLLR U MALGHAS	17 FEBRUARY 2020	DIRECTOR NIKHO'S LODGE AND CLEANING SERVICES 15 BLUEGUM STREET FORTGALE
10. CLLR NOKHANDA		BUZONGOMA HOUSE 3 VEHICLES
11. CLLR.N.MKONTWANA	17 FEBRUARY 2020	NOTHING TO DECLARE
12. CLLR GQETYWA	17 FEBRUARY 2020	NOTHING TO DECLARE
13. CLRR MABONGO	17 FEBRUARY 2020	NOTHING TO DECLARE
14. CLLR T.Z. PATO	17 FEBRUARY 2020	FARM PORTST JOHNS
15. CHIEF .P.MTIRARA	17 FEBRUARY 2020	NOTHING TO DECLARE
16. CLLR N.BEQEZI	17 FEBRUARY 2020	NOTHING TO DECLARE
17. CLLR BUNZANA	17 FEBRUARY 2020	19 5 <sup>TH</sup> AVENUE NORWOOD GOGOZAYO A/A MQANDULI
18. CLLR L.TSHOTSHO-MPINI	17 FEBRUARY 2020	NOTHING TO DECLARE
19. CLLR .N.FONO	17 FEBRUARY 2020	NOTHING TO DECLARE
20. CLLR L.MZIBA	04 MARCH 2020	NOTHING TO DECLARE
21. CLLR.BONZISA	19 FEBRUARY 2020	GEPF -PENSION
22. CLLR N.MZIMANE	17 FEBRUARY 2020	NOTHING TO DECLARE
23. CLLR. T. MGAWENI	17 FEBRUARY 2020	DIRECTOR INTLUTHA PROJECTS HOUSE CHLOOKOP
24. CHIEF B.P MTIRARA	24 AUGUST 2020	LAND AND PROPERTY
25. CLLR DUDUMAYO	24 AUGUST 2020	LAND AND PROPERTY
26. CLLR Z. MDODA	19 FEBRUARY 2020	PART-TIME COUNCILLOR COGTA SENIOR TRADITIONAL LEADER LAND AND PROPERTY IN MBOBELENI
27. CLLR. N. MCHITHAKALI	16 MAY 2020	NOTHING TO DECLARE
28. CLLR.N.F.BOKWE	04 MARCH 2020	NOTHING TO DECLARE
29. CLLR.Z.M.GUSANA	04 MARCH 2020	NOTHING TO DECLARE
30. CLLR.N.GCININDAWO	25 MARCH 2020	NOTHING TO DECLARE
31. CLLR.S,QANGANI	16 MARCH 2020	NOTHING TO DECLARE
32. CLLR B.B.GWETA	16 MARCH 2020	Consultant for <ul style="list-style-type: none"> <li>KETIWE LIVESTOCK</li> <li>MQANANA CONSTRUCTION PROPERTY</li> <li>ERF 994 BOOI STR NGANGELIZWE LOC UMTATA</li> </ul>

INITIAL & SURNAME	DATE OF DECLARATION	DECLARATION OF INTERESTS
		<ul style="list-style-type: none"> <li>• 6HECTARES OF CROPLAND BAZIYA ADMIN AREA UMTATA</li> </ul>
33. CLLR.M.S.QAQA	16 MARCH 2020	HOUSE AT ERF 825 NGQELENI
34. CLLR.C.T.XANGAYI	16 MARCH 2020	NOTHING TO DECLARE
35. CLLR.L.NDUDE	16 MARCH 2020	NOTHING TO DECLARE
36. CLLR.S.N.T.MATANZIMA	16 MARCH 2020	NOTHING TO DECLARE
37. CLLR.A.D.V.MDUTSHANE	16 MARCH 2020	<ul style="list-style-type: none"> <li>• TRADITIONAL LEADERS SALARY COGTA</li> <li>• IHLWATI PROJECTS</li> <li>• GOVT. EMPLOYEES PENSION FUND</li> </ul>
38. CLLR.R.M.GIYOSE	16 MARCH 2020	Govt Pension fund

**APPENDIX K- REVENUE COLLECTION PERFORMANCE (BY VOTE AND SOURCE)**

**APPENDIX L- CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)**

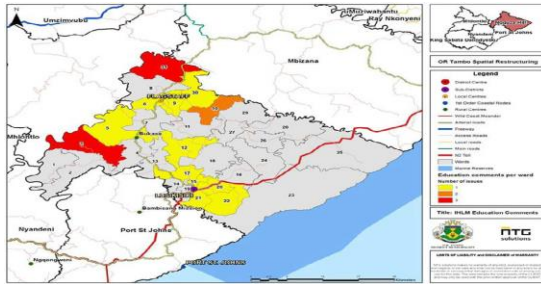
<b>National Grants</b>	<b>Amounts Received</b>	<b>Expenditure</b>	<b>% Expenditure</b>
Financial Management Grant			
EPWP			
Water Services Infrastructure Grant			
Regional Bulk Infrastructure Grant			
Rural Roads Asset Management			
Emergency Housing Grant			
Total			

**APPENDIX M, N & O - CAPITAL EXPENDITURE: NEW & UPGRADE RENEWAL PROGRAMMES: INCLUDING MIG & NEW**

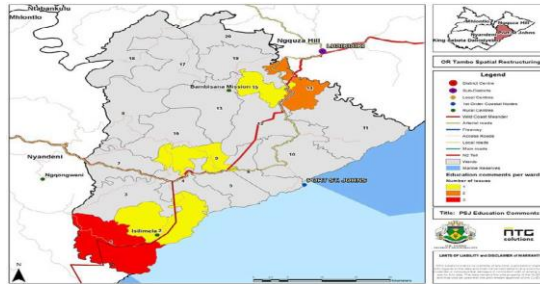
# APPENDIX P - SERVICE CONNECTION BACKLOG AT SCHOOLS AND CLINICS

## Education

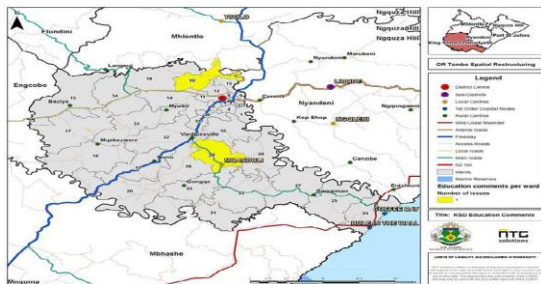
### Ingquza Hill LM



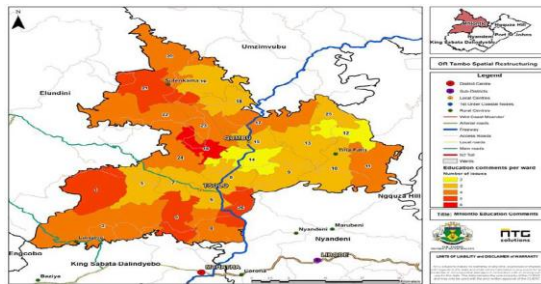
### Port St Johns LM



### King Sabata Dalindyebo LM

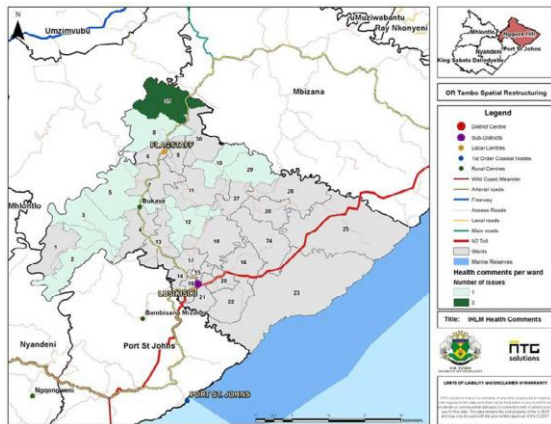


### Mhlontlo LM

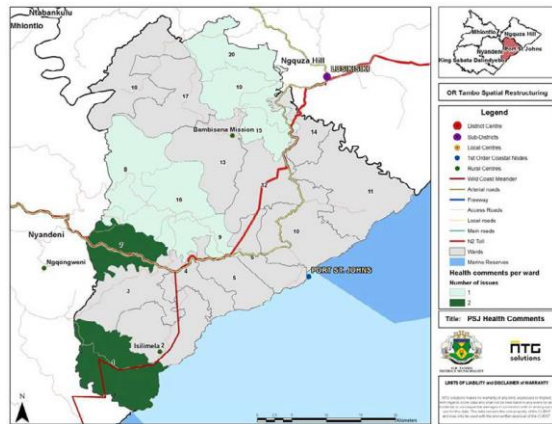


# Health

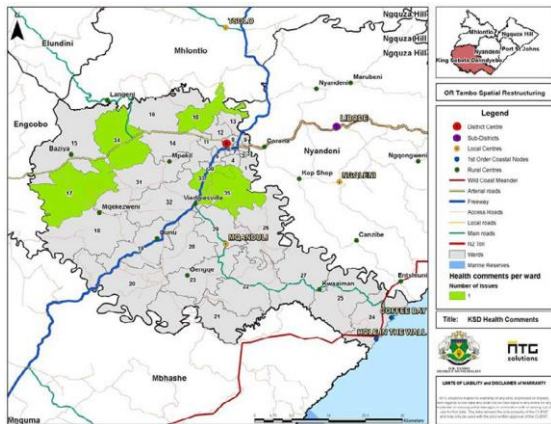
## Inguza Hill LM



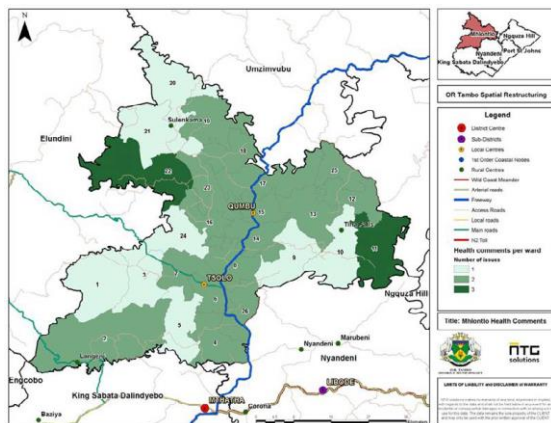
## Port St Johns LM



## King Sabata Dalindyebo LM



## Mhlonlto LM





**APPENDIX Q - SERVICE BACKLOG EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**



## **APPENDIX R- DECLARATIONS OF LOANS AND GRANTS MADE BY THE MUNICIPALITY**

The municipality did not make any loans out or provide grants to any organisations during the current financial year.

**APPENDIX S- DECLARATION OF RETURNS NOT MADE IN DUE TIME MFMA S71**

All Section 71 reports were submitted with 10 working days of the month as required by section s71 of the MFMA

# VOLUME II

**VOLUME II: ANNUAL FINANCIAL STATEMENTS**