

2015

CONSOLIDATED Annual Report (Draft)

2014/15
Financial Year



February 2016

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

EXECUTIVE MAYOR’S FOREWORD



Honourable Executive Mayor: Cllr. Z.I. Dumzela

Informed by our commitment to service delivery and good corporate governance, our District has seen increasing confidence being placed in our institutions by the Auditor General. For the year under review, the 2014/15 financial year, the Joe Gqabi District Municipality, Joe Gqabi Economic Development Agency (JoGEDA) and the Senqu local municipality received clean audit opinion from the Auditor General. Elundini and Maletswai municipalities received unqualified audit opinion with some challenges being experienced by the Gariiep local municipality which received a qualified audit opinion. Even the qualification in Gariiep municipality represents an improvement in the audit outcomes from prior periods. Our communities, investors, government, stakeholders and partners must rest assured that all the funds invested in our area are in good hands and all commitment we have made are being followed up.

In the same spirit, I present this document as an account of the achievements and progress realized by the Council during the 2014/15 financial year. The basis of this report is the Integrated Development Plan (IDP), Budget and the Service Delivery Implementation Plan (SDBIP) of the Joe Gqabi District Municipality for the 2014/15 financial year as adopted by Council in May 2014. In the 2012/13 financial year as the Council of this Municipality we committed ourselves to a five year Integrated Development Plan for the whole District area. The plan provides pointers with regard to the socio-economic development trajectory that brings us closer to the attainment of ‘an improved quality of life for all our residents’ as espoused in the vision of the District municipality.

This accountability report demonstrates that we are making significant strides towards realizing our vision and mission as a municipality which are based on the following tenants:

- Fight poverty
- Stimulate the economy
- Meet basic needs
- Improve service delivery quality
- Capacity building
- Sustainable development

Our strategic focus area, *inter alia*, remains the provision of potable water and sanitation services to our communities in an efficient, cost effective and sustainable manner. With regard to service delivery and Infrastructure provision, the key focus of the District is in ensuring that all households within the District, including those in the rural areas, are progressively serviced with basic services, which include water and sanitation services as well as municipal health services. The ageing water services infrastructure and the historic backlogs, particularly in the rural areas of the District that found in the Elundini and Senqu municipalities, frequent droughts and poor revenue collection and the inadequate capacity of the District are some the primary challenges that were confronted during the year under review.

The District has limited economic activities and as a result the rate of unemployment is one of the highest in the Eastern Cape Province. The Eastern (2014) shows that in 1996 unemployment was at 51.6%, in 2001 at 53.2% and in 2011 at 35.4% in comparative terms when considering the 1996, 2001 and 2011 censuses. Though this seems to be an improvement over the period, there are high levels of poverty of about 80%. Coupled with low levels of education attainment our communities continue to be deprived in terms of being able to get employment. The Joe Gqabi Economic Development Agency (JoGEDA) was established with a view of promoting investment and economic growth in the region. The focus of JoGEDA is on the following catalytic projects:

- Aliwal Spa
- Gariiep Middle Income Housing Development
- Maize Meat Hub Feedlot
- Senqu Plastic Manufacturing
- Senqu Commercial Property Development – Sterkspruit
- Elundini Middle Income Housing Development
- Senqu Commercial Property Development – Barkly East
- Development of Investment Strategy
- Facilitation of skills development

The District focused its energies on various financial viability and management aspects which include improving revenue enhancement and collection, take-over of billing for water and sanitation services from local municipalities, maintenance of an effective and functional supply chain management function, payment of creditors within the thirty day period,

improvement of the internal human resource capacity in the Finance Department, and cleaning of indigent data bases. The District's anti-fraud and anti-corruption stance together with ensuring functionality of oversight structures such as the audit committee and the Municipal Public Accounts Committee (MPAC) were maintained and supported throughout the year under review.

Continued capacity building initiatives aimed at both Councillors and officials of the municipality were implemented throughout the year. All vacant posts were filled in reasonable time of them being vacant. All necessary council policies and delegations were kept up to date and Councillors and officials were engaged to ensure that they understand the contents of these documents.

The JGDM is a region with stable administration and stable Council with a smooth interface between the political leadership and administration. Consequently, the interaction and interface with the local municipalities and government departments was positive. The District together with its municipalities implemented various community participation initiatives which were driven by the Office of the Executive Mayor. Performance in terms of quarterly assessments and reporting on risk management and achievement of set service delivery targets to internal audit, Performance and Audit Committee, Council and the Auditor General (AG) continued throughout the year. This has contributed to the District maintaining its unqualified audit opinions from the AG for four consecutive years. Performance audit by the AG have given the District a clean opinion for three consecutive years.

With regard to public participation, various consultations and engagement sessions with our communities, stakeholders and partners were conducted. Mayoral Community Outreach meetings were conducted in all four local municipalities (Gariep, Maletswai, Senqu and Elundini). Structured engagements with Sector Departments and other critical and strategic stakeholders were conducted through the IDP and budget representative forum meetings, which were held at least quarterly.

The Council has committed itself on further strengthening and deepening community and stakeholder engagement, as it remains a pinnacle of our democracy. It is through these processes that we empower, educate, develop as well learn from our communities. Methods and/or processes used to increase public awareness on service availability engage public in decision making and improve accountability to communities.

Initiatives that are aimed at improving service delivery over the next few years are contained in the key programmes for the District. Going forward, it is critical to take note that the District is predominantly rural. It is therefore pivotal that issues relating to rural development, access to land, poverty alleviation, employment creation, food security and skills development become the backbone of our development. Addressing these challenges and meeting our

development aspirations require concerted efforts, strengthened coordination and partnerships between the government agencies and amongst all the critical stakeholders and strategic partners.



Clir Z.I. Dumzela
Executive Mayor
25 January 2016

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW



Mr. ZA Williams
Municipal Manager

The Municipal Finance Management (Act 53 of 2003) (MFMA) requires every municipality and every municipal entity to prepare an annual report for every financial year. In compliance with this provision and with a view of providing a detailed report regarding performances of the Joe Gqabi District Municipality (JGDM) during the 2014/15 financial year, on financial and non-financial aspects, I present this report as a Consolidated Annual Report of the District for the period beginning in July 2014 to June 2015. The report covers the District Municipality and the District Economic Development Entity, the Joe Gqabi Economic Development Agency (JoGEDA).

The Council adopted its IDP and Budget for the 2014/15 financial year in June 2014. The adopted IDP formed the basis for the medium term expenditure framework. The IDP contains Council priorities and annual indicators and targets as required by the legislation. To ensure alignment between the IDP and service delivery during the year, a draft Service Delivery and Budget Implementation Plan was presented before Council with the draft IDP and budget in March 2014. The final Service Delivery and Budget Implementation Plan (SDBIP) for the 2014/15 financial year was approved by the Executive Mayor in June 2014. The SDBIP formed the basis for the performance agreements of the Section 56 Managers and the Municipal Manager. The SDBIP and performance agreements of the Municipal Manager and Section 56 Managers were tightly aligned with the IDP and budget as approved by the Council.

ZA Williams
Municipal Manager
25 January 2016

1.2. POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 LOCALITY

The Joe Gqabi District Municipality (JGDM) is one of the six District Municipalities in the Eastern Cape Province. The District borders the Free State, Northern Cape and Lesotho as depicted in figure 1 below. Neighbouring district municipalities are Alfred Nzo, OR Tambo and Chris Hani District Municipalities. The Orange River forms the southern boundary separating the District and the Free State Province.

The JGDM consists of four local municipalities: Elundini, Gariep, Maletswai and Senqu. Cities and towns that form the District are Aliwal North, Barkly East, Burgersdorp, Jamestown, Lady Grey, Maclear, Mount Fletcher, Oviston, Rhodes, Rossouw, Sterkspruit, Steynsburg, Ugie and Venterstad. The seat of JGDM is in Barkly East.

Before 1 February 2010, the District was known as the Ukhahlamba District Municipality. Its name was changed in recognition of Joe Nzingo Gqabi (1929–1981), an African National Congress (ANC) member who was a journalist for the *New Age*, a member of the *Umkhonto we Sizwe*, and one of the Pretoria Twelve.

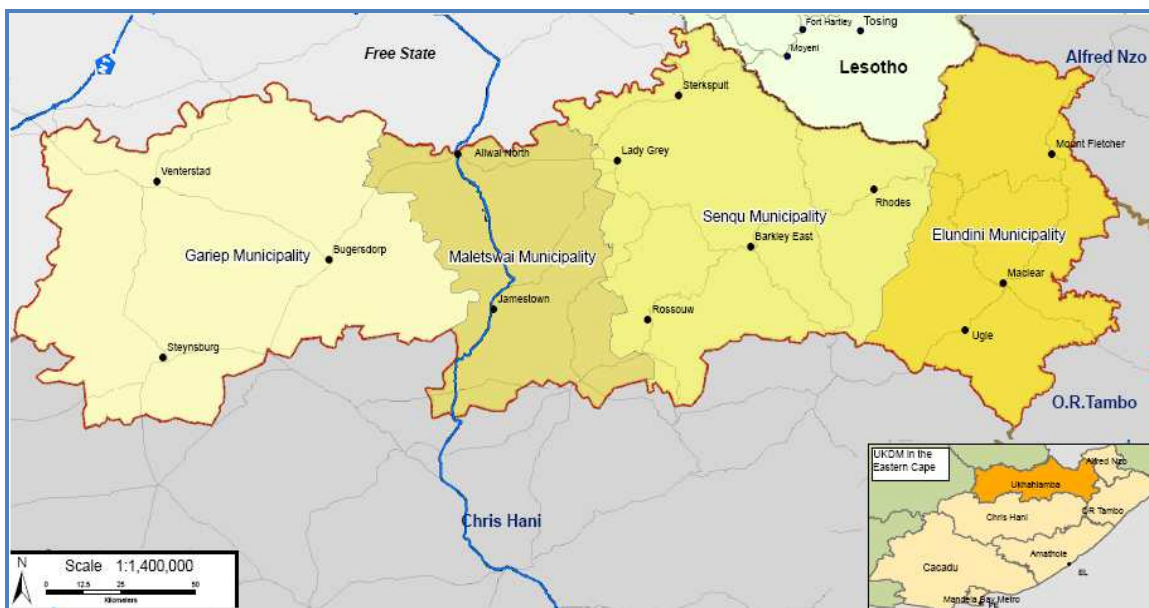


Figure 1: Joe Gqabi District Municipality

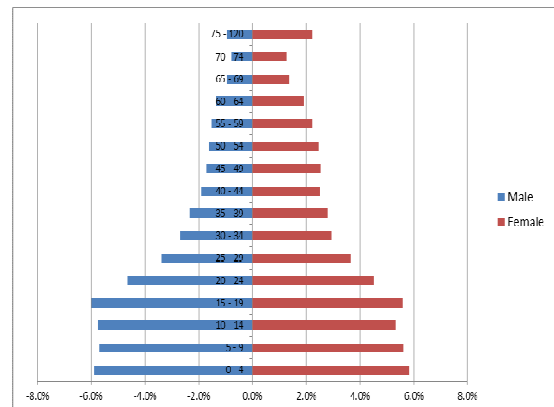
1.2.2 POPULATION DYNAMICS

The population of the District slightly increased from 341 750 in 2001 to 349 768 in 2011 representing a 2.3% growth (StatsSA 2011). These statistics show that about 40.2% of the population resides at Elundini, 39.7% resides at Senqu, 10.9% at Maletswai and 9.2% at Gariep local municipality. The Maletswai municipality, being the main urban center within the District, has seen higher population growth of 16% between 2001 and 2011. This was followed by the Gariep local municipality at 7.3%. The Elundini municipality population grew at 0.5%. Senqu local municipality had a negative growth of 1.2 %.

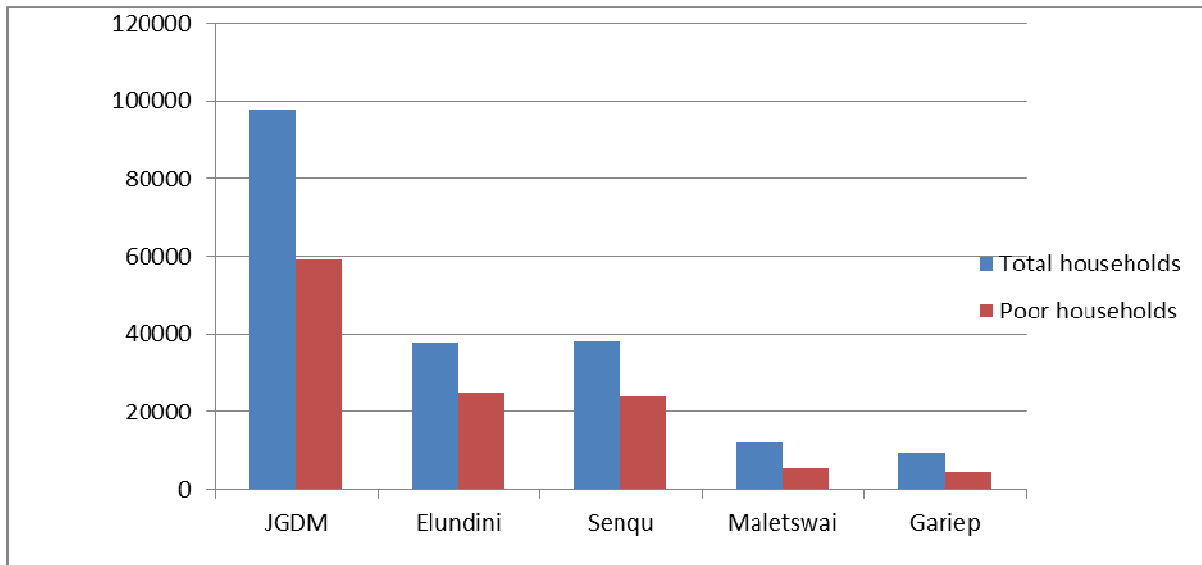
| Population and total households | | | | | | | |
|---------------------------------|---------|---------|-------------|-------------|----------------------|--------|----------|
| Municipality | 2001 | 2011 | % growth | | Number of households | | |
| | | | 1996 - 2001 | 2001 - 2011 | 2001 | 2011 | % Change |
| JGDM | 341 750 | 349 768 | 8.2 | 2.3 | 84 835 | 97 775 | 15 |
| Elundini | 137 394 | 138 141 | 3.7 | 0.5 | 33 209 | 37 854 | 14 |
| Senqu | 135 734 | 134 150 | 6.7 | -1.2 | 33 904 | 38 046 | 12 |
| Maletswai | 37 307 | 43 800 | 29.2 | 16.0 | 9 488 | 12 105 | 28 |
| Gariep | 31 314 | 33 677 | 11.2 | 7.3 | 8 234 | 9 770 | 19 |

Source: StatsSA 2001 and StatsSA 2011

| Population details | | | |
|-----------------------|-------|--------|------------|
| Age | Male | Female | Total |
| 0 - 4 | 20652 | 20316 | 40968 |
| 5 - 9 | 19926 | 19641 | 39567 |
| 10 - 19 | 41046 | 38118 | 79164 |
| 20 - 29 | 28089 | 28575 | 56664 |
| 30 - 39 | 17715 | 20061 | 37776 |
| 40 - 49 | 12696 | 17595 | 30291 |
| 50 - 59 | 11118 | 16389 | 27507 |
| 60 - 69 | 8133 | 11490 | 19623 |
| 70 - 120 | 6066 | 12144 | 18210 |
| Source: Statistics SA | | | T 1.2.2 |



The age group of 10 - 19 years is the biggest proportion, followed by the age group of 20 – 29. The 0 – 9 age group is also of a noticeably high proportion. Generally, it is evident that the greatest numbers of people are found within the 15 – 64 years range, which is the working age. This is a category of people that is of the working age. The age group from 65 years and above is the lowest in the District.



| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|---|--------------|--------------|
| Settlement type | Households | Population |
| Towns | | |
| Maclear | 2268 | 8559 |
| Ugie | 4485 | 13467 |
| Mount Fletcher | 3906 | 11487 |
| Sterkspruit | 609 | 1893 |
| Lady Grey | 357 | 1395 |
| Steynsburg | 828 | 2490 |
| Venterstad | 1107 | 3597 |
| Burgersdorp | 1530 | 5241 |
| Aliwal North | 4527 | 16002 |
| Jamestown | 1353 | 4668 |
| Barkly East | 2628 | 9984 |
| Sub-Total | 23598 | 78783 |
| Townships | | |
| Oviston | 297 | 657 |
| Nozizwe | 402 | 1392 |
| Mzamomhle | 1335 | 4656 |
| Tembisa | 1560 | 6093 |
| Khayamnandi | 1338 | 4725 |
| Kwezinaledi | 777 | 2580 |
| Steve Tshwete | 996 | 3048 |
| Zakhele | 186 | 624 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|---|--------------|--------------|
| Settlement type | Households | Population |
| Rhodes | 18 | 72 |
| Rossouw | 72 | 285 |
| Dukathole | 5154 | 19152 |
| Herschel | 612 | 2190 |
| Vergenoeg | 153 | 489 |
| Lokishini | 189 | 723 |
| Sub-Total | 13089 | 46686 |
| Rural settlements | | |
| HaSefoko | 156 | 639 |
| Elundini NU | 1146 | 4188 |
| Koebung | 114 | 465 |
| Seqhobong | 207 | 735 |
| Thoteng | 84 | 405 |
| Mashata | 81 | 327 |
| Seqhobong | 132 | 504 |
| Black Fountain | 6 | 18 |
| Sethathi | 162 | 513 |
| KuNtabankulu | 129 | 453 |
| Lehlakaneng | 114 | 465 |
| Mohoabatsana | 381 | 1521 |
| KwaMleko | 96 | 321 |
| Mahaneng | 141 | 564 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| eMazizini | 9 | 42 |
| New Stand | 51 | 249 |
| Tabase | 186 | 816 |
| Mangolong | 186 | 621 |
| Kinira Poort | 96 | 462 |
| Mangoloaneg East | 93 | 300 |
| Kwebung | 63 | 210 |
| Goqwana | 51 | 174 |
| Mangoloaneng | 285 | 942 |
| Ngolilwe | 180 | 774 |
| Tinana | 348 | 1356 |
| Thembeni | 348 | 1395 |
| Freistad | 36 | 102 |
| Kenegha Poort | 162 | 612 |
| Ngonjaneni | 57 | 252 |
| Lubisini | 276 | 1071 |
| Mvumane | 138 | 525 |
| Faview | 204 | 744 |
| Xaxazana | 246 | 825 |
| Ngxazana | 81 | 300 |
| Matafeni | 201 | 741 |
| Zingonyameni | 255 | 987 |
| eNkalweni | 399 | 1434 |
| Siyalweni | 114 | 351 |
| Silindini | 21 | 72 |
| Maqhatseng | 105 | 432 |
| eNtabeni | 75 | 198 |
| Lower Nxotshana | 117 | 474 |
| Mgcetyana | 87 | 480 |
| Nxotshana | 183 | 714 |
| Makautlane | 183 | 804 |
| Phuthing | 48 | 168 |
| eMjikelweni | 12 | 51 |
| Zindawa | 21 | 72 |
| Printsu | 105 | 351 |
| Phrintsu | 156 | 645 |
| Makuatlana | 177 | 546 |
| Makanyaneng | 72 | 387 |
| Emagonyaweni | 126 | 657 |
| Fletcherville | 6 | 444 |
| Dikonyeleng | 18 | 522 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| HaQhadi | 6 | 945 |
| Thambekeni | 48 | 693 |
| Dengwane | 87 | 954 |
| Setabataba | 177 | 993 |
| Diphokong | 231 | 1077 |
| Zanyeni | 24 | 132 |
| eNgxingweni | 60 | 264 |
| Vuvu | 99 | 447 |
| Phiri-e-Ntso | 51 | 225 |
| Makhotlana | 18 | 51 |
| HaNokhohloko | 18 | 69 |
| Bhethula | 36 | 138 |
| Ulundi | 93 | 357 |
| Kakudi | 72 | 255 |
| Mahemeny | 264 | 1047 |
| Mahemeng | 264 | 975 |
| Braki | 63 | 219 |
| Mpharane | 450 | 1740 |
| Tsekong | 312 | 1059 |
| Lenge | 111 | 399 |
| Makhoaseng | 264 | 996 |
| Tokwana | 492 | 1704 |
| Thabakhubelu | 345 | 1368 |
| Thabakhobelu | 75 | 300 |
| Upper Tokwana | 39 | 321 |
| Makgwaseng | 237 | 816 |
| Lower Tokwana | 201 | 909 |
| Thabaputsoa | 177 | 729 |
| Tembeni | 483 | 1770 |
| Mdlokovana | 108 | 423 |
| Mfanta | 66 | 246 |
| Umfanta | 63 | 264 |
| Sigodini | 108 | 450 |
| Mraloeng | 33 | 138 |
| Zimbane | 78 | 252 |
| Moroka | 174 | 708 |
| Mbizeni | 42 | 231 |
| Makratlanyeni | 87 | 300 |
| Sigoga | 18 | 63 |
| Madwaleni | 69 | 225 |
| Makeng | 177 | 624 |
| eLuzie Drift | 183 | 651 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| KwaQutsuma | 30 | 114 |
| Nkobongo | 66 | 258 |
| eMbonisiweni | 21 | 54 |
| eMbopisiweni | 51 | 165 |
| Phezulu | 48 | 183 |
| eMabheleni | 21 | 84 |
| Mrobe | 9 | 45 |
| Calucalu | 69 | 204 |
| Nqoma | 87 | 321 |
| Mbhulanja | 27 | 96 |
| Sikhepheni | 81 | 297 |
| Chevy Chase | 78 | 294 |
| Ntataneni | 234 | 1422 |
| Ntataneni Ephakathi | 51 | 186 |
| Koloni | 141 | 615 |
| Nkangala | 96 | 378 |
| Katkop | 168 | 576 |
| KwaGcwabe | 81 | 264 |
| Upper Tsitsana | 60 | 228 |
| Ndingeni | 75 | 252 |
| Komkulu | 129 | 429 |
| Mpukane | 144 | 543 |
| Ngcele | 93 | 381 |
| Khwatsha | 117 | 432 |
| Ncembu | 516 | 1866 |
| Ngxaza | 576 | 2370 |
| Zwelitsha | 99 | 315 |
| Hopedale | 48 | 195 |
| Hardale | 177 | 639 |
| Mgcantsi | 159 | 585 |
| eMahlathini | 51 | 144 |
| Fameni | 18 | 93 |
| eThembalethu | 51 | 123 |
| eJojweni | 114 | 357 |
| eDiphini | 81 | 303 |
| Stinkoro | 96 | 276 |
| Rhodesia | 75 | 312 |
| Mlamlankunzi | 18 | 144 |
| Mabalane | 63 | 201 |
| eTshubutshezi | 48 | 195 |
| Lokishini | 189 | 723 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Qhobong | 93 | 327 |
| Sakhute | 111 | 390 |
| Platana | 9 | 27 |
| KwaJozana | 33 | 114 |
| Mafusini | 45 | 141 |
| Mcwangele | 21 | 93 |
| Magutyubeni | 69 | 243 |
| Swaswuba | 24 | 75 |
| Mcambalala | 63 | 264 |
| Sapulanduko | 54 | 153 |
| Matugulu | 66 | 273 |
| Golomane | 180 | 549 |
| eTombelihle | 63 | 246 |
| KuMagwaca | 99 | 366 |
| eHlangalana | 27 | 90 |
| Goji | 93 | 315 |
| KuMbulunga | 27 | 99 |
| Njaboya | 63 | 219 |
| Lubalweni | 81 | 255 |
| Sihomhom | 198 | 642 |
| Luxeni | 75 | 240 |
| Mdeni | 330 | 1182 |
| Diphini | 60 | 234 |
| Mamfengwini | 30 | 135 |
| Bhantini | 105 | 468 |
| Sigingqini | 39 | 126 |
| Daweni | 18 | 78 |
| Tshikaro | 66 | 219 |
| Tyeni | 24 | 66 |
| Sixhotyeni | 60 | 270 |
| eMoyeni | 114 | 351 |
| Marombe | 87 | 330 |
| eBhusabelo | - | - |
| Ngqayi | 84 | 234 |
| eRamatiya | 117 | 348 |
| KuNuntuza | 6 | 42 |
| eNcalukeni | 39 | 150 |
| Khohlopong | 177 | 552 |
| Jojweni | 30 | 132 |
| Mfabantu | 72 | 213 |
| Snowabile | 651 | 1962 |
| Ngxoto | 141 | 531 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Woodstock | 21 | 111 |
| KuQulungashe | 66 | 273 |
| Sigungweni | 48 | 132 |
| Sigungqwini | 69 | 180 |
| Drayini | 108 | 393 |
| eNyibibeni | 162 | 612 |
| ePifane | 3 | 21 |
| Lututu | 225 | 909 |
| KuMbonxa | 66 | 249 |
| Mbinja | 75 | 255 |
| KwaQala | 66 | 282 |
| Mdilingweni | 54 | 228 |
| Mdilungwa | 48 | 162 |
| Bongweni | 63 | 210 |
| Siqungqwini | 141 | 570 |
| Sinxago | 54 | 180 |
| eSizindini | 87 | 309 |
| Zilandana | 24 | 72 |
| Upper Sinxago | 48 | 108 |
| KwaMsobomvu | 78 | 189 |
| KuFela | 15 | 48 |
| Qurana | 57 | 171 |
| KwaNogemani | 63 | 201 |
| Ntywenka | 369 | 1338 |
| Elundini | 72 | 150 |
| Mcedu | 69 | 243 |
| Mahasana | 108 | 423 |
| Mfabantu SP | 114 | 411 |
| KuSitana | 114 | 417 |
| Nomyayi | 69 | 264 |
| Sidakeni | 57 | 204 |
| KuStimela | 120 | 498 |
| Mbidlana | 210 | 795 |
| Gqaqala | 66 | 201 |
| eMahlubini | 174 | 645 |
| Mpunkone | 81 | 330 |
| Dalibango | 45 | 156 |
| Cicira | 48 | 213 |
| Ngxotwana | 105 | 312 |
| Gqaghala | 45 | 153 |
| KuNdoda | 102 | 357 |
| Maqangulweni | 60 | 207 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Nayijele | 42 | 204 |
| Nkalweni | 105 | 342 |
| Mpilweni | 6 | 18 |
| Sihlehleni | 39 | 159 |
| KwaJosefu | 93 | 294 |
| eLalini | 72 | 252 |
| Maplotini | 33 | 138 |
| Munga | 78 | 258 |
| Qolombane | 60 | 240 |
| Lathuthu | 144 | 612 |
| KuMangunkone | 87 | 300 |
| Midili | 66 | 171 |
| Mbozisa | 39 | 99 |
| Ntatyana | 84 | 366 |
| Mabalana | 69 | 246 |
| N'Dofela | 54 | 207 |
| Bikizana | 69 | 333 |
| Senqu NU | 2115 | 7113 |
| Mboleni | 165 | 627 |
| Mdaweni | 51 | 222 |
| Sqitini | 117 | 426 |
| Ntaba-Kusuku | 60 | 252 |
| Rayisini | 48 | 177 |
| Dolosini | 129 | 465 |
| Mayisela | 111 | 333 |
| Mfiki | 114 | 504 |
| Quimera | 327 | 984 |
| Sitoromo | 357 | 1203 |
| Palmietfontein | 465 | 1776 |
| Magalagalen | 567 | 2181 |
| Gcina | 144 | 555 |
| Mayireni | 825 | 3174 |
| Ndingashe | 318 | 1173 |
| Gumba-Gumba | 81 | 378 |
| Mdeni | 252 | 882 |
| Henge | 135 | 588 |
| Lower Telle | 108 | 423 |
| Telle Mission | 114 | 390 |
| Sikroxweni | 126 | 444 |
| Qoboshane | 81 | 300 |
| Walaza | 996 | 3570 |
| KwaNtoyi | 114 | 387 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Esilindini | 852 | 3027 |
| Tienbank | 858 | 2856 |
| Mareteng | 1425 | 5037 |
| Mahlabaneng | 231 | 774 |
| Maralaneng | 102 | 375 |
| Rooisand | 177 | 621 |
| Makojong | 51 | 210 |
| Matikisong | 33 | 165 |
| Masaleng | 216 | 807 |
| Matlapaneng | 264 | 1107 |
| Mapoliseng | 75 | 324 |
| Nongogo | 228 | 735 |
| Mpoki | 150 | 423 |
| Greensiden Terminus | 120 | 390 |
| Mparolo | 219 | 723 |
| Rooiwal | 207 | 633 |
| Hobeng | 216 | 747 |
| Tlakong | 111 | 426 |
| Makuyaze | 75 | 375 |
| Dulcies Nek | 51 | 183 |
| Mbini | 108 | 390 |
| Mtsila | 111 | 465 |
| Ngxingweni | 48 | 267 |
| Era | 102 | 453 |
| Musong | 420 | 1419 |
| Mjikelweni | 249 | 855 |
| Skisazana | 117 | 345 |
| Dontsi | 426 | 1278 |
| Sekotong | 990 | 3606 |
| Skroon | 534 | 1881 |
| New Rest | 1341 | 4521 |
| Tapuu | 114 | 375 |
| Masekeleng | 141 | 387 |
| Tapoleng | 129 | 513 |
| Bebeza | 147 | 612 |
| Dili | 237 | 1017 |
| Komkhulu | 84 | 381 |
| Ntubeni | 72 | 378 |
| Makumsha | 108 | 384 |
| Mbango | 54 | 189 |
| Mtunzini | 294 | 1215 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Nothanda | 57 | 213 |
| Blom | 60 | 264 |
| Madakana | 330 | 1122 |
| Mfinci | 366 | 1236 |
| Meyi | 225 | 669 |
| Springkaanspoort | 93 | 309 |
| Mdlokovane | 93 | 300 |
| Blue Gums | 309 | 822 |
| Kromspruit | 318 | 1143 |
| Voyzane | 1245 | 4737 |
| Upper Joveleni | 120 | 585 |
| Lower Joveleni | 93 | 363 |
| Boomplaas | 84 | 369 |
| Magadla B | 120 | 405 |
| Mlamli | 336 | 1344 |
| Khiba | 453 | 1395 |
| Matafazaneni | 93 | 429 |
| KwaMundu | 63 | 189 |
| Mkhuzo | 48 | 198 |
| Edwaleni | 84 | 363 |
| eTyinindini | 522 | 1614 |
| Rietfontein | 255 | 951 |
| Magozeni | 132 | 546 |
| Mdogo | 93 | 291 |
| Marakaneng | 402 | 1386 |
| Naledi | 321 | 1143 |
| Mbonisweni | 228 | 897 |
| Cowville | 237 | 684 |
| Blikana | 498 | 1689 |
| Fort Hook | 330 | 1128 |
| Ndungunya | 129 | 435 |
| Pelandaba Mission | 72 | 234 |
| Bensonvale | 165 | 540 |
| Mahlubini | 159 | 450 |
| Brayini | 69 | 195 |
| Hlantjwa | 51 | 144 |
| Munywini | 48 | 168 |
| Mazizini | 57 | 201 |
| Nxamagele | 78 | 288 |
| KwaRob | 36 | 150 |
| eNtsimekweni | 951 | 2871 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Kgapamasi | 162 | 570 |
| Payindira | 42 | 120 |
| Nkampini | 99 | 333 |
| Jozana's Hoek | 87 | 282 |
| Stophine | 78 | 270 |
| Magwiji | 192 | 645 |
| Maxeba | 429 | 1167 |
| Magadla A | 123 | 402 |
| Jozana's Nek | 201 | 702 |
| Mangweni | 363 | 1374 |
| Mdlabona | 54 | 192 |
| KwaRadebe | 45 | 153 |

| Overview of Neighbourhoods within Joe Gqabi District Municipality | | |
|--|-------------------|-------------------|
| Settlement type | Households | Population |
| Dangershoek | 45 | 213 |
| Nomlengane | 39 | 159 |
| Pelandaba | 432 | 1635 |
| Ninakulu Mount | 36 | 81 |
| Rock Cliff | 93 | 267 |
| Maletswai NU | 1074 | 3981 |
| Gariiep NU | 1377 | 4827 |
| Sub-Total | 61239 | 225003 |
| TOTAL | 97926 | 350472 |
| <i>T 1.2.6</i> | | |
| <i>Source: StatsSA 2011</i> | | |

| Natural Resources | |
|---|---|
| Major Natural Resource | Relevance to Community |
| Large flat plains of land are interspersed with steep mountains and hills | The open flat areas in the west allow for extensive agriculture whereas in the east, agriculture is limited to specific land pockets. Although very little land is suitable for cultivation, grazing for farming stock is feasible. |
| Altitude of the District lies between 1000m and 1500m above sea level | Due to its high altitude, the area is less suitable for farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. |
| Drakensberg scenic environment | Conducive to adventure and nature tourism activities such as mountain biking, hiking, skiing etc. |
| Southern Drakensberg Mountains form the Orange River watershed | The Orange River is the most important source of water in the District and it covers most of Gariiep, Maletswai and Senqu Local Municipalities. |
| The Gariiep dam | Largest dam in South Africa and is a major source of water for irrigation in the District as well as for the Fish River scheme (to the south west of the District). Dams have a secondary usage and potential for recreational and other economic purposes. |
| Only 233 hectares of high potential arable land (class 1) in Joe Gqabi District | There is limited land available that can sustain intensive agricultural practices. Land identified as prime and unique agricultural land should be preserved for agricultural use in order to enhance food security and |

| | |
|---|--|
| | therefore economic welfare. |
| Diversity of vegetation types and land features | An opportunity exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are preserved, and to build on the attractive and ecologically important landscape for tourism. |
| T 1.2.7 | |

1.4 FINANCIAL HEALTH OVERVIEW

The JGDM adopted its budget and IDP together with reviewed financial policies. A tariff restructuring for water and sanitation function was implemented since 2007 so that income matches expenditure and to ensure there is funding for replacement costs and maintenance. However, the tariffs set by the municipality have not kept pace with the cost of producing a kiloliter of water. There is an approximate 40% under recovery of costs at present. The tariff for the 2014/15 financial year was set at 20%. Tariffs for plant hire and fire fighting services have also been included in the budget processes.

Currently, the District has concluded and signed all service level agreements (SLAs) with WSPs on the supply, maintenance and revenue control with regard to water and sanitation services. The SLA deals with financial management issues, such as cost recovery, metering, and billing.

High staff turnover is still a challenge that leads to capacity gaps. To deal with this challenge the District Municipality has devised strategies such as the middle management retention initiative during the year.

There was significant reduction in wasteful and fruitless expenditure which enhances the revenue of the institution. To limit payment of interest charged by creditors for late payment of accounts, the District has strict controls on overdue accounts.

To further improve revenue management, bulk and individual meters are prioritised for implementation in all towns and later in all served areas. This measure will be implemented in the shortest time possible.

Updating of indigent registers for all municipalities was identified as a key area that significantly affects revenue enhancement and financial management. The Maletswai area is in the process of being completed. These databases need to be reviewed annually. With regard to the provision of free basic services (FBS) the District is standardizing FBS policy across the municipalities.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The District developed and approved a Work Skills Development Plan which was submitted to LGSETA by June 2014 for the 2014/15 financial year. The plan identifies training needs aligned to the scarce skills and IDP implementation processes.

A training committee was established which deals with all training matters including implementing all training recommendations. The criteria for selection of candidates and trainees include needs analysis, prioritisation and approval by the committee. In terms of the planned training programmes, the following was reported:

- All councillors were trained as per the training programme;
- With regard to meeting the minimum competency requirements, all required staff have completed all modules;
- Systems downtime for emails, intranet and internet as a result of hardware or network failure was limited to less than three hours per incident; and
- A repairs and maintenance plan for all Council buildings was developed and reports on the conditions of buildings are compiled quarterly.

1.6 STATUTORY ANNUAL REPORT PROCESS

| No. | Activity | Time frame | Status |
|-----|--|------------|------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July | Done |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | | Done |
| 3 | Finalise the 4th quarter Report for previous financial year | | Done |
| 4 | Submit draft 2013/14 FY Annual Report to Internal Audit and Auditor-General | | Done |
| 5 | Municipal entities submit draft annual reports to MM | | Done |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August | In process |
| 8 | Mayor tables the unaudited Annual Report | | In process |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General | | In process |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | | In process |

| | | | |
|----|---|---------------------|------------|
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September - October | To be done |
| 12 | Municipalities receive and start to address the Auditor General's comments | November | To be done |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report | | To be done |
| 14 | Audited Annual Report is made public and representation is invited | | To be done |
| 15 | Oversight Committee assesses Annual Report | | To be done |
| 16 | Council adopts Oversight report | December | To be done |
| 17 | Oversight report is made public | | To be done |
| 18 | Oversight report is submitted to relevant provincial councils | | To be done |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input | January | To be done |

It is of critical importance to meet all these timeframes in the process of preparing the Annual Report nearer the end of the financial year. This assists in ensuring that the required range of data and information is provided for the next budget process from the outset. The District has fully complied with all the above actions and timeframes. This reflects the commitment of the District to good governance and clean administration.

GOVERNANCE



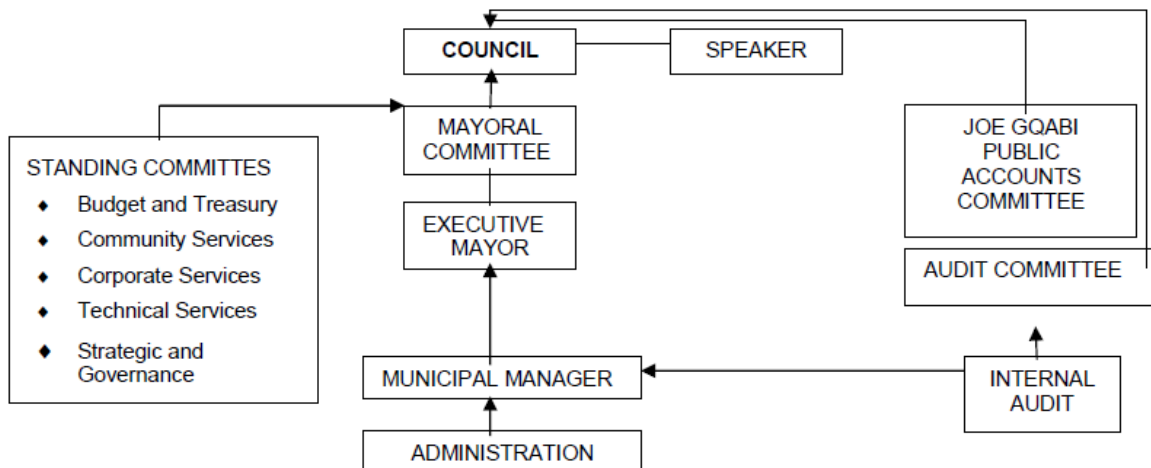
CHAPTER 2 – GOVERNANCE

2.1 POLITICAL STRUCTURE OF THE DISTRICT

Joe Gqabi District Municipality is a category C municipality with four municipalities within its jurisdiction. The political component of the District consists of the Executive Mayor, the Speaker, and 24 councillors. Council established a Municipal Public accounts Committee (MPAC) in November 2011. The District has a history of stable Councils and Management. The Joe Gqabi District Municipality has an executive mayoral system. The District has five standing committees which are chaired by portfolio councillors who head different portfolios.

With regard to the frequency of meetings, the Council met at least quarterly. The Standing committees met monthly, and where not possible meetings were rescheduled. Furthermore, for all the above-mentioned structures, special meetings are convened as and when necessary.

The Municipal Oversight Committee (MPAC) meets quarterly as per approved Constitution. Various training initiatives to capacitate the MPAC were implemented in the past financial year and these initiatives are implemented continuously. The MPAC through assistance from the internal audit function has managed to assist in the improvement of financial controls and performance information in view of matters raised by the Auditor General.



Political Leadership



*Executive Mayor
Cllr Z.I. Dumzela*



*Speaker
Cllr N. P. Mposelwa*



*Portfolio Head
Technical Services
Cllr T.Z. Notyke*



*Portfolio Head
Financial Services
Cllr B. Salman*



*Portfolio Head
Corporate Services
Cllr N. Ngubo*



*Portfolio Head
Community Services
Cllr D.D. Mvumvu*



Cllr X.G. Motloi



Cllr V. Mbulaw



Cllr L.N. Gova



Cllr D.F. Hartkopf



Cllr S. Mei



Cllr I. Mosisidi



Cllr L.S. Baduza



Cllr S. Matetha



Cllr M.W. Mpelwane



Cllr A. Kwinana



Cllr E.S. Mbana



Cllr N.F. Mphiti



Cllr S.P. Leteba



Cllr G.M. Moni



Cllr L. Tokwe



Cllr L. Pili



Cllr I. van der Walt



Cllr G. Mvunyiswa

2.2 ADMINISTRATIVE GOVERNANCE

TOP MANAGEMENT

The Municipal Manager and the Top Management team of four Section 56 Managers administratively lead the institution. All Section 56 managers were filled, except the CFO who resigned by year end. Top management is responsible for preparation and submission of agenda items to Council and ensuring implementation of resolutions of Council. Top Management comprised of all the Section 56 managers occurs monthly. This meeting flows into the preparation of the agenda for the standing committees, which then flow into the Mayoral committee agenda, which flows into the Council agendas. All four Section 56 Managers, including the Municipal Manager, have performance agreements signed with the institution and are reviewed annually in line with the IDP.



2.3 INTERGOVERNMENTAL RELATIONS AND PUBLIC PARTICIPATION

Structures such as District Mayors Forum (DIMAFO), IDP and Budget Representative Forum, Ward Committees, IGR Structures continued to function effectively throughout the year. The DIMAFO met to facilitate intergovernmental co-ordination and alignment between local and district municipalities' IDPs, Sector Department plans, budgets and related activities. The



District Technical Task Group focusses on technical planning and budget related matters for alignment between government departments and municipalities as well as to consider items in preparation for the DIMAFO.

The IDP and Budget Representative Forum allows members to represent the interests of constituents in the IDP and budget processes. It also provides an organizational mechanism for discussion, negotiation and decision making between the stakeholders including the municipal government.

The traditional leader's forum is in place and it is chaired by the Speaker of the District. Its main purpose is to bring on board traditional leadership and ensure that participation of traditional leadership in matters of local government does take place. This is critical as development takes place on land which in some places of the District is under the administration of the traditional leaders. Traditional leaders also participate in Council meetings.

A number of LED related stakeholder forums existed during the year including the Agricultural Forum and the District Tourism Organisation. Various community and stakeholder participation initiatives are undertaken on an ongoing basis. The Executive Mayor's Community consultation programme with the community was conducted in November 2014 and April – May 2015 in all four local municipalities. The District also participates in Mayoral Outreaches of the local municipalities. Issues identified through these engagements range from matters District and local municipality competence to those of other spheres of government. Key issues include lack of water and sanitation services, high youth unemployment, rising crime rate and poor condition of roads.

| 2014/15 FINACIAL YEAR MAYORAL OUTREACH MEETINGS. | | | |
|--|--------------|--|-------|
| DATE | MUNICIPALITY | VENUE | TIME |
| 18 November 2014 | Maletswai | Police hall – Aliwal north | 16H00 |
| 20 November 2014 | Elundini | Roman catholic church – Maclear | 17H00 |
| 21 November 2014 | | Ezingonyameni tribal house | 11H00 |
| 21 April 2015 | Gariep | Khayamnandi community hall- Steynsburg | 14H00 |
| 05 may 2015 | Senqu | Bhunga hall – Sterkspruit | 10H00 |
| | | Khwezi Naledi community hall – Lady Grey | 16H00 |
| 08 may 2015 | Elundini | Batlokoa traditional council – Mt Fletcher | 12H00 |
| 20 may 2015 | Maletswai | Joe Slovo community hall – Aliwal north | 16H00 |

2.4 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria* | Yes/No |
|---|--------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |

| | |
|--|---------|
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * Section 26 Municipal Systems Act 2000 | T 2.5.1 |



COMPONENT D: CORPORATE GOVERNANCE

2.5 RISK MANAGEMENT

All entities face uncertainty and the challenge for management is to determine how much uncertainty it is prepared to accept as it strives to grow stakeholder value. Enterprise risk management is the process that will enable management to identify, assess the face of uncertainty and is therefore integral to value creation and preservation. With regard to risk management within the District, risk registers were developed and are reviewed annually. Actions plans are reviewed quarterly. A risk committee was established and is functional. The committee evaluates progress on the action plans.

The top five risks for the institution are as follows:

| No | Risk description |
|-----------|---|
| 1. | IDP/ Budget – no budget to fund the IDP |
| 2. | Cash flow |
| 3. | Supply chain management (fraud and the effect of SCM on service delivery) |
| 4. | Occupational health and safety |
| 5. | Water services (delivery of services) |

2.6 ANTI-CORRUPTION AND FRAUD

The policy of Joe Gqabi District Municipality is zero tolerance to fraud and corruption. All fraud and corruption allegations will be investigated and followed up by the application of all remedies available within the full extent of the law. Prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Joe Gqabi District Municipality.

In order to minimize the occurrence of fraud and corruption the District has implemented various mechanisms which include division of duties, internal audit review of processes and adherence thereto, Audit Committees that exclude politicians and officials as voting members, condemnation by mayor and municipal manager of corrupt practices and involvement of the police as soon as grounds for suspicion become evident.

2.7 SUPPLY CHAIN MANAGEMENT

The District has an approved SCM policy which is reviewed annually. Key policy objectives of the policy include the following:

- The black economic empowerment (BEE) goals were reviewed and amended to be in-line with current trends and to be realistic in terms of Council's performance.
- The Policy includes a chapter on Empowerment Goals and objectives which strives towards ensuring that Historically Disadvantaged Individuals (HDIs) are presented an opportunity to participate and function in the mainstream of the economy.
- The Policy sets out clear guidelines to service providers/contractors who perform projects on behalf of the Municipality to use local labour based human resources to ensure job creation and development of HDIs in communities where projects will be undertaken.

Supply chain management (SCM) was centralized under the Finance Department. This was implemented with a view of strengthening the capacity and ability of the District to comply with the MFMA and National Treasury Regulations. Service delivery has also improved due to the centralization of the function.

All these mechanisms and systems seek to ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

| By-laws Introduced/ in-place during 2013/14 FY | | | | | |
|---|----------------|--|--------------------------------------|-----------------------------------|----------------------------|
| Newly Developed | Revised | Public Participation Conducted Prior to Adoption (Yes/No) | Dates of Public Participation | By-Laws Gazetted* (Yes/No) | Date of Publication |
| Community Fire Safety | N/A | Yes | October 2009 | Yes | 11 September 2009 |
| Passenger Transport | N/A | Yes | October 2009 | Yes | 11 September 2009 |
| Water Services | N/A | Yes | March 2008 | Yes | 07 March 2008 |

The District is committed to ensuring the all its by-laws are fully implemented. Technical capacity in terms appointment of staff, training of available staff, exploration of partnership possibilities and sourcing additional funding are some of the options being considered by the District.

2.8 WEBSITES

| Municipal Website: Content and Currency of Material | | |
|--|-----------------|--|
| Documents published on the Municipality's / Entity's Website | Yes / No | Publishing Date |
| Current annual budget and all budget-related documents | Yes | 12.06.2014 |
| Current Adjustment Budget | Yes | 26.02.2015 |
| All current budget-related policies | Yes | 18.07.2014 |
| The previous annual report (2013/14 FY) | Yes | 01.04.2015 |
| The annual report (2014/15 FY) published/to be published | No | To be published |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2014/15 FY) and resulting scorecards | Yes | 08.07.2014 |
| All service delivery agreements (2014/15 FY) | | |
| All long-term borrowing contracts (2014/15 FY) | No | Not applicable |
| All supply chain management contracts above a prescribed value | Yes | Monthly |
| An information statement containing a list of assets over a prescribed value that were disposed of in terms of section 14 (2) or (4) during 2015/16 FY | No | Not applicable |
| Contracts agreed in 2014/15 FY to which subsection (1) of section 33 apply, subject to subsection (3) of that section | | |
| Public-private partnership agreements referred to in section 120 | No | Not applicable |
| All quarterly reports tabled in the council in terms of section 52 (d) | Yes | 1st quarter - 30.10.2014, Mid-year Report - 19.01.2015, 3rd Quarter SDBIP - 30.04.2015 |

Currently all the information required is and as it becomes available placed on the website for public attention. The relevant staff were exposed to various training initiatives which are intended to continue to improve compliance.

2.9 FINANCIAL HEALTH OVERVIEW

The JGDM adopted its budget and IDP together with reviewed financial policies. A tariff restructuring for water and sanitation function was implemented since 2007 so that income matches expenditure and to ensure there is funding for replacement costs and maintenance. However, the tariffs set by the municipality have not kept pace with the cost of producing a kiloliter of water. There is an approximate 40% under recovery of costs at present. The tariff for the 2014/15 financial year was set at 20%. Tariffs for plant hire and fire fighting services have also been included in the budget processes.



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2.10 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The District developed and approved a Work Skills Development Plan which was submitted to LGSETA by June 2014 for the 2014/15 financial year. The plan identifies training needs aligned to the scarce skills and IDP implementation processes.

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- All councillors were trained as per the training programme;
- With regard to meeting the minimum competency requirements, all required staff have completed all modules;
- Systems downtime for emails, intranet and internet as a result of hardware or network failure was limited to less than three hours per incident; and
- A repairs and maintenance plan for all Council buildings was developed and reports on the conditions of buildings are compiled quarterly.

| Financial Competency Development: Progress Report* | | | | | | |
|--|--|--|-----------------------------------|---|---|---|
| Description | A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| Financial Officials | | | | | | |

| | | | | | | |
|---|----------|----------|-----------|----------|----------|----------|
| Accounting officer | 1 | 1 | 2 | 0 | 0 | 1 |
| Chief financial officer | 0 | 1 | 1 | 0 | 0 | 0 |
| Senior managers | 5 | 1 | 6 | 0 | 0 | 5 |
| Any other financial officials | 0 | 1 | 1 | 0 | 0 | 0 |
| Supply Chain Management Officials | | | | | | |
| Heads of supply chain management units | 1 | 0 | 1 | 1 | 1 | 1 |
| Supply chain management senior managers | 1 | 0 | 1 | 1 | 1 | 1 |
| TOTAL | 8 | 4 | 12 | 2 | 2 | 8 |
| * This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) | | | | | | |

2.11 STATUTORY ANNUAL REPORT PROCESS

| No. | Activity | Time frame | Status |
|-----|--|---------------------|------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July | Done |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | | Done |
| 3 | Finalise the 4th quarter Report for previous financial year | | Done |
| 4 | Submit draft 2013/14 FY Annual Report to Internal Audit and Auditor-General | | Done |
| 5 | Municipal entities submit draft annual reports to MM | | Done |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August | In process |
| 8 | Mayor tables the unaudited Annual Report | | In process |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General | | In process |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | | In process |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September - October | To be done |
| 12 | Municipalities receive and start to address the Auditor General's comments | November | To be done |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | | To be done |

| | | | |
|----|---|----------|------------|
| 14 | Audited Annual Report is made public and representation is invited | | To be done |
| 15 | Oversight Committee assesses Annual Report | | To be done |
| 16 | Council adopts Oversight report | December | To be done |
| 17 | Oversight report is made public | | To be done |
| 18 | Oversight report is submitted to relevant provincial councils | | To be done |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input | January | To be done |
| | | | T1.7.1 |

It is of critical importance to meet all these timeframes in the process of preparing the Annual Report nearer the end of the financial year. This assists in ensuring that the required range of data and information is provided for the next budget process from the outset. The District has fully complied with all the above actions and timeframes. This reflects the commitment of the District to good governance and clean administration.

CHAPTER THREE



3.1 SERVICE DELIVERY OVERVIEW

3.1.1 WATER AND SANITATION

The Joe Gqabi District Municipality took over the Water Service Provision function of Maletswai Local Municipality as from 01 July 2012. This follows the resolutions taken at the Water Indaba held in 2012 where a decision was taken that the District Municipality execute the function of providing water to the communities. This includes the provision of clean water, repair and maintenance of infrastructure and the billing of water and sanitation services.

During the year under review the District continued with implementation of major infrastructure developments which included bulk infrastructure developments through the following projects:

- Steynsburg Bucket Eradication Phase 3
- Jamestown Bucket Eradication and Sanitation - Phase 2
- Sterkspruit: Upgrading of WTW and Bulk Lines
- Senqu Rural Sanitation Programme
- Senqu Rural Water Programme
- Elundini Rural Sanitation Programme
- Elundini Rural Water Programme
- Lady Grey Bulk Water Upgrade

Steynsburg Bucket Eradication

The Steynsburg waterborne sanitation infrastructure project was commissioned to eradicate the bucket system in the Steynsburg area with a total project cost of R24 million. A number of one thousand and five (1005) toilet structures were placed in their final positions and connected to water supply and sewer drainage pipes. The project was in its third phase during the 2014/15 financial year. It mainly covered the construction of the Bulk Sewer lines, relocation and connection of the toilet top structures at a budget of R1 270 000. A new sewerage treatment works was built to accommodate the whole of Steynsburg town. The toilet structures were placed in their final positions, and most were connected to water supply and sewer drainage pipes.

Jamestown Bucket Eradication

The Jamestown Bucket Eradication and Sanitation is in second phase. The need was identified to eradicate the bucket system in Jamestown and Masakhane. This is in line with Government's bucket eradication programme. The project focused on upgrading of the sanitation bulk lines and pump stations. The project funding was only sufficient for the eradication of the bucket toilets. The District submitted a MIG business plan for the balance

of the Sanitation works which was approved by the Department of Water and Sanitation. The project was registered for the amount of R38 550 million with R10 million committed in the 2014/15 financial year. Of the intended four hundred (400) household beneficiaries in ward 1 in Jamestown three hundred and ninety one (391) households are already benefitting. In Masakhane one thousand nine hundred and eight (1 908) households beneficiaries one thousand three hundred and seventy four (1 374) households are benefited in the year under review.

Sterkspruit Water Treatment Works and Bulk Lines

The project entailed upgrading of Sterkspruit Water Treatment Works and Bulk Lines at a total cost of R110 million covering the full duration of the project. During the year under review a budget of R12 million was set aside for this project.

Senqu Rural and Water Sanitation Programme

The Joe Gqabi District Municipal MIG Water and Sanitation Programme for eradicating water and sanitation backlogs in rural areas in Senqu is registered as an Extended Public Works Programme and makes use of labour intensive construction methods. The sanitation project entails construction of VIP toilets 3 benefiting all rural wards ward (1, 6, 9, 10, 11, 12, 15 and 18) in the Senqu municipality at a cost of R25 million in the 2014/15 financial year and . This project progressed well though the community protests delayed implementation. The water programme focused on providing water to rural wards in the Senqu local municipality at a cost of R28 million.

Elundini Rural Sanitation and Water Programme

The sanitation and water services programme sets to address the existing backlogs in the rural areas. The sanitation component focussed on provision of VIP toilets at a cost of R25 million.

The Maclear water projects includes the construction of a new Waste Water Treatment Works for Greenfields and Maclear. The project beneficiaries are three thousand five hundred and fifty seven (3557) households which are constituted by seventeen thousand seven hundred and eighty five (17785) beneficiaries. The works include the following work:

- Completing the new WwTW to its full capacity;
- Connecting the existing Maclear Town septic tanks to a new waterborne sewer network;
- Construction of a new bulk sewerage pump station to receive all the sewage from Maclear Town and a rising main to convey the sewage to the new WwTW;
- Connecting up the houses from Vincent and Sithole to the waterborne sewerage system;

- Rehabilitation of the existing sewerage ponds next to the Mooi River.
- Ensuring that the whole Maclear sewer system is unblocked and functional;
- Converting the VIPs to a waterborne system and connection into the network

The Maclear water treatment and distribution upgrade project focused on providing a reliable, sustainable water treatment and distribution systems by constructing a new and reliable water abstraction facility bulk water transfer system on the Mooi River to service upstream of all settlements. This will limit water losses and minimize the likelihood of further water related illnesses. The budget approved for the project is R95m.

The bulk water supply scheme-focused in Mt. Fletcher villages and it entailed raw water abstraction from the Tina River, near the town of Mount Fletcher. The purified water will be pumped to a reservoir, where the water will be distributed to the town of Mount Fletcher and 19 rural villages through gravity pipelines. Some of the villages will be supplied with water from boreholes, the reticulation is currently under construction.

The budget approved for this project is R201m.

Lady Grey Bulk Water Upgrade

The shortage of potable water in Lady Grey is of major concern and the situation deteriorates as demand increases. The present raw water supply for Lady Grey is from the Lady Grey dam, the Witfontein dam and 3 boreholes. The boreholes were drilled in 2005 due to the drought after the Witfontein dam ran dry and the water level in the Lady Grey dam reached critical proportions. The boreholes were to supplement the water supply to the town, especially for the new housing development of 1 000 new houses in Kwezi-Naledi. These boreholes were utilized during drought seasons to overcome the shortage of water. The available water from the sources is inadequate to meet the current demand. The Lady Grey bulk water supply projects aims at constructing a weir in the Karringmelkspruit. This project also makes provision for the construction of a pump station at the weir. The pump station will be equipped with two powerful pumps, a pump line and pipe line with provision of electricity. The budget approved for the project is R25m.

Orio Funding

The District signed a grant agreement with ORIO (the facility for infrastructure development funded by the Ministry of Foreign Affairs of Netherland) for funding to the amount of R262 884 110 for the provision of water to 107 villages in the rural areas of Elundini. The project benefits include:

- Approximately 74 villages will be provided with sustainable water from boreholes and supply systems;

- Approximately 33 villages will be provided with sustainable water from rainwater harvesting with protected springs as back up water supply ;
- An estimated 22 300 man days supplied by community members during construction;
- 107 permanent new job opportunities will be created for operation and maintenance after construction
- women and youth will for part of the project

Backlog eradication

The eradication of water and sanitation backlogs is a costly exercise and is estimated at R540 million for water and R345 million for sanitation. Urban water rehabilitation and the upgrade requirements are estimated at R136m and sanitation urban rehabilitation and augmentation of infrastructure is estimated at R150 million.

| Access to services: StatsSA 2001 and StatsSA 2011 comparison | | | | | | | | |
|--|---|------|--------------------------------|------|--------------------------------------|------|-----------------------------------|------|
| Municipality | 2001 - Flush Toilet connected to sewerage % | | 2001 - Weekly Refuse Removal % | | 2001 - Piped Water Inside Dwelling % | | 2001 - Electricity for Lighting % | |
| | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 | 2001 | 2011 |
| JGDM | 11.8 | 23.8 | 22.8 | 28 | 7.9 | 17.6 | 42.9 | 69 |
| Elundini | 3.1 | 8 | 10.3 | 12.3 | 3.1 | 10.4 | 11.4 | 46.3 |
| Senqu | 3.7 | 11.9 | 10.8 | 12.5 | 4.1 | 8.7 | 62 | 81.1 |
| Maletswai | 50.4 | 70.1 | 67.8 | 83.5 | 24 | 49.1 | 57.2 | 84.2 |
| Gariep | 35.2 | 74.4 | 69.9 | 80.3 | 24.5 | 40.9 | 75.7 | 90.5 |

Source: StatsSA 2001 and StatsSA 2011

| Access to basic level of water and sanitation | | | | | | | | | | | | | | |
|---|---------------|----------|------------|--------|--------------------|------------|--------|--------------------|---------|--------|--------------------|---------|--------|--------------------|
| Performance area (Households) | Baseline 2011 | | 2011/12 FY | | | 2012/13 FY | | | 2013/14 | | | 2014/15 | | |
| | Number Served | % Access | Number | | % Access June 2012 | Number | | % Access June 2013 | Number | | % Access June 2014 | Number | | % Access June 2015 |
| | | | Planned | Actual | | Planned | Actual | | Planned | Actual | | Planned | Actual | |
| basic level of potable water | 60 396 | 62% | 5 000 | 7 346 | 69% | 5 000 | 0 | 69% | 5 000 | 0 | 69% | 5 000 | 2 792 | 72% |
| basic level of sanitation | 50 270 | 51% | 5 000 | 7 180 | 59% | 5 000 | 9 421 | 68% | 5 000 | 8 823 | 77% | 5 000 | 6 454 | 84% |

Source: JGDM Annual Reports, 2011/12, 2012/13, 2013/14, 2014/15 Financial Years

Water Demand Conservation programme



The District launched the first of several information sessions with the public on the level and quality of water and sanitation services provided. The water conservation campaign and war against leakages was implemented throughout the District. Schools and villages throughout the district were visited to strengthen the message of water conservation and to improve the campaign on detecting and fixing water leakages. The programme involved erection of signposts across the District stressing the importance of conserving water through Positive inputs were received from learners and villagers on water saving tips. Phandulwazi Public Primary School in Venterstad is one of the schools that were visited.

Based on the submission of a comprehensive business plan for drought mitigation, the District Municipality was allocated an amount of R230 million from DLGTA over a three year

period. Part of this funding will be used for the delivering of sustainable potable water to communities and the maintenance of and replacement of ailing infrastructure. The first payment from DLGTA to the amount of R100 million was made in the 2014/15 financial year. The project objective is to improve sustainable supply of potable water to communities and to mitigate the current drought situation and future water shortages.

As part of the water conservation programme, the District started a programme of installing water meters to all premises (households and businesses) during the year under review to ensure that everybody pays for the water consumed. The District is also taking strides to reduce water losses from the main water sources to the consumers by detecting and fixing water leakages. The ongoing water awareness campaigns are aimed at creating a culture of using water sparingly at all times.

New vehicles for water services

During the year under review the District procured a total of 25 vehicles for water and sanitation maintenance teams with a view of improving provision of water services throughout the District. This includes emergency operations, delivery of fuel and parts to the pump-stations and transport of staff for maintenance on site.

Improvement of Green Drop Score

The improvement of the water services are continued at the hand of a Green Drop Improvement Plans for the wastewater systems of the district municipality. This work is ongoing and is partly reflected in the content of the Infrastructure Asset Management (IAM) system. This activity will be further enhanced by the work that was recently launched under the auspices of the recently established Infrastructure Asset Management (IAM) Steering Committee.

Licensing of Wastewater Treatment Works

The District is operates of fourteen wastewater treatment works, of which five is being operated under General Authorisations certificates issued by the Department of Water and Sanitation (DWS). The District is now also running a further two General Authorisations for one each for the Sterkspruit and Jamestown wastewater treatment works. The work is ongoing to ensure that the remaining seven (7) wastewater treatment works are duly registered as required by law. Although these remaining facilities are falling under the jurisdiction of DWS: Free State (FS), the provincial office of DWS: EC is lending support in order to complete this task.

Improvement in Blue Drop Score

Similarly to the Green Drop Improvement Plan, the District developed a Blue Drop Improvement Plan as a tool to monitor the progress that is being made with respect to improving the quality of potable water service delivered to the consumers. This work is ongoing and is partly reflected in the content of the Infrastructure Asset Management (IAM) system.

Water quality compliance

The water quality compliance with standards results for May 2015 as recorded on the Blue Drop System was 96,6 %, a marked improvement since January 2015. This achievement is very close to the 97% set by the institution. This improvement could partially be attributed to improved operations and maintenance activities that led to the improvement of the serviceability levels of the current infrastructure. The continuation with these efforts in conjunction with the work anticipated under the Steering Committee, will lead to further enhancements and improvements in the ability to deliver water services of the set industry and legal standards.

Achievement on Blue Drops

The District municipality is currently holding a Blue Drop Award for its Sterkspruit and Ugie Water Treatment Works respectively. The assessment for qualification to achieve such an award is concluded once a year, or as determined by the DWS from time to time.

No Drop Score Achievement

The DWS has not made any pronouncements yet on the state of the No Drop of the district municipality. This work is currently underway as part of the Water Conservation and Demand Management (WCDM) initiative. A process aimed at monitoring and management of the state of water losses was initiated. This work is supported by work carried on billing activities of the District municipality, inclusive of the installation of domestic water meters. A Water Conservation Demand Management (WCDM) strategy and implementation plan is being developed.

Additional municipal infrastructure grant allocation

The MIG allocation to JGDM for the 2014/15 financial year was R151 469 000 with an additional R18 million that was allocated to the district municipality as part of the re-allocation process of the National Treasury in March 2014. This amount was in part allocated to the Rural Sanitation Programme in Senqu in the amount of R9 million and Elundini in the amount of R9 million.

Customer care call centre



The District continued to have direct and real-time interactive with its communities through the customer care centre. This is in line with the series of hotline initiatives to deal with service delivery challenges that were launched across the country. The customer care initiative aims to create a responsive public service on both municipal and provincial level. All service delivery incidents should be reported directly to the center including environmental healthcare, water and sanitation related incidents, disaster management incidents and roads maintenance incidents.

3.1.2 MUNICIPAL HEALTH SERVICES

The function for the rendering of MHS is a legislated responsibility of the District Municipality in accordance with the Constitution of SA, 1996 (Act 108 of 1996); Municipal Structures Act, 1998 (Act 117 of 1998) and the National Health Act, 2003 (Act 61 of 2003), respectively. The last mentioned act defines MHS to include the functions of water quality monitoring, food control, waste management, health surveillance of premises, environmental pollution control, disposal of the dead, surveillance and prevention of communicable diseases, vector control, and chemical control. The following achievement can be enumerated:

- Health Surveillance of premises performance for the entire district is outstanding, already executed 137 evaluations against the annual target of 88, 19 premises complied awaiting Health Certificates.
- Municipal Health Services is in a process of reviewing the unit Strategic Plan that will be a working document for the section for the coming 5 to 10 years. The introduction phase started on the 15 May 2015 and it was very successful.
- Already achieved the annual target on Formal Food premises. One COA was issued this month adding up to the 13 already been issued during this financial year.
- Cemetery survey was done in the 10 rural Sterkspruit villages by the DOD coordinator as well as the Sterkspruit team that was informed by the local municipality, CDWs and the EHPs.
- Water sampling run programme is still progressing well with the minimal human resources in the MHS section.

Waste management services

In the JGDM area the Local Municipalities are required through powers and functions to provide the waste services in the area. JGDM is the waste authority and also implements Municipal Health Services of which waste monitoring is an element.

The JGDM has a responsibility around waste services to ensure the provision of proper waste management by the local municipalities in the area. This is done through monitoring the waste stream in terms of appropriate refuse storage, collection, transportation, transfer and processing; materials recovery and final disposal. As part of this monitoring programme: on a weekly basis the EHPs visit the solid waste disposal facilities (any site or premises used for the accumulation of waste with the purpose of disposing it safely), and biweekly visits are performed to illegal dumping points (a place where waste is being dumped illegally by community members and which is supposed to be collected and cleaned daily by the local municipality to improve environmental cleanliness and where the LM should have taken action against those illegally dumping waste), that were identified to observe, evaluate and photos taken as evidence base with comments for recommendations. The reports are then dispatched to the facility or waste managers (Local Municipalities) and responsible Directors to adhere to and to enforce compliance.

Environmental Health Practitioners have a list of formal and informal waste sites and a list of illegal dumping points that are being identified during their daily routine work and monitored. In the entire District there are about a list 420 illegal dumps that were identified this financial year of which only 27% of these dumps are cleaned and comply, there are 13 waste sites and only 2 of these sites are managed properly.

Furthermore Municipal Health Services established a District Waste Management Forum which sits twice a year based on the monitoring of waste sites operated by municipalities in

performing their function of waste collection services across the district. The Waste Management Forum is as well poorly attended by the local municipalities. Report from DEDEAT indicates that all four LM's are also not reporting to South African Waste Information System (SAWIS).

Despite the efforts made by MHS practitioners to advise and recommend corrective measures by means of reports, issuing of compliance notices as well as cooperative meetings to deliberate on the waste management matter, minimal reactive or proactive response is seen from local municipalities. Over time due to the perpetuation of poor waste management practices parts of the JGDM area are unhealthy, filthy and dirty, and pose a health threat and hazard to human life and well-being.

3.1.3 ROADS



In accordance with the Service Level Agreement between the Department of Roads and Public Works (DRPW) and the Joe Gqabi District Municipality (JGDM), the sole mandate of the District is to render routine roads maintenance as per specification by the DRPW in a cost effective manner.

The “road sites” include all Proclaimed Provincial Gravel Roads within the boundaries of the Maletswai Local Municipal Areas.

A total distance of 2 066km of Proclaimed Provincial gravel roads within the Gariep and Maletswai Local Municipal Areas are graded at least twice per year on average. Apart from grading, basic routine road maintenance activities are undertaken by the District. This includes minor patch gravelling of slippery and rocky roads sections by means of hand labour.

| Gravel Road Infrastructure | | | | |
|-----------------------------------|---------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| | | | | Kilometres |
| Year | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2012/13 FY | 2 130 | 0 | 0 | 3 608 |
| 2013/14 FY | 2 130 | 0 | 0 | 3 314 |
| 2014/15 FY | 2 130 | 0 | 0 | 3 292 |

3.1.4 LOCAL ECONOMIC DEVELOPMENT

| UPDATE ON JOGEDA PROJECTS | |
|----------------------------------|---|
| Project | Status of JoGEDA Projects |
| Aliwal Spa | Renovations of the Aliwal Spa funded by NDT – R 8000 000 Long term sustainability plan funded by ECDC – R566 000 - Development of a creative and innovative business and operational model. |
| Maize Meat Hub | EIA completed and allows a facility that can hold 250 cattle standing. The project to be linked to Agri Parks for primary production. Funding commitment from DRDLR for the completion of the physical infrastructure. DRDLR in the process of appointing a professional team to oversee infrastructural implementation. Agency in consultation with JGDM to commit of the development of access road and provisioning of water. Agency and JGDM to conduct social facilitation on the business and operational model of the facility. |
| Gariep Middle Income Housing | Business plan with implementation plan completed with the assistance of GIZ Market assessment with the assistance of local property company at risk In the process of appointing a team that will oversee an implementation for the project. JGDM to upgrade bulk infrastructure |

| | | |
|---------------------------------------|--|---|
| Senqu Plastic manufacturing | Completion of the feasibility study and business plan underway Funding commitment by the DEDEAT of R 800 000 PSC was established – JoGEDA, Senqu LM and DEDEA Consultation process based on the outcomes of the study and business plan | R800 000 to be channelled to Senqu LM delays the finalisation of the activity |
| Senqu Commercial Property development | Challenges with illegal occupation of the land earmarked for development. In the process of appointing a developer that will develop the land at risk and suggest creative solutions in relation to illegal occupation. Tap into the small town regeneration project | Project has stalled. Appointment of a property developer to suggest creative solutions in relation to land invasion. |
| Elundini Middle Income Housing | Appointment of the service provider to develop the feasibility study for the integrated middle income housing is underway. | As soon as funding from IDC was received, the appointment of the developer. |

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.1.5 FIRE

SECTION 78 INVESTIGATION FOR FIRE SERVICES: TO DETERMINE THE BEST MECHANISM FOR SERVICE DELIVERY

The scope of the investigation covered the Fire Services for the Joe Gqabi District Municipality including the category B local municipalities, namely Gariep, Maletswai, Senqu and Elundini Local Municipalities. The investigations (and the preparation of a report) were undertaken in order that the Councils may be in a position to decide which is the appropriate external mechanism to deliver the services. The section 78(1) was completed in June 2014 and council took a decision then that the current mechanism to deliver services was not appropriate. The recommendation then was to proceed with a section 78(3) looking at external mechanism so that the full range of options (both internal and external) could be explored.

Bi-Lateral engagement with Department of Rural Development and Land Reform

The JGDM and the Department of Rural Development and Land Reform entered into a partnership with the purpose of rendering support to the District in firefighting and disaster mitigation programmes. Firefighting equipment was handed over to the District with the aim of assisting targeted rural communities. The equipment includes knapsacks, fire beaters, skid units and trailers. The District is also continuing with its training of community volunteers on basic firefighting. The programme is sponsored by the Department of Rural Development and Land Reform. This is an accredited 4-day programme.

3.1.6 DISASTER MANAGEMENT, FIRE AND RESCUE SERVICES

Disaster management, fire and rescue services of the District attended to the following incidents: hazmat 3, Formal structural fire 45, informal structural fire 21, MVA 166, Special Services 12, veld fires 59, Rail accidents. The unit is working very closely with other emergency services to attend to all incidents. Sessions with SANRAL and Traffic provincial and local to devise a plan to reduce the number of MVAs in the district are planned.

Three Mutual Assistance Agreements were signed with Alfred Nzo, Chris Hani and Pixley Ka Seme District Municipalities. The district is engaging OR Tambo and Xhariep for the same Mutual Assistance Agreements. A report of Section 78 fire functionality assessment was developed. The report was presented to the district and the local municipalities for consideration and approval. The district municipality will implement the resolutions of the councils on the fire functionality assessment report.

Quarterly fire performance reports were submitted to the CoGTA-EC for consolidation to a provincial report. The district will continue to inform CoGTA-EC of fire and rescue services programmes. Two state of readiness reports were submitted to CoGTA-EC. The district will continue to improve on its state of readiness for both periods and inform CoGTA-EC of the state of readiness. Moreover, quarterly disaster risk management advisory forum meetings were held and the District is looking at revitalizing local disaster risk management advisory forum meetings. Community awareness programmes focusing on fire awareness were conducted focusing on institutions such as schools and old age home. Veld fire belts were conducted in the Senqu and Maletswai LMs. The number of community awareness programmes to be conducted and veld fire belts to be developed will be increased going forward. Cases of relief were referred to Human Settlements and SASSA for immediate assistance. Strengthen working relationship with the sector departments.

Mutual Assistance Agreement (MAA)

The District has focused its engagement process at O R Tambo district municipality. Subsequent to fruitful engagements, a draft Mutual Assistance Agreement was forwarded to the district municipality for perusal and conclusion. District municipalities that participated in the signing ceremony are Alfred Nzo, Joe Gqabi, OR Tambo, Harry Gwala and Ugu.

Declared Drought Disaster

JGDM is following up the PDMC on the two declared drought disasters. The matter was discussed in the advisory forum meetings of the District and the Province. Through the Office of the Premier, there is a planned session to manage Inter-governmental relations between the District and PDMC. The session was planned to take place before the end of May however the session has not taken place.

Xenophobic incidents contingency plan

The country was affected by violence and unrests which normally arise from intolerance of the South African citizens with foreign nationals. The incidents have occurred in the different parts of the country. Although the Joe Gqabi District Municipality has no record of such incidents, it is still necessary that measures be put in place to ensure that the Municipality is prepared to manage any major incidents or events that might occur.



The aim of this contingency plan is to ensure that measures are developed to reduce the occurrence of such incidents, coordination responses in the event of a major incident or disaster occurring in the area of the Joe Gqabi District Municipal area of jurisdiction. The plan aims to address in particular incidents or events related to violence and /or unrest arising from intolerance or xenophobic attacks. It also seeks to ensure that all relevant stakeholders are involved




CHAPTER 4 – SERVICE DELIVERY PERFORMANCE REPORT




COMPONENT K: PERFORMANCE SCORECARD




K1: PERFORMANCE SCORECARD: JOE GQABI DISTRICT MUNICIPALITY



SERVICE DELIVERY AND INFRASTRUCTURE PROVISION





| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|--|---|------------|--|--|--|--------------------------------|---------|---|-------------------------------------|--|--|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Provide universal access to basic services | SD01: Maintain and rehabilitate all water and sanitation infrastructure | SD01-01 | Improvement in municipal green drop score (output) | Preparation Assessment Tool submitted to Water Affairs | Preparation Assessment Tool submitted to Water Affairs | 50 | Unknown |  | Official Green Drop report from DWS | The Green Drop Assessment has not yet been conducted by the Department of Water and Sanitation | Engage DWS to establish the date of releasing results. |
| | | SD01-03 | Improvement in municipal blue drop score (output) | 90 | Unknown | 87 | Unknown |  | Official Blue Drop report from DWS | The Blue Drop Report has not yet been released by the Department of Water and Sanitation | Engage DWS to establish the date of releasing results |


| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|---------------------|-----------|------------|---|------------------------------------|--|-----------------------------------|-----------------------------------|---|-----------------------------|---|--|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | SD01-04 | % compliance with SANS 241 for drinking water quality as per Blue Drop System (BDS) (Outcome) | 97% | 92% | 97% | 92.9% |  | BDS report on water quality | Result is not yet satisfactory and is negatively impacted on by old and aging infrastructure that compromises cleanliness of water to consumers | Ongoing lobbying for funding to replace the old aging infrastructure |
| | | SD01-05 | Review of WSDP approved by Council (LGTAS) (Input) | Review of WSDP | Council adopted draft for public comment | Reviewed WSDP approved by Council | Reviewed WSDP approved by Council |  | Council resolutions | None | None |
| | | SD01-06 | Ratio of reported water and waste water incidents on asset management system on which action is | 01:01 | 01:01 | 01:01 | 01:01 |  | Quarterly to Top Management | None | None |



| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|---------------------|--|------------|---|------------------------------------|---------------|--------------------------------|---------|---|--|---|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | taken (LGTAS) (Outcome) | | | | | | | | |
| | | SD01-07 | No drop score achievement (output) | New indicator | New indicator | 30 | unknown |  | Report from DWS | The DWS has not yet released the results | Engage DWS to establish the date of releasing results |
| | SD2: Support municipalities in the provision of quality basic services | SD02-02 | Number of Blue Drops achieved (Output) | 1 | Unknown | 2 | Unknown |  | Report from DWS | Results have not yet been released by DWS | Engage DWS to establish the date of releasing results |
| | SD03: Provide fire, emergency and rescue services | SD03-01 | Ratio of fire incidents responded to as a proportion of entries recorded in the Occurrence Book | 01:01 | 01:01 | 01:01 | 01:01 |  | Report to management as per incident books | None | None |



| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|--|---|--|--|------------------------------------|------------------|--------------------------------|---|---|--|--|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | (Outcome | | | | | | | | |
| | | SD03-02 | Conduct S78 to determine best mechanism for delivering fire services (Input) | S78 Assessment | Approved s78 (1) | Approval of S78 by Council | Not achieved |  | Report to Mayco and Mayco resolution | Item was tabled before standing committee but not yet at Mayco due to delays in engagements with labour in the LLF as a result of repeated LLF meetings postponements. | Section 78 to be approved in the Q1 of 2015/16 FY |
| | SD04: Create and maintain stakeholder engagement initiatives to deal with service delivery challenges | SD04-01 | Number of District Water forum meetings (outcome) | 2 Meetings | 1 meeting | 2 meetings per forum | 2 meetings per forum |  | Minutes of meetings and attendance registers | None | None |
| SD05: Expand and speed up the provision of universal | SD05-01 | Percentage of households with access to basic level of | 74.4% | 69.3% | 74.5% | 72% |  | Report to Mayco | Delays in the implementation of projects, | Termination process of under-performing | |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|---------------------|--------------------------------|------------|--|---|--------|--------------------------------|--------|---|-----------------|--|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | access to water and sanitation | | water (NKPI) | | | | | | | including the Orio project in Elundini due to delays in signing of the agreement between the Netherlands and South Africa. | service provider has commenced. Delays with Orio funding have been resolved. |
| | | SD05-04 | Percentage of households with access to basic level of sanitation (NKPI) | 73.5% | 77.4% | 82.5% | 84% |  | Report to Mayco | During mid-year adjustment budget more funds were allocated to sanitation projects resulting in increased output. | Improved access to sanitation is a positive output and no mitigation is required. |
| | | SD05-05 | Percentage of households earning less than R1100 per month with access to free | 100% of registered households (indigents) | 100% | 100% | 100%* |  | Report to Mayco | This applies to areas with access and registered households as per indigent | Projects are being implemented to extent access to FBS rural |



| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|---------------------|--|------------|--|------------------------------------|------------------------|--------------------------------|------------------------|---|---|--|---------------------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | basic services (NKPI) | | | | | | | register | areas |
| | SD06: Provide and improve the quality of municipal health services | SD06-01 | % of illegal waste dumping points where compliance was enforced | 100% | 100% | 100% | 100% |  | Monthly illegal Waste Reports to management | None. | None |
| | | SD06-02 | Number of inspections (visits) per quarter on each of the 13 urban waste sites | 12 inspection per site | 12 inspection per site | 12 inspection per site | 12 inspection per site |  | Inspection Reports to management | None | None |
| | | SD06-03 | % of sewage spills where compliance was enforced (Output) | 100% (99) | 100% (151) | 100% | 100% |  | Sewage Inspection Reports to management | None | None |
| | | SD06-04 | Number of informal food vendors (hawkers, | 50 (accumulative) | 58 (accumulative) | 80 | 434 (accumulative) |  | Attendance registers from training | Significant number of events in mainly rural areas | This is a matter that cannot be |



| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|---------------------|-----------|------------|---|------------------------------------|--------|--------------------------------|--------|---|----------------------------------|---|--|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | caterers, spaza shop owners) receiving Health and Hygiene education and training (Output) | | | | | | sessions | where skills were not yet transferred resulting in many more caterers receiving Health and Hygiene education | foreseen |
| | | SD06-05 | Number of Formal Food Premises inspections undertaken (Outcome) | 157** | 184 | 204 | 177 |  | Inspection Reports to management | Food premises are inspected to deal with compliance and also to respond to complaints. Increases in pollution incidents negatively impacted on the available resources to inspect desired number of food premises | No corrective action to be undertaken apart from continuing to attempt to achieve target |




| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|---------------------|--|------------|--|------------------------------------|--------|--------------------------------|--------|---|---|--|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | SD07: Support rehabilitation of gravel roads throughout the District | SD07-01 | Number of km's per quarter graded as per the SLA (Outcome) | 4000km | 3314 | 4000km | 3150km |  | Monthly report to top management | Dry road conditions hampered the progress of grading. This did not negatively impact on the funding agreement with DRPW. | None. Grading cannot be done in dry conditions. Rain is required. Water carting is too expensive and will deplete the already limited budget. |
| | SD8: Facilitate improvement of network and communications towers throughout the District | SD8-01 | Number of engagement sessions held leading to upgrading of communications towers (Outcome) | 1 | 1 | 1 | 1 |  | Minutes of meetings or proof of engagements | None | None |



| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Measure |
|--|---|------------|--|------------------------------------|--------|--------------------------------|--------|---|------------------|--|----------------------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Facilitate environmental management and conservation | SD9: Implement working for water and working for wetlands | SD9-01 | % budget expenditure of the 2014/15 National FY on implementation of working for Wetland rehabilitation programme (Output)** | 100% | 67.74 | 100% | 92% |  | Reports to Mayco | 8% of the original budget was not claimed due to savings on the actual budget spent. | None |
| | | SD9-02 | % budget expenditure of the 2014/15 National FY allocation of alien plants eradication programme (Working for Water) (Outcome) | 5 000ha | 2655 | 100% | 0% |  | Reports to Mayco | Allocation of funding was delayed from the department | Continue engaging the department |




LOCAL ECONOMIC DEVELOPMENT



| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---|---|------------|---|------------------------------------|---|--------------------------------|--------|---|---------------------------|--|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Facilitate and implement job creation and poverty alleviation initiatives | LED01: Implement projects and programmes through labour intensive methods | LED01-01 | Number of jobs created through municipality's local economic development initiatives including capital projects | 800 | 1388 | 2000 | 2290 |  | Quarterly report to Mayco | More jobs were created due to the additional number of toilets constructed for the quarter due to the reallocation from the MIG. | None. The more jobs created for local people on this project, the better. |
| | | LED01-02 | Number of job opportunities created through WfW and wetlands (Output) | 375 in each quarter | 1 st quarter - 592 2 nd quarter- 592 3 rd quarter- 802 4 th quarter- | 1659 | 383 |  | Report to Mayco | Project implementation relied on WfW programme funding which was not received | The engagements with the department are ongoing |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|--|------------|--|------------------------------------|-----------|--------------------------------|-----------|---|--|----------|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | | | 578 | | | | | | |
| | LED02: Encourage improvement of access to government services in farming areas | LED02-01 | Number of information sessions held with farming communities (Outcome) | 1 | 1 | 1 | 1 |  | Minutes of meetings and attendance registers / proof of engagement | None | None |
| | LED03: Encourage and support initiatives geared towards mass job creation and sustainable livelihoods | LED03-01 | Number of reports on job opportunities created through CWP (Input) | 2 reports | 2 reports | 2 reports | 2 reports |  | Report to Mayco | None | None |




| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|--|------------|---|------------------------------------|-----------|--------------------------------|-----------|---|---------------------------------------|--|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | LED04: Support and facilitate rural development and poverty alleviation programmes | LED04-01 | Number of Reports on the implementation of Rural development programme and anti-poverty strategy (Input) | 2 | 2 reports | 2 reports | 2 reports |  | Report to Mayco | None | None |
| | | LED04-02 | Number of funding applications submitted for cooperatives and SMMEs to potential funders (Outcome) | 2 | 13 | 2 | 2 |  | Proof of submission of applications | None | None |
| | LED05: Facilitate and actively participate in youth development programmes. | LED05 | Number of business support meetings/ engagement facilitated for social groups (woman, youth, disabled) (Output) | 10 | 12 | 10 | 11 |  | Report to Mayco and Mayco resolutions | Additional engagements were facilitated based on the need to extend the impact of this programme | None |




| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|--|---|------------|--|---------------------------------------|--------|-----------------------------------|--------|---|---|--|--|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Facilitate and support regional economic development initiatives | LED06: Identify, support and implement economic development flagship and anchor projects | LED06-01 | JoGEDA: Number of Status Quo reports on Gariep middle income housing, Elundini middle income housing, Senqu Plastic, and Senqu Commercial Property Development presented to mayoral committee (Output) | 4 | 4 | 4 | 4 |  | Reports to Council | None | None |
| | | LED06-02 | JoGEDA: Maize Meat Hub Number of business plans approved (Output) | 2 | 2 | 1 | 0 |  | Approved business plan by the Board. Proof of funding | The business plan has been submitted to the DIC and has been recommended for the Board approval. Board meeting to be held during the 1 st half of the 2015/16 | Business plan to be approved by the Board in the 1 st half of the 2015/16 financial year. |





| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|--|------------|--|------------------------------------|---------------|---|---|---|---|---|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | | | | | | | | financial year. | |
| | | LED06-03 | JoGEDA: Investment Strategy Number of investment strategy developed and approved by the Board (Input) | New indicator | New indicator | 1 | 0 |  | Approved investment strategy, Board resolutions | Target has not been achieved due to the delays in receiving funds from IDC that were meant for the project. | The Agency has submitted funding proposal to IDC requesting release of funds. |
| | | LED06-04 | LED strategy reviewed and adopted by Council (Input) | Strategy reviewed | Not achieved | LED Strategy reviewed and approved by Council | LED Strategy reviewed and approved by Council |  | Council resolutions | none | None |
| | LED07: Facilitate and support local supplier development | LED07-01 | Number of Suppliers Day Held (Outcome) | 3 | 3 | 4 | 4 |  | Quarterly Reports to Mayco and Attendance registers | None | None |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|--|------------|---|---|-------------------------------------|--------------------------------|----------|---|--|--|------------------------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | initiatives | | | | | | | | | | |
| | LED08: Create and maintain stakeholder engagement initiatives | LED08-01 | Number of District Support Team forum Meetings held (Outcome) | 4 | 3 | 2 | 1 |  | Minutes and attendance registers of meetings | Meeting scheduled 25 June 2015 but was later postponed due non-availability of members | Meeting took place on 15 July 2015 |
| | LED09: Participate and support initiatives geared towards revitalization of towns and settlements | LED09-01 | Number of reports on the implementation of District Branding and marketing strategy (input) | 1 District Branding and marketing Strategy adopted by Council | 1 Final Strategy adopted by Council | 2 report | 2 report |  | Report to Mayco | None | None |

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION





| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------------------|---|------------|---|------------------------------------|--------|--------------------------------|--------|---|---------------------------|--|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Improve human resource capacity | ID01: Effectively empower and develop the Council's workforce | ID01-01 | Number of staff actually trained as per the WSP (Output) | 100% | 100% | 179 | 370 |  | Quarterly report to Mayco | More trainings were done due to additional funding from sector departments | None |
| | | ID01-02 | Number of people from employment equity target groups employed in the 3 three highest levels of management in compliance with EEP (Outcome) | 5 | 5 | 5 | 12 |  | EE Reports to Mayco | The municipality had to appoint more staff due to resignation of some employees. | The Mayoral item will be tabled in August 2015. |
| | | ID01-04 | Number of councillors actually trained as per the training programme | 100% | 100% | 28 | 28 |  | Training report to Mayco | None | None |





| | | | | | | | | | | | |
|---|--|---------|---|----------|----------|---------------------|---------------------|---|--|---|---------------------------------------|
| | | ID01-05 | Number of staff who meet Minimum Competency levels (MFMA) (Outcome) | 9 | 9 | 5 new trained staff | 7 new trained staff |  | Reports to Mayco | The municipality had to register two additional employees from JoGEDA | The more employees trained the better |
| | ID04: Maintain good working conditions for staff | ID04-01 | Number of LLF meetings (Outcome) | 4 | 8 | 4 meetings | 5 meetings |  | Quarterly reports to Mayco/ Minutes and attendance registers | The additional meeting had to be called to deal with urgent matters that go with the budget process such as policies, categorisation of the municipality and transfer of water staff from local municipalities. | None |
| Ensure enhanced service delivery through efficient institutional arrangements | ID06: Ensure that funded vacant posts are filled | ID06-01 | The average length of time it takes to fill a post (Output) | 3 months | 3 months | 3 months | 3 months |  | Monthly report to Top Management | None | None |




| | | | | | | | | | | | |
|--|---|---------|--|--------------------------------------|--------------|---|--|---|--------------------------|---|---|
| Continuously develop and strategically utilise information technology, legal services and other internal services to provide more efficient government | ID07: Ensure legislative compliance and improved legal capacity of the District | ID07-01 | Ratio of disciplinary hearings concluded within 3 months of initiation | 01:01 | 01:01 | 01:01 | 01:01 |  | Report to top management | Some of the cases not resolved have been referred to CCMA and SALGBC. Some cases delayed due to outstanding documents from accused. | To be concluded during the 2015/16 FY. |
| | ID08: Strategically utilise ICT to improve government efficiency | ID08-01 | Review District IT governance Framework (Input) | IT Governance f reviewed and adopted | Not achieved | IT Governanc e Framework reviewed and approved by council | Not achieved |  | Council resolutions | Submission of the document to Council delayed due to comments that were received late from other consultative committees. | Subsequent to year end the item has been approved by Council. |
| | ID09: Ensure availability of office space and manage council buildings in an effective and efficient manner | ID09-01 | Number of council resolutions dispatched and tracked (Input) | Every mayoral committee and council | 8 | Every mayoral committee and council | Every mayoral committee and council (15) |  | Council minutes | None | |
| | | ID09-02 | Number of Council meetings held (Outcome) | 7 meetings | 7 meetings | 7 meetings | 11 meetings |  | Agenda and minutes | Additional meetings were held to deal with urgent matters including the adjustment | Recurring Council meetings will be considered for inclusion |





| | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|---------|-----------------------------------|
| | | | | | | | | | | | budget. | into the calendar of events |
|--|--|--|--|--|--|--|--|--|--|--|---------|-----------------------------------|




KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION





| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|--|---|------------|--|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|---|---|----------|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Facilitate intergovernmental cooperation | GG01: Promote intergovernmental cooperation initiatives | GG01-01 | Number of DIMAFO meetings held (Outcome) | 4 meetings | 1 meeting | 4 meetings | 4 meetings |  | Minutes and attendance registers | None | None |
| | | GG01-02 | IDP reviewed and adopted by council (Input) | Approval of Final reviewed IDP | Final reviewed IDP approved | IDP reviewed and adopted by council | IDP reviewed and adopted by council |  | Council resolutions | None | None |
| Communicate effectively with communities | GG02: Regular and effective communications with communities | GG02-01 | Number of newsletters publications released and distributed (Output) | 4 | 4 | 4 | 4 |  | Newsletter and distribution list | None | None |
| | | GG02-02 | Number of Community Outreach meetings held (Outcome) | 2 meeting and 1 report for each LM | 1 meeting and 1 report for each LM | 2 meetings and 1 report for each LM | 2 meetings and 1 report for each LM |  | Outreach report and attendance register | None | None |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---|---|------------|---|--|--|--|--|---|---|----------|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | GG03: Work closely with traditional leadership structures in the implementation of rural development programmes | GG03-01 | Number of Traditional leaders forum meetings held (Outcome) | 2 | 2 | 2 | 2 |  | Minutes and attendance registers | None | None |
| | GG04: Strengthen internal communications | GG04-01 | Review Communication Plan (Input) | Communication reviewed and Plan implemented | Communications Plan adopted by council | Communications Plan reviewed and approved by council | Communications Plan reviewed and approved by council |  | Council resolutions | None | None |
| Ensure integrated planning and performance management | GG05: Promote performance management among councillors and officials | GG05-01 | Performance Management System Policy reviewed and approved by council (Input) | Performance Management System reviewed and adopted | Performance Management System reviewed and adopted | Performance Management System reviewed and approved by council | Performance Management System reviewed and approved by council |  | Council resolutions | None | None |
| | GG06: Implement effective planning and reporting mechanisms | GG06-01 | Number of signed performance agreements by Section 56 Managers | 5 annually | 5 annually | 5 annually | 5 annually |  | 5 signed performance agreements and proof of submission | None | None |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|-----------|------------|--|---|---|---|---|---|-----------------------------------|----------|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | (Outcome) | | | | | | to province | | |
| | | GG06-02 | Number of signed performance obligations of middle management (Outcome)** | 16 | 16 | 17 | 17 |  | 17 Signed Performance Obligations | None | None |
| | | GG06-03 | Number of reports on performance of service providers monitors (Input) | 4 reports | 4 reports | 4 reports | 4 reports |  | SCM reports to Mayco | None | None |
| | | GG06-04 | Number of Quarterly performance reports and mid-year budget and annual performance | 4 Quarterly SDBIP Reports and 1 Annual Performance report | 4 Quarterly SDBIP Reports and 1 Annual Performance report | 4 Quarterly SDBIP Reports and 1 Annual Performance report | 4 Quarterly SDBIP Reports and 1 Annual Performance report |  | Council minutes | None | None |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|---|------------|--|--|--|--------------------------------|----------------------------|---|----------------------------------|----------|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | report prepared (Input) | | | | | | | | |
| | | GG06-05 | Annual Report prepared (Input) | annual report prepared and approved by Council | annual report prepared and approved by Council | Annual report prepared | Annual report was prepared |  | Council resolutions | None | None |
| | GG07: Establish and support municipal oversight systems, mechanisms and processes | GG07-01 | Number of Joe Gqabi Municipal Public Accounts Committee meetings (Outcome) | 4 | 4 | 4 | 4 |  | Minutes and attendance registers | None | None |
| | | GG07-02 | Number of Audit and Performance Committee meetings (Outcome) | 4 | 5 | 4 | 4 |  | Minutes and attendance registers | None | None |
| | GG08: Ensure and maintain clean governance | GG08-01 | Attain clean audit outcomes (audit of financial | Clean Audit | Unqualified audit | Clean Audit | Unqualified audit |  | Audit report | None | None |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---------------------|-----------|------------|--|--|--|--|--|---|--|---|---|
| | | | | Plan | Actual | Plan | Actual | | | | |
| | | | information) (Input) | | | | | | | | |
| | | GG08-02 | Attain clean audit outcomes (audit of performance information) (Input) | Clean Audit | Clean Audit | Clean Audit | Clean Audit |  | Audit report | None | None |
| | | GG08-03 | % of previous year's audit queries addressed (Output) | 100% | 90% | 100% | 85% |  | Audit action plan and report | Some matters are long term issues that will take both budget and progressive action to rectify. | Progressively resolve issues raised in prior audit. |
| | | GG08-04 | Number of updated risk register submitted | 4 reports on implementation of agreed upon Strategic risk register | 4 reports on implementation of agreed upon Strategic risk register | 4 reports on updated risk register submitted | 4 reports on updated risk register submitted |  | Risk Committee report/ Risk management register to Mayco | None | None |

| Strategic Objective | Programme | KPI Number | Key Performance Indicator | Prior Financial Year (2013/ 14 FY) | | Year Under Review (2014/15 FY) | | Snapshot | Audit Evidence | Variance | Corrective Action |
|---|---|------------|---|------------------------------------|------------|--------------------------------|------------|---|-----------------------------------|----------|-------------------|
| | | | | Plan | Actual | Plan | Actual | | | | |
| Facilitate the development of a healthy and inclusive society | GG09: Facilitate implementation of HIV and AIDS programmes | GG09-02 | Number of District AIDS Council meetings held (Outcome) | 2 meetings** | 3 meetings | 4 meetings | 4 meetings |  | Minutes and attendance registers. | None | None |
| | GG10: Facilitate implementation of programmes supporting the special groups (SPU) | GG10-01 | Number of reports on the implementation of the SPU Mainstreaming Strategy (Input) | 4 Reports | 4 Reports | 4 reports | 4 reports |  | Reports to Mayco | None | None |
| | | GG10-02 | Hosting of District Mayoral Cup (Outcome) | 1 | 1 | 1 | 1 |  | Reports to Mayco | None | None |
| | | GG10-03 | Hosting of the District Sondela Youth Festival (Outcome) | 1 | 1 | 1 | 1 |  | Reports to Mayco | None | None |

K1A: THREE YEAR CAPITAL WORKS PLAN

| ASSET DESCRIPTION | 2014/15 | 2015/16 | 2016/17 |
|---|--------------|--------------|--------------|
| SOURCE OF FUNDING- MIG | | | |
| Lady Grey Bulk Water Project | R 7 146 000 | R 10 000 000 | R 5 000 000 |
| Ugie Bulk Water Infrastructure Phase 2 | R 2 000 000 | R 5 000 000 | R 10 000 000 |
| Ugie Sanitation Infrastructure | R 7 000 000 | R 5 000 000 | R 10 000 000 |
| Mt Fletcher Villages - Bulk Water Supply Scheme | R 7 500 000 | R 4 692 000 | R 5 000 000 |
| Sterkspruit: Upgrading of WTW and Bulk Lines | R 9 000 000 | R 10 000 000 | R 10 000 000 |
| Senqu Rural Sanitation Programme | R 27 823 000 | R 25 000 000 | R 10 000 000 |
| Senqu Rural Water Programme | R 28 000 000 | R 10 000 000 | R 25 000 000 |
| Elundini Rural Sanitation Programme | R 27 000 000 | R 24 000 000 | R 20 000 000 |
| Elundini Rural Water Programme | R 13 000 000 | R 15 000 000 | R 15 000 000 |
| Steynsburg Waterborne Sanitation Phase 3 | R 9 000 000 | R 4 000 000 | R 0 |
| Jamestown sanitation Phase 2 | R 10 000 000 | R 10 000 000 | R 15 000 000 |
| Maclear Upgrading of Bulk Water Services | R 5 000 000 | R 15 000 000 | R 17 000 000 |
| Maclear Upgrading of Bulk Sanitation | R 13 000 000 | R 15 000 000 | R 18 009 000 |
| | | | |
| PMU | R 3 000 000 | R 3 000 000 | R 3 000 000 |
| UKhahlamba Planning Studies | R 1 000 000 | R 1 000 000 | R 1 000 000 |
| | | | |

| MWIG | | | |
|---|--------------|--------------|--------------|
| District WCDM Project | R 20 009 000 | R 25 011 000 | R 7 328 000 |
| Venterstad Galaxy Reservoir | R 0 | R 0 | R 0 |
| Augmentation Burgersdorp Water Supply | R 0 | R 0 | R 0 |
| Aliwal North Raw Water Storage Ponds | R 0 | R 0 | R 0 |
| | | | |
| RBIG | | | |
| Sterkspruit Regional Bulk Sanitation | R 10 000 000 | R 15 000 000 | R 24 000 000 |
| | | | |
| DWA Refurbishment Grant (Water Services Operating Grant) | | | |
| Sterkspruit WTW Refurbishment | R 10 000 000 | R 5 000 000 | 5000000 |
| | | | |
| DHS RHIP | | | |
| Elundini rural sanitation | R 4 500 000 | R 4 000 000 | - |

K2: PERFORMANCE SCORECARD: JOE GQABI ECONOMIC DEVELOPMENT AGENCY

● = Target achieved at 100%; ● = Target partially achieved at 75% - 99%; ● = Target not achieved at less than 75% ★ = Targets that were removed






| Strategic Objectives | KPI (No.) | Project Name | Specific Deliverable (KPI) | Baseline (June – 2014) | Prior Financial Year | | Year Under Review | | | Reasons for variance | Corrective Measures |
|---|-----------|--------------------------------|--|----------------------------------|----------------------|---------------|-------------------|--------|---|---|--|
| | | | | | Plan | Actual | Annual Target | Actual | | | |
| 1.1: To enhance economic development and investment into region | 1.1.1 | Aliwal Spa | Number of strategic partnerships established to provide technical resources for feasibility study for phase 1. | GIZ letter of support | New Indicator | New Indicator | 1 | 3 | ● | More strategic partners were established towards technical expertise required for the project | N/A |
| | 1.1.2 | | Number of repackaged business plan for phase 1 presented and approved by the Board. | 2001 business plan | New indicator | New Indicator | 1 | 0 | ● | Target could not be achieved due to the delays in accessing funds from IDC and ECDC that were meant for the project. | N/A |
| | 1.1.3 | Elundini Middle Income Housing | Number of data verified concept document approved by the board | Scoping report completed in 2012 | New Indicator | New Indicator | 1 | 0 | ★ | During APP review the target was removed. The next step is the development of a feasibility study and business plan and that will encompass the concept | The Agency is the process of negotiating with the funding partners and CSIR to ensure process is finalised |
| | 1.1.4 | | Number of feasibility study approved by the board | | New Indicator | New Indicator | 1 | 0 | ● | Target could not be achieved due to the delays in | The Agency has negotiated with |

| | | | | | | | | | | | |
|--|-------|------------------------------|--|--|---------------|---------------|---|-----|--|---|---|
| | | | | | | | | | receiving funds from IDC that were meant for the project | the IDC to release the funds. | |
| | 1.1.5 | | Number of Business Plan approved by the board | | New Indicator | New Indicator | 1 | 0 | ● | The target can only achieved once feasibility and business plan are achieved. They can only be achieved when funding is received from IDC | The Agency has negotiated with the IDC to release the funds. |
| | 1.1.6 | | Number of funding concept/proposal approved by the board | | New Indicator | New Indicator | 1 | 0 | ● | Target could not be achieved due to the delays in receiving funds from IDC that were meant for the project | The Agency has negotiated with the IDC to release the funds. |
| | 1.1.7 | Gariep Middle Income Housing | Number of data verified concept document approved by the board | Feasibility stage 1 report completed in 2013 | 1 | 0 | 1 | 0 | ● | The draft concept was submitted Dev & Investment Committee and was recommended to the Board for approval | The Concept will be submitted to the Board in August for approval |
| | 1.1.8 | | Number of feasibility study approved by the board | | New Indicator | New Indicator | 4 | N/A | ★ | During APP review the target was removed. The next step is the development of a feasibility study and business plan and that will encompass the concept | N/A. |

| | | | | | | | | | | | |
|--|--------|---|--|---------------------------------|---------------|---------------|---|---|--|--|--|
| | 1.1.9 | Maize Meat Hub | Number of Business Plan approved by the board | Business plan completed in 2011 | New Indicator | New Indicator | 1 | 0 | ● | Target could not be achieved due to the delays in receiving funds from IDC that were meant for the project | The Agency has negotiated with the IDC to release the funds. |
| | 1.1.10 | | Number of funding concept/proposal approved by the board | | New Indicator | New Indicator | 1 | 0 | ● | The target can only be achieved once feasibility and business plan are achieved. They can only be achieved when funding is received from IDC | The Agency has negotiated with the IDC to release the funds. |
| | 1.1.11 | Number of updated & aligned business plan approved by REID | N/A | | N/A | 1 | 1 | ● | N/A | N/A | |
| | 1.1.12 | Number of updated & aligned business plan approved by the Board | N/A | | N/A | 1 | 0 | ● | The Business plan is in the form of a draft and was submitted to the Dev & Invest Committee and has recommended to the Board for approval | The draft plan to be submitted to the Board in August 2015 for approval. | |
| | 1.1.13 | Rand value of funding commitment (agreement to fund) received | New Indicator | | New Indicator | R8m | 0 | ● | Target could not be achieved. No agreement was signed with the DRDLR even though the DRLDR showed interest in funding the business plan for the project. | Further discussion will be held with the DRDLR to get funding commitment for the project | |

| | | | | | | | | | | | |
|--|----------|---|--|--|---------------|---------------|---|-----|--|--|---|
| | 1.1.1.14 | Senqu Plastic | Number of strategic partnerships established to provide technical resources for concept and feasibility study. | Feasibility study report and business plan completed in 2006 | New Indicator | New Indicator | 1 | 1 | | N/A | N/A |
| | 1.1.1.15 | | Number of feasibility studies developed and approved by the Board | | New Indicator | New Indicator | 1 | 0 | | Target could not be achieved due to the delays in receiving funds from IDC that were meant for the project | The Agency has negotiated with the IDC to release the funds. |
| | 1.1.1.16 | | Number of business plan developed and approved by the Board | | New Indicator | New Indicator | 1 | 0 | | Business plan could only be achieved once feasibility study is conducted. | The Agency has negotiated with the IDC to release the funds. |
| | 1.1.1.15 | Senqu Commercial Property - Sterkspruit | Number of fully developed commercial property concept approved by the Board | Feasibility study report completed in 2013 | New Indicator | New Indicator | 1 | 1 | | N/A | N/A |
| | 1.1.1.16 | | Commission works on site by 2015 (Launch) | | New indicator | New indicator | 4 | N/A | | During APP review the target was removed. Due to legal matters pertaining to illegal occupation of land earmarked for the project. | Agency is working on solutions and options on how the matter could be resolved. |

| | | | | | | | | | | | |
|--|--------|--|---|-------------------------------------|---------------|---------------|------|-----|--|--|--|
| | 1.1.17 | Senqu Commercial Property -Barkly East | Number of fully developed commercial property concepts approved by the Board | Feasibility study completed in 2013 | New indicator | New indicator | 1 | 0 | | Draft report on the project is available to be submitted to the DIC and Board for approval in August | The report will be submitted to the Board for approval in August |
| | 1.1.18 | Facilitation of skills development | Number of Skills Development Plan/Strategy developed | 0 | N/A | N/A | 1 | 0 | | The development of the strategy is underway. | The plan will be completed in the 2 nd quarter of 2015/16 |
| | 1.1.19 | Investment Strategy | No. of investment strategy developed and approved by the Board in consultation with all LMs | 0 | N/A | N/A | N/A | N/A | | The development of the strategy is underway | The strategy will be completed in the 2 nd quarter of 2015/16 |
| 2.1: To develop institutional capacity and internal systems enabling strategy | 2.1.1 | N/A | Approved organisational structure aligned to the mandate of JoGEDA | 2013/14 organogram | 1 | 1 | 1 | 1 | | N/A | N/A |
| | 2.1.2 | N/A | % of approved funded positions filled in the approved organogram | 2013/14 organogram | 100% | 45% | 100% | 0 | | Due to delayed funding that was expected from IDC target could not be achieved | N/A |

| | | | | | | | | | | | |
|--|-------|-----|---|------------------------|---------------|---------------|------|------|---|--|--|
| | 2.2.1 | N/A | % of organisational performance targets achieved | N/A | New Indicator | New Indicator | 100% | 55% |  | Out the R9.8m, which was budgeted revenue R6m was expected from the IDC and was not received. As such some of the targets could not be achieved due to non-availability of funds | The Agency has negotiated with the IDC to release the funds. |
| 3.1: To ensure effective corporate governance procedures | 3.1.1 | N/A | Number of bi-annual Board (and Board Committees) effectiveness assessment completed. | 2013 Assessment report | 1 | 1 | 2 | 1 |  | The implementation of the Board assessment for the second of the year is underway. | The process still to be finalised |
| | 3.1.2 | N/A | Number of board reports submitted timeously (7 days before meetings) to Board and less than 10% rejection rate for substantive matters. | N/A | 4 | 4 | 4 | 6 |  | Due to matters that required Board attention meetings had to be held more than four times. | N/A |
| | 3.1.3 | N/A | % compliance with the "Compliance Universe" of JoGEDA based on compliance register. | N/A | 100% | 60% | 100% | 100% |  | N/A | N/A |
| | 3.1.4 | N/A | Number of developed and approved risk management policy and plan (then reviewed annually) and implemented | 2013/14 Risk register | 1 | 0 | 1 | 0 |  | The draft policy is available to be approved by the Board in August 2015 | Draft policy to be approved by the Board in August 2015 |

| | | | | | | | | | | | |
|--|-------|-----|---|-----------------------|---------------|---------------|------|------|---|---|---|
| | 3.1.5 | N/A | % of approved risk management policy and plan implemented | 2013/14 Risk register | New Indicator | New Indicator | 100% | N/A | ★ | N/A | N/A |
| 3.1: To ensure effective corporate governance procedures | 3.1.6 | N/A | Number of Unqualified Audit Opinion obtained for 2013/14. | 2012/13 Audit report | 1 | 1 | 1 | 1 | ● | N/A | N/A |
| | 3.1.7 | N/A | % of previous audit findings that were resolved. | Audit Action Plan | 100% | 86% | 100% | 100% | ● | N/A | N/A |
| 3.2: To ensure financial sustainability | 3.2.2 | N/A | Percentage additional funding raised (over baseline to be quantified) | N/A | New Indicator | New Indicator | 20% | 14% | ● | Only 14% that was achieved. Some funders could not commit in writing. | The Agency will try and obtain funding commitments in 2015/16 |

K3: PERFORMANCE SCORECARD: COGTA-EC INDICATORS

Organisational Transformation and Institutional Development –KPA 1

| Indicator name | Total number of people (planned for) during the year under review | Achievement level during the year under review | Achievement percentage during the year | Comments on the gap |
|--|---|--|--|---|
| Vacancy rate for all approved and budgeted posts; | 866 | 866 | 866 | None |
| Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers) | 6 | 6 | 100% | None |
| Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY | 6 | 6 | 100% | None |
| Percentage of Managers in Technical Services with a professional qualification | 1 | 0 | 0% | 1 manager registered on CPMD |
| Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only) | 4 | 4 | 100% | None |
| Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term | 866 | 370 | 43% | The process is on-going and it must take into account new staff |
| Percentage of councillors who attended a skill development training within the current 5 year term | 28 | 28 | 100% | None |
| Percentage of staff complement with disability | 866 | 6 | 0.01% | Disabled applicants do not apply when posts are available. |
| Percentage of female employees | 866 | 236 | 27% | Most females do not meet minimum requirements for |

| | | | | |
|---|-----|-----|-----|---|
| | | | | appointment |
| Percentage of employees that are aged 35 or younger | 866 | 202 | 23% | Recruitment takes into account experience and younger people do not poses the necessary experience. |

Basic Service delivery performance highlights (KPA 2)

| Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the FY under review (actual numbers) | Number of HH/customer reached during the FY | Percentage of achievement during the year |
|--|--|-------------------------------------|---|---|---|
| Percentage of households with access to potable water | 97 775 | | 5000 households | 2792 | 70% |
| Percentage of indigent households with access to free basic potable water | 97 775 | | 100% | | |
| Percentage of clinics with access to potable water | N/A | N/A | N/A | N/A | N/A |
| Percentage of schools with access to potable water | N/A | N/A | N/A | N/A | N/A |
| Number of additional households provided with basic level of sanitation (Output) | 97 775 | | 5000 households | 6454 households | 129% |
| Percentage of households using buckets | | | | | |
| Percentage of households with access to sanitation services | 97 775 | | 60.3% | 6454 households | 62% |
| Percentage of indigent households with | 100% (where there is | 100% (where there | 100% (where | 100% (where | 100% (where there |

| | | | | | |
|--|---------------------------------------|--|--|--|--|
| access to free basic sanitation services | access and registration has occurred) | is access and registration has occurred) | there is access and registration has occurred) | there is access and registration has occurred) | is access and registration has occurred) |
|--|---------------------------------------|--|--|--|--|

MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED

| Indicator name | Target set for the year | Achievement level during the year (absolute figure) | Achievement percentage during the year |
|---|--------------------------------|--|---|
| Percentage of LED Budget spent on LED related activities. | | | |
| Number of LED stakeholder forum held | 2 | 2 | 100% |
| Number of funding applications submitted for cooperatives and SMMEs (outcome) Percentage of SMME that have benefited from a SMME support program | 2 | 2 | 100% |
| Number of job opportunities created through EPWP | 2000 | 2290 | 114% |
| Number of job opportunities created through PPP | N/A | N/A | N/A |

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

| Indicator name | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
|---|---------------------------------------|---|---|
| Percentage expenditure of capital budget | | | |
| Salary budget as a percentage of the total operational budget | | | |

| | | | |
|--|------|------|------|
| Trade creditors as a percentage of total actual revenue | | | |
| Total municipal own revenue as a percentage of the total actual budget | | | |
| Rate of municipal consumer debt reduction | | | |
| Percentage of MIG budget appropriately spent | 100% | 100% | 100% |
| Percentage of MSIG budget appropriately spent | 100% | 100% | 100% |
| Functionality of the Audit Committee | 4 | 4 | 100% |
| Submission of AFS after the of financial year | Yes | Yes | Yes |

GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

| Indicator name | Target | achieved |
|--|---------------|-----------------|
| Existence of an IGR strategy | 1 | Yes |
| Effective of IGR structural meetings | 1 | Yes |
| Existence of an effective communication strategy | 1 | Yes |
| Number of Mayoral <i>iimbizo</i> conducted | 4 | 3 |
| Existence of a fraud prevention mechanism | Yes | Yes |

CHAPTER 5 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

5.1 VACANCIES AND TURNOVER:

The District is committed to filling all vacant positions within three (3) months of them being vacant. In order to retain staff, a retention strategy was developed and approved by the Council. The District is constantly improving its human resource policies with a view of creating conducive working environment. The remoteness of the District and its rural nature is one of the challenges that were identified to be contributing to staff turn-over. All Section 56 positions were filled.



The District implemented various training plans which focused on ABET, financial management, management and leadership, specialised technical skills, life skills, legal, LED and planning, Occupational Health and safety, administration, project management and computer literacy.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

5.2 POLICIES

| HR Policies and Plans | | | | |
|-----------------------|---|-----------|----------|--|
| | Name of Policy | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
| | | % | % | |
| 1 | Affirmative Action | 0% | 0% | N |
| 2 | Attraction and Retention | 100% | 100% | Y |
| 3 | Code of Conduct for employees | 100% | 100% | Y |
| 4 | Delegations, Authorisation & Responsibility | 100% | 100% | Y |
| 5 | Disciplinary Code and Procedures | 100% | 100% | Y |
| 6 | Essential Services | 0% | 0% | N |
| 7 | Employee Assistance / Wellness | 100% | 100% | Y |
| 8 | Employment Equity | 100% | 100% | Y |
| 9 | Exit Management (recruitment policy) | 0% | 0% | N |
| 10 | Grievance Procedures | 100% | 100% | Y |
| 11 | HIV/Aids | 100% | 100% | Y |
| 12 | Human Resource and Development | 100% | 100% | Y |
| 13 | Information Technology | 100% | 100% | Y |
| 14 | Job Evaluation | 0% | 0% | N |
| 15 | Leave | 100% | 100% | Y |
| 16 | Occupational Health and Safety | 100% | 100% | Y |
| 17 | Official Housing | 100% | 100% | Y |
| 18 | Official Journeys | 100% | 100% | Y |
| 19 | Official transport to attend Funerals | 100% | 100% | Y |
| 20 | Official Working Hours and Overtime | 100% | 100% | Y |
| 21 | Organisational Rights | 100% | 100% | Y |
| 22 | Payroll Deductions | 100% | 100% | Y |
| 23 | Performance Management and Development | 100% | 100% | Y |
| 24 | Recruitment, Selection and Appointments | 100% | 100% | Y |
| 25 | Remuneration Scales and Allowances | 100% | 100% | Y |
| 26 | Resettlement | 100% | 100% | Y |
| 27 | Sexual Harassment | 100% | 100% | Y |

| | | | | |
|--|----------------------------------|------|------|----------------|
| 28 | Skills Development | 100% | 100% | Y |
| 29 | Smoking | 100% | 100% | Y |
| 30 | Special Skills/Scarce skills | 100% | 100% | Y |
| 31 | Work Organisation | 0% | 0% | N |
| 32 | Uniforms and Protective Clothing | 0% | 0% | N |
| 33 | Other: | | | |
| <i>Use name of local policies if different from above and at any other HR policies not listed.</i> | | | | <i>T 4.2.1</i> |

5.3 PERFORMANCE REWARDS


Performance rewards were awarded in terms of the approved PMS policy. All Section 56 managers signed performance agreements at the beginning of the financial year which were aligned to the IDP, budget and the SDBIP. Quarterly reviews were performed and subsequent to the approval of the annual report by Council performance assessments were performed. After Council approval of such assessment results, rewards were made as per the legislation.

| Performance Rewards By Gender | | | | | |
|--|---------------------|------------------------------------|-------------------------|-----------------------------------|--|
| Designations | Beneficiary profile | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2015/16 FY | Proportion of beneficiaries within group |
| | | | | R' 000 | % |
| Lower skilled (Levels 1-2) | Female | n/a | n/a | n/a | n/a |
| | Male | n/a | n/a | n/a | n/a |
| Skilled (Levels 3-5) | Female | n/a | n/a | n/a | n/a |
| | Male | n/a | n/a | n/a | n/a |
| Highly skilled production (levels 6-8) | Female | n/a | n/a | n/a | n/a |
| | Male | n/a | n/a | n/a | n/a |
| Highly skilled supervision (levels 9-12) | Female | n/a | n/a | n/a | n/a |
| | Male | n/a | n/a | n/a | n/a |
| Senior management (Levels 13-15) | Female | n/a | n/a | n/a | n/a |
| | Male | n/a | n/a | n/a | n/a |
| MM and S57 | Female | 1 | 1 | | |
| | Male | 4 | 4 | | |
| Total | | 5 | 5 | | |
| <i>Has the statutory municipal calculator been used as part of the evaluation process?</i> | | | | | Yes |
| | | | | | <i>T 4.4.1</i> |

5.5 WORKFORCE CAPACITY DEVELOPMENT

Joe Gqabi District Municipality has a skills development function whose role is to provide accredited tuition, trainings and workshops to employees of all municipalities, Councillors and the community members.

The District implemented various training plans which focused on ABET, financial management, management and leadership, specialised technical skills, life skills, legal, LED and planning, Occupational Health and safety, administration, project management and computer literacy.



CHAPTER 6 – FINANCIAL PERFORMANCE

[Annual Financial Statements to be attached]

T 5.0.1

6.1 GRAP COMPLIANCE

GRAP 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 financial statements were prepared in accordance with the Municipal Finance Management Act (MFMA) and GRAP, including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

T 5.13.1

CHAPTER 7 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Through its commitment to sound governance and financial management, the District has continued to perform well with regard to the audit processes and audit findings by the Auditor General. The District maintained unqualified audit opinions for the 2013/14 financial year. The municipality is confident on achieving a clean audit as the quantity and substance of management issues raised.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2013/14 FY

7.1 AUDITOR GENERAL REPORTS 2013/14 FY (PREVIOUS YEAR)

| Auditor-General Report on Financial Performance 2013/14 FY | |
|--|---|
| Status of audit report: | Unqualified |
| Non-Compliance Issues | Remedial Action Taken |
| Material losses of 51.7% to the amount of R82.9 million were incurred as a result of water distribution losses. | The JGDM is refurbishing water services and construct new water services. This will improve the status of unaccounted for water. It has taken over billing functions in Senqu and Maletswai. This will assist with better management of meter reading and water losses in urban areas. A loan for new water meters was acquired and this will assist with more accurate billing. The installation of new meters will be an ongoing process that in time will be rolled out throughout the District. Maintenance teams were better resourced allowing for faster turn-around on water leaks. A new information system to manage assets and their repairs was implemented. This should all assist to reduce water losses. |
| Material misstatement of supply chain management deviations was identified by the auditors in the submitted financial statements and was subsequently corrected. | This was corrected. |
| Monitoring and review controls were not functioning consistently throughout the year indicates that the system was unable to produce | The audit action team is to review its activities and actions to improve on in year supervision and reporting. Interim AFS are to be prepared per quarter. Management is to monitor that internal audit |

| | |
|---|---|
| annual financial statements that are free from material misstatements. | recommendations are implemented. Supply Chain Management is to improve on supervision and oversight of monthly activities to ensure that records are accurate and complete. |
| An in-house investigation relating to the dishonest conduct of staff members of the municipality is still underway. | The employee was suspended and a disciplinary process is currently underway. Procurement has since been removed from user departments and centralised at the SCM office. |
| T 6.2.1 | |

| Auditor-General Report on Service Delivery Performance: 2013/14 FY* | |
|--|-----------------------|
| Status of audit report | Clean |
| Non-Compliance Issues | Remedial Action Taken |
| No material findings were made on the usefulness and reliability of the reported performance information for the selected programmes | N/A. |
| T 6.2.2 | |

COMPONENT B: AUDITOR-GENERAL OPINION 2014/15 FY (CURRENT YEAR)

7.2 AUDITOR GENERAL REPORT 2014/15 FY

| Auditor-General Report on Financial Performance 2014/15 FY | |
|--|--|
| Status of audit report: | CLEAN |
| Non-Compliance Issues | Remedial Action Taken |
| Material losses: As disclosed in the AFS there were material water losses of 39.6% to the value of R53.9m incurred as a result of water distribution losses. | The JGDM will explore various funding mechanisms for the installation of bulk water meters and deal with all identified illegal connections. |
| T 7.2.1 | |

| Auditor-General Report on Service Delivery Performance: 2014/15 FY* | |
|--|-----------------------|
| Status of audit report | CLEAN |
| Non-Compliance Issues | Remedial Action Taken |
| None | None |
| T 6.2.2 | |

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets were returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

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|---|---|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give <i>“full and regular”</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>“what we do”</i> . |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual Report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved Budget | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial Statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General Key performance indicators | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of |

GLOSSARY

| | |
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| | outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings. |
| Integrated Development Plan (IDP) | Set out municipal goals and development plans. |
| National Key performance areas | <ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve". |
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| Performance Indicator | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output was achieved (policy developed, presentation delivered, service rendered) |
| Performance Information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance Standards: | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor. |
| Performance Targets: | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |

GLOSSARY

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|--|--|
| Service Delivery Budget Implementation Plan | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote: | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i> |

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

[to be inserted]

A majority of the Councillors attended more than 80% of Council meetings. In instances where meetings were not attended apologies were received and considered by Council as per the Standing Rules of Council.

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| Committees (other than Mayoral / Executive Committee) and Purposes of Committees* | |
|--|--|
| Municipal Committees | Purpose of Committee |
| Council Meeting | To develop mechanism to consult the community and community organisations in performing its functions and exercising its powers |
| Mayoral Committee | To report to the Municipal Council on all decisions taken by the committee. |
| Technical Services Standing Committee | To advise Mayoral on matters related to Technical Services |
| Community Service Standing Committee | To advise the Mayoral Committee on matters related to Community Services |
| Financial Services Standing Committee | To advise the Mayoral Committee on matters related to Financial Services |
| Corporate Services Standing Committees | To advise the Mayoral Committee on matters related to Corporate Services |
| Rules and Ethics Committee | To advise Council on matters related to Rules and Ethics |
| Strategic and Governance Committee | To advise Council on matters related to Strategic and Governance |
| Remuneration Committee | To advise Council on matters related to Remuneration |
| Mandate Committee | To give effect to Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005) and to give mandates to representatives of the District Municipality serving in the District IGR Forum |
| Top Management | To discuss administrative matters concerning each directorate |
| DIMAFO | To facilitate effective co-operation between municipalities in the Joe Gqabi District. Its main aim is to enhance integrated development and to consider priorities in the whole district. It is also aimed at effecting the constitutional imperatives relating to co-operative governance as enshrined in Chapter 3 of the Constitution. |

APPENDICES

| | |
|--|--|
| MPAC | To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report in the annual report. To perform any other functions assigned to it through a resolution of Council within its area of responsibility, excluding policy formulation or prioritization matters. |
| Audit Committee | To assist the Council by Evaluating the following: <ul style="list-style-type: none"> ▪ Financial Reporting process and accounting practices ▪ System of internal control ▪ Adequacy and effectiveness of internal risk management ▪ Internal and external audit process ▪ Process of monitoring compliance with laws and regulations ▪ Performance management ▪ Effective corporate governance |
| Broad Management | To discuss administrative matters concerning each Section and provide expect inputs in preparation of every meeting within the power of the institution |
| District Wide Corporate Services Working Group | To share good practices within Corporate Services Directorate in the District |
| Training Committee | To provide a consultative forum for Joe Gqabi District Municipality at which representatives of Management and Employee Representative bodies will be consulted by Management on the Skills Development process within Joe Gqabi District Municipality |
| Employment Equity Consultative Forum | To promote equality in the workplace, to promote the purpose and objectives of the Employment Equity Act; Employment Equity Policy Plan and Report, to ensure compliance with the purpose and objectives of these pieces of legislation, as well as Department of Labour policy and guidelines and to promote and monitor the implementation of Employment Equity activities and targets as specified in the plan. |
| IT Steering Committee | To facilitate and oversee the development of the institutions Information Technology systems and governance procedures in order to address the strategic information technology issues pertaining to the requirements of the institution. |
| Local Labour Forum | To negotiate and/or consulting on matters of mutual concern pertaining to the Workplace and which does |

APPENDICES

| | |
|--|---|
| | not form the subject matter of negotiations at the SALGBC or its Divisions. |
| | <i>T B</i> |

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|---------------------------------|---|
| Directorate | Director/Manager (State title and name) |
| Office of the Municipal Manager | COO: Ms N Mshumi |
| | Manager IGR and Communications: Mr G Gceya |
| | Manager Mainstreaming: Mr MP Dyantyi |
| | Manager Internal Audit: Ms A Mahamba |
| | Manager IDP and PMS: Mr T Phintshane |
| Community Services | Manager Environmental Health Services: Mr M Saule |
| Technical Services | Manager Water Services Authority: Mr H Christians |
| | Manager Water Services Provision: Mr D Lusawana |
| | Manager Disaster Rescue and Fire Services: Vacant |
| | Manager Roads: Mr L Labuschagnie |
| Corporate services | Manager Council Support: M L Matyesini |
| | Manager HR: Mr S Botha |
| | Manager Skills Development: Ms N Nelani |
| | Manager Legal Services: Ms N Libazi |
| | Manager IT: Mr L Gush |
| Finance | Manager Budget and Treasury: Vacant |
| | Manager Expenditure: Ms T Nqgongqwana |
| | Manager Supply Chain Management: Ms M Mlotywa |
| | Technical Expert: Ms S du Toit |
| | <i>T C</i> |

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal / Entity Functions | | |
|---|--|---|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 4, Part B functions: | | |
| Air pollution | Yes | No |
| Building regulations | No | No |
| Child care facilities | No | No |
| Electricity and gas reticulation | No | No |
| Firefighting services | Yes | No |
| Local tourism | Yes | No |
| Municipal airports | No | No |
| Municipal planning | Yes | No |
| Municipal health services | Yes | No |
| Municipal public transport | Yes | No |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | No | No |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No | No |
| Stormwater management systems in built-up areas | No | No |
| Trading regulations | No | No |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | Yes | No |
| Beaches and amusement facilities | No | No |
| Billboards and the display of advertisements in public places | No | No |
| Cemeteries, funeral parlours and crematoria | No | No |
| Cleansing | No | No |
| Control of public nuisances | No | No |

APPENDICES

| | | |
|--|----|----|
| Control of undertakings that sell liquor to the public | No | No |
| Facilities for the accommodation, care and burial of animals | No | No |
| Fencing and fences | No | No |
| Licensing of dogs | No | No |
| Licensing and control of undertakings that sell food to the public | No | No |
| Local amenities | No | No |
| Local sport facilities | No | No |
| Markets | No | No |
| Municipal abattoirs | No | No |
| Municipal parks and recreation | No | No |
| Municipal roads | No | No |
| Noise pollution | No | No |
| Pounds | No | No |
| Public places | No | No |
| Refuse removal, refuse dumps and solid waste disposal | No | No |
| Street trading | No | No |
| Street lighting | No | No |
| Traffic and parking | No | No |

APPENDIX E – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

| CONTRACT DESCRIPTION | CONTRACTOR / SERVICE PROVIDER/ SUPPLIER | END-USER / PROJECT MANAGER | ORIGINAL CONTRACT DURATION | COMMENCEMENT DATE | EXPIRY DATE | OROGINAL CONTRACT AMOUNT | EXTENSION PERIOD |
|---|---|----------------------------|----------------------------|-------------------|---|--------------------------|--|
| Finance System Support Agreement | Bytes Systems Integration (Pty) Ltd | Ms. N. Kilishe | 14 months | 01/09/2014 | 31/10/2015 | R 281 880.00 | N/A |
| Supply, delivery and maintenance of printers | NRG Office Solutions | Mr. L. Gush | 36 Months | 01/07/2010 | 30/06/2013 | R 845 665.00 | 01/07/2013-30/06/2016 |
| Dengwane village water reticulation | Amadwala Trading 363 cc | Mr. Z. Mduba | 15 Months | 13/05.2011 | 12/08/2012 Revised 14/12/2014 | R 6 983 825.71 | 12/08/2013 - 12/07/2013-28/02/2014 - 14/12/2014 (Approved Scope Change Order R2,862,831.95) |
| Gravity Main B | Dokose Construction | Mr. Z. Mduba | 15 Months | 23/02/2011 | Revised 30/05/2014 | R 4 962 556.00 | Variation order amounting to R3,764M approved |
| Tsekong village water reticulation | Zana Manzi Services | Mr. Z. Mduba | 15 Months | 26/01/2011 | Revised 30/05/2014 | R 5 184 432.09 | Extended |
| Upper and Lower Tokwana Water Reticulation | WSSA JV Zana Manzi | Mr. Z. Mduba | 20 Months | 26/01/2011 | Revised 30/05/2014 | R 9 347 289.07 | 31/07/2015 |
| Khwezi-Naledi Sanitation | Ngelethu Construction (Pty) Ltd | Mr. M. Mdemka | 9 Months | 03/05/2011 | Revised 10/12/2014 | R8,735,855.57 | 31/06/2015 |
| Provision of Banking services | ABSA Bank | Mrs. I. Tauber | 60 Months | 13/09/2011 | 12/09/2016 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Venterstad | Non Soso Construction | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Mount Fletcher | Umngcunube Trade and Investment | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |

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|---|--|------------------------|-----------|------------|----------------|----------------|--|
| Provision of Vacuum Tanking Services @ Burgersdorp | Algoa Plant Hire | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Maclear | Escay Catering& other services | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Jamestown | Amadwala Trading 363 CC | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Steynsburg | Ramalo Construction CC | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Sterkspruit | Eagle Ukhozi Transport cc | Mr. H. Christians | 36 Months | 01/09/2012 | 31/08/2015 | Rates based | N/A |
| Provision of Municipal Insurance | Lateral Unison Insurance Brokers (Pty) Ltd | Ms. Z. Ngcatsha | 36 Months | 01/09/2012 | 31/08/2015 | R 86 640.00 | N/A |
| Roads Assets Management Systems | Engineering Advice and Services (Pty) Ltd | Mr. G. J. Labuschagnie | 36 Months | 2012/03/01 | 29/02/2015 | R 7 260 951.24 | N/A |
| Provision of TCP/IP Network Links | Snowvalley Communications | Mr. L. Gush | 12 Months | 01/09/2012 | 31/08/2013 | R 163 590.00 | 21/12/2012-30/06/2014- |
| Provision of Security Services | Imbokotho Mkhonto Security Services | Mr. S. Scharnick | 3 Months | 01/09/2010 | 30/11/2010 | R 78 500.00 | 09/09/2010-31/05/2014 Extended 01/07/2014-30/09/2014-31/03/2015- 30-06/2015 01/07/2015-31/08/2015 |
| Loading of Franking Machine (Postage stamps) | FinTech Credifon Postage | Mr. S. Scharnick | 24 Months | 01/08/2000 | automatic ext. | Rates based | N/A |
| Fixed (Infrastructure) Asset Register Update and Asset Management Support | Aurecon South Africa (Pty) Ltd | Mr. R. Fortuin | 29 Months | 01/07/2012 | 30/11/2014 | R 2 475 000.00 | Extended to 30/11/2015 |
| Rental of Alarm Units and Monitoring System | Guardian Security | Mr. S. Scharnick | 12 Months | 2013/07/01 | 31/06/2014 | Rates based | 01/07/2012- 30-06-2015 - 31-01-2016 |
| Escalator Maintenance | Otis | Mr. S. Scharnick | 60 Months | 01/06/2011 | 31/05/2016 | Rates based | N/A |

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|---|---|---------------------|-----------|------------|------------|--|-----------------------------------|
| Payroll Administrator | Payday Software System (Pty) Ltd | CFO | 24 Months | 01/08/2011 | 31/07/2013 | Rates based | 31/07/2013-30/06/2015 |
| Hardware and Software | MWEB Business | Mr. L. Gush | 12 Months | 20/03/2009 | 19/03/2010 | Rates based | Automatic extension |
| Internet Connection Rental | Internet Solution | Mr. L. Gush | 6 Months | 20/04/2009 | 19/10/2009 | R4 750.00 per month | Automatic extension |
| Photocopy Leases | Panasonic Business System | Mr. L. Gush | 60 Months | 21/09/1998 | 20/09/2003 | Rates based | Automatic extension |
| Office Accommodation @ Christian Life Centre in Barky East | Christian Life Centre (CLC) | Ms. L. A. Matyesini | 24 Months | 2012/04/01 | 2014/03/31 | monthly rate plus L & W (Inc. yearly escalation) | 31/03/2015-31/03/2017 |
| Office Accommodation in Ugie | Francis Kotze | Ms. L. A. Matyesini | 36 Months | 2012/07/01 | 2015/06/30 | R 337 620.00 | 2017/03/31 |
| Senqu Local Municipality | Lease of offices and a strong room @ MPCC Building in Sterkspruit | Ms L.A Matyesini | 1 Year | 2011/04/01 | 2012/03/31 | Rates based | 01/04/2012-0/06/2014 - 30/06/2015 |
| Agency Agreement: Revenue Management Services | Gariep Local Municipality | CFO | 12 Months | 01/07/2013 | 30/06/2014 | Rates based | 2015/06/30 |
| Agency Agreement: Revenue Management Services | Elundini Local Municipality | CFO | 12 Months | 01/07/2013 | 30/06/2014 | Rates based | 2015/06/30 |
| Provision of personal dial up services (Analogue dial-up Unshaped ADSL) | POSIX | Mr. L. Gush | | 29/07/2008 | To date | R 225.00 | Automatic extension |
| Provision of Internal Audit Services including Information Technology and Forensic Audit expertise. | KPMG Services (Pty) Ltd | Ms. A. Mahamba | 36 Months | 20/01/2013 | 19/01/2016 | Rate based | N/A |
| Provision of cell phone contract for five (5) Traditional Leaders over a two (2) year period | MTN Service Provider (Pty) Ltd | COO | 24 Months | 2013/05/01 | 2015/04/30 | R481.23 per month | N/A |
| Implementation of the Rural Water and Sanitation Programme (RWSP). | The Mvula Trust | Mr. R. Fortuin | 60 Months | 01/03/2011 | 31/07/2016 | 12% of the total cost of the programme. | N/A |
| Supply and Delivery of Printed T-Shirts. | Sivuyile and Wonke Trading (Pty) Ltd | Mr. G. Naude | 36 Months | 01/05/2013 | 31/04/2016 | Rate based | N/A |
| Rental of Photo copy machine for Working for Water unit | Nashua East London | Mr. L. Gush | 60 Months | 2013/05/01 | 31/04/2018 | Rate based- R 750.00 | N/A |

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|--|---|------------------|-----------|------------|-------------------|--------------------|-------------------------|
| Supply and Delivery of Herbicides. | TC Cobbold t/a Wild Coast Chemicals | Mr. G. Naude | 36 Months | 01/07/2013 | 31/06/2016 | R 802 935.74 | N/A |
| Supply and Delivery of Sand, Stone and Gabion rock | Sejindustries (Pty) Ltd | Mr. G. Naude | 36 Months | 01/07/2013 | 31/06/2016 | R 559 205.80 | N/A |
| Supply, Installation and monitoring of the Altech Netstar tracking unit on Mayor's official vehicle. | Altech Netstar Fleet Solution (Pty) Ltd | Mr. S. Scharnick | 36 Months | 01/07/2013 | 31/06/2016 | R17 408.94 / annum | N/A |
| Review of JGDM's Water and Sanitation By-Laws. | Intengu Communications | Mr S. Lourens | 5 Months | 01/08/2013 | 31/06/2014 | R 199 272.00 | N/A |
| Provision of Legal Service Support. | Jonathan Clark Attorneys | Adv. P. Bikisha | 24 Months | 2013/08/01 | 2015/07/31 | Rate based | N/A |
| Provision of Security Alarm Services. | Leinko cc | Mr. S. Scharnick | 12 Months | 01/07/2013 | 30/06/2014 | Rate based | 01/07/2014 - 30/06/2017 |
| Supply and Delivery of Matresses, Gabions, Geo-Textile, Membrane, Geo-Mats, Bio-Mats and Multi-Cells | R56 Gateway Trading | G. Naude | 36 Months | 2013/11/01 | 2016/10/31 | Rates based | N/A |
| Appointment of a service provider to offer Financial Service support to Joe Gqabi DM | Pricewaterhouse Coopers | N. Cekiso | 36 Months | 2014/05/01 | 2017/04/30 | Rates based | N/A |
| Supply and delivery of Protective Clothing and Equipment | Isicebi Trading 1032 cc | S. Botha | 36 Months | 2014/09/01 | 2017/07/31 | Rates based | N/A |
| Bulk Water Services for Maclear 250 | Bunono Engineers Africa cc | Mr Z. Mduba | 5 Months | 2014/02/01 | 2014/06/30 | R 3 923 409.24 | N/A |
| Commissioning and connection of Toilets to Sewer Outfall Pipes – Steynsburg. | Swimming Fish Trading | T. Matikita | 6 Months | 2014/02/11 | 2014/08/11 | R 1 711 060.20 | 2015/03/31 |
| Commissioning and connection of Toilets to Sewer Outfall Pipes – Steynsburg. | Lwandisele Trading | T. Matikita | 6 Months | 2014/02/11 | 2014/08/11 | R 2 062 321.56 | 2015/03/31 |
| Commissioning and connection of Toilets to Sewer Outfall Pipes – Steynsburg. | DDX Builders | T. Matikita | 6 Months | 2014/02/11 | 2014/08/11 | R 2 236 998.06 | 2015/03/31 |

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|---|--|---------------|-----------|------------|------------|----------------|------------|
| Commissioning and connection of Toilets to Sewer Outfall Pipes – Steynsburg. | Amadwala Trading 363 cc | T. Matikita | 6 Months | 2014/02/11 | 2014/08/11 | R 2 392 621.74 | 2015/03/31 |
| Provision of Travel Agency | Lithaba Travels | N. Mlotywa | 24 Months | 2014/03/06 | 31/04/2016 | Rates based | N/A |
| Appointment of professional service provider for Sterkspruit Regional Waste Water Treatment Plant and associated Bulk Infrastructure. | Dibanani Consulting cc | T. Choudhury | 48 Months | 2014/07/23 | 2018/06/23 | R 8 711 951.25 | N/A |
| Review of Spatial Development Framework | Tshani Consulting cc | T. Phintshane | 6 Months | 2014/04/01 | 2014/09/30 | R 243 732.00 | 2015/06/30 |
| Supply and delivery of Fencing material | Rekhonne Trading & Construction | G. Naude | 12 Months | 2014/02/01 | 2015/01/31 | Rates based | N/A |
| Appointment of a service provider to offer company secretariat and legal service support | Mdledle Mkhize Vockerodt Incorporated | N. Cekiso | 24 Months | 2013/10/01 | 2015/09/30 | Rates based | N/A |
| LED Strategy Review | Bravoplex 559 cc t/a Umsimbithi Consulting | X. Mahali | 3 Months | 2014/05/22 | 2014/08/22 | R 180 000.00 | 2015/06/30 |
| S78 Assessment- Fire Services | Keith Roman and associates | F. Sephton | 6 Months | 2014/04/01 | 2014/10/31 | R 228 000.00 | N/A |
| Supply and Delivery of Tyres, Tubes and Flaps | Celeba cc t/a Hi-Q Aliwal North | U. Rozani | 3 Years | 2014/12/11 | 2017/12/11 | Rates based | N/A |
| Review of Water Service Development Plan for JGDM | Element Consulting Engineers (Pty) Ltd | B. Makhehle | 3 Years | 2015/01/01 | 2018/12/21 | Rates based | N/A |
| Supply and Delivery of Cutting Edge Grader Blades and Plough Bolts & Nuts | Universal Equipment (Pty) Ltd | U. Rozani | 2 Years | 2015/01/01 | 2017/12/31 | Rates based | N/A |
| Supply and Delivery of Consumables and Cleaning Material | Liz -Liz Landscaping (Pty) Ltd | L. Matyesini | 1 Year | 2014/12/01 | 31/11/2015 | Rates based | N/A |
| Provision of Vacuum Tanking Services @ Ugie | Aqua Transport & Plant Hire | D. Lusawana | 8 Months | 2015/04/13 | 2015/12/12 | Rate based | N/A |

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|--|---|--------------|-----------|------------|------------|-----------------|-----|
| Provision of Professional Services for Design and Construction Supervision of Maclear Bulk Sanitation Infrastructure Upgrade-Phase 4 | Gibb (PTY) LTD | Z. Mduba | 18 Months | 2015/05/01 | 2016/12/30 | R 1 797 922.15 | N/A |
| Provision of professional services for the design and construction supervision of Maclear water treatment and distribution upgrade | Gibb (PTY) LTD | Z. Mduba | 3 Years | 2015/05/01 | 2018/04/30 | R 5 391 262.67 | N/A |
| Construction of Bulk Sanitation Infrastructure Upgrade for Maclear: Upgrading of Waste Water Treatment Works Phase 3 | Amadwala Trading 363 cc | Z. Mduba | 15 Months | 2015/05/01 | 2015/08/31 | R 23 806 967.96 | N/A |
| Construction of Jamestown Budget Eradication and Sanitation Project Phase 2 Stage 2 (Pump Station) | Amadwala Trading 363 cc | M. Mdemka | 1 Year | 2015/05/01 | 2016/04/30 | R 18 510 767.40 | N/A |
| Supply and Delivery of Office Stationery | Mbuzone Investments Holding NRG Office Solutions Life Junkiez (PTY) Ltd | D. Van Wylk | 3 Years | 2015/04/02 | 2018/03/01 | Rates based | N/A |
| Jamestown Bucket Eradication Phase 2: Stage 2, Pipeline Sewers | Amadwala Trading 363 cc | M. Mdemka | 1 Year | 2015/05/01 | 2016/04/30 | R 12 020 082.82 | N/A |
| Provision of Security Services | Imbokotho Mkhonto Security Services | L. Matyesini | 3 Years | 2015/07/01 | 31/06/2015 | R 499 499 | N/A |

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APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

| NAME | DESCRIPTION OF FINANCIAL INTERESTS | DECLARED (YES/NO) |
|----------------------------|---|-----------------------|
| Baduza LS | Shares with Phuthumanathi | Yes |
| Dumzela ZI | None | Yes |
| Gova L | None | Yes |
| Hartkopf DF | None | Yes |
| Kwinana AP | None | Yes |
| Leteba SPMS | None | Yes |
| Mathetha NS | None | Yes |
| Mbana SE | None | Yes |
| Mbulawa VV | None | Yes |
| Mei S | None | Yes |
| Moni GM | None | Yes |
| Mosisidi I | None | Yes |
| Motloi XG | None | Yes |
| Mpelwane MW | None | Yes |
| Mphithi FN | Gugulam Trading Company | Yes |
| Mposelwa NP | None | Yes |
| Mvumvu DD | None | Yes |
| Mvunyiswa GS | None | Yes |
| Ngubo N | None | Yes |
| Notyeke T | None | Yes |
| Pili L | None | Yes |
| Salman B | None | Yes |
| Tokwe LM | None | Yes |
| Van Der Walt IH | None | Yes |
| SECTION 57 MANAGERS | | |
| Du Toit S | None | Yes (late submission) |
| Fortuin RJ | None | Yes |
| Jackson JM | Umqeku Consulting (Deregistered) Sakhingomso | No |
| Jantjie HZ | Positive Lectures (Deregistered) | Yes |
| Mshumi N | None | Yes (late submission) |
| Sephton FJ | Partnership with Janet Viedge | Yes |
| Williams ZA | None | Yes |

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APPENDIX G – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

| National and Provincial Outcomes for Local Government | | |
|---|--|---|
| Outcome/Output | Progress to date | Number or Percentage Achieved |
| Output: Improving access to basic services | Various initiatives were implemented by the District. The focus of the District is far as basic services are concerned include water, sanitation and municipal health services. AS per the performance report attached in this Annual Report, significant progress was made. However, challenges relating to the ageing bulk water services infrastructure which is about 50 years, the available budget is mainly utilised for operations and maintenance. More funding will be required to meet universal access. | 73%: Access to basic sanitation 67%: Access to water |
| Output: Implementation of the Community Work Programme | The District has prioritised implementation of community works programme. The Community Works Programme (CWP) is having a profound impact on the micro-economy of the District. The District is involved in facilitating implementation of the CWP programme as the actual implementation rests with other stakeholders. The District has previously implemented the programme in a number of wards in Senqu LM, Elundini LM and Maletswai local municipality. Lack of funding impedes further implementation of the programme | Significant progress achieved |
| Output: Deepen democracy through a refined Ward Committee model | The District is committed to deepening democracy within implementation of various programmes. These include implementation of Executive Mayor's community participation programme, various stakeholder and community participation fora. Community based programmes are implemented at ward level in partnership with the local municipalities. | Significant progress achieved |
| Output: Administrative and financial capability | The District financial management has significantly improved over the past years. The 2010/11, 2011/12, 2012/13 and 2013/14 financial years' audit reports were unqualified. This shows consistent good performance. A clean audit is now the focus of the District. | Unqualified audit opinions |

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APPENDIX H: REPORT OF THE AUDITOR GENERAL FOR THE YEAR ENDED 30 JUNE 2015

Report of the auditor-general to the Eastern Cape provincial legislature and the council of Joe Gqabi District Municipality

Report on the consolidated financial statements

Introduction

1. I have audited the consolidated and separate financial statements of Joe Gqabi District Municipality set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2015, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), 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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

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accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Joe Gqabi District Municipality and its municipal entity as at 30 June 2015 and their financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material losses

8. As disclosed in note 46 to the financial statements, material water losses of 39,6% to the value of R53.9 million were incurred as a result of water distribution losses.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express

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assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development objectives presented in the annual performance report of the Joe Gqabi District Municipality for the year ended 30 June 2015:
 - Strategic objective: Service Delivery and Infrastructure Provision (1) on pages 2 to 7
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPP)*.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected strategic objective.

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matter:

Achievement of planned targets

19. Refer to the annual performance report on page(s) x to x and x to x for information on the achievement of the planned targets for the year.

Compliance with legislation

20. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

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Internal control

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Anobla - yezal

East London

15 December 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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APPENDIX I: REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2015

REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE JOE GQABI DISTRICT MUNICIPALITY

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 Council. The Committee has adopted formal terms of reference, which are reviewed annually and approved by Council.

The Committee presents its report for the financial year ended 30 June 2015.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee's terms of reference requires a minimum of three members. In the year under review the Committee consisted of the members as indicated below. Six Audit Committee meetings were held in the year under review. In addition and as demanded by good corporate governance norms; separate exclusive meetings were held with the Auditor General as well as with the Head of Internal Audit. Internal Audit facilitates audit committee meetings and the Auditor General is a standing invitee at these meetings and generally attends the majority of them.

| Name of member | Number of meetings attended |
|--|------------------------------------|
| Mr Z Luswazi (Chairperson to April 2015) | 5 |
| Mr J Emslie (Chairperson from May 2015) | 6 |
| Mr P du Toit | 6 |
| Ms F Ntlemeza | 4 |

AUDIT COMMITTEE RESPONSIBILITY

The responsibility of the Audit Committee is governed by a combination of the MFMA, the Companies Act and King III Report on Corporate Governance, with the MFMA being the overriding legal authority.

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The overall responsibility of the Audit Committee is to perform 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. This annual report therefore is fulfilling the responsibility of this committee in accounting to the board on its legislated mandate. The adopted formal terms of reference of the committee are reviewed annually.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Municipalities internal controls are appraised during the year by Internal and External audit. The audit committee reviews the outcomes of these appraisals and the appropriateness of managements actions in response to weaknesses identified and provides recommendations thereon. Follow up audits are then conducted were applicable to ensure necessary matter has been addressed.

The drivers of internal control are Leadership; Financial and Performance management and Governance. The Auditor General reports that internal controls functioned appropriately and consistently throughout the year and this has contributed to a satisfying audit outcome.

Internal Audit consistently tabled value adding reports that amongst other achievements assisted management in improving the internal control environment on the performance management system as well as the management and control of irregular expenditure. Internal audit maintains a findings register to enable tracking of progress in any identified areas where improvement may be required.

INTERNAL AUDIT

Internal Audit continued to be effective in the year under review, wherein the unit executed and fulfilled its mandate as envisaged by Section 165 of the Municipal Finance Management Act encapsulated in the internal audit plan and the internal audit charter.

During the year the unit managed to carry out audits on, amongst others:

- Asset management - infrastructure assets
- Quarterly Internal Controls Assessment
- Review of annual financial statements and annual performance report
- Review of Audit Committee and Internal Audit Charters
- Controls review – billing, cash collection, debtor management
- Agency agreements
- Information and communication technology
- Service delivery – water quality controls and monitoring
- Auditing of the performance management process
- Fraud risk assessment
- Expenditure

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- Employee costs

RISK MANAGEMENT

Risk Management was considered to be effective at the District Municipality in the year under review.

ACCOUNTING POLICIES

Accounting policies adopted by the Municipality in the current year were in accordance with GRAP (Generally Recognised Accounting Practice) standards and where applicable, were in accordance with the IAS (International Accounting Standards). Accordingly, there were no audit findings on accounting policies.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee has reviewed and discussed the financial statements and predetermined objectives for 2014/2015 financial year with management.

During the review process of the financial statements the committee:

- Made enquiries into abnormal and significant transactions;
- Obtained reasonable explanations for variances between the financial statements and budgeted amounts;
- Reviewed any new or proposed legislation that may have an impact on policies, the financial statements and disclosure therein;
- Made enquiries into the adequacy, reliability and completeness of supporting information as supporting these financial statements

PERFORMANCE MANAGEMENT

There were no material findings on performance management and the institution achieved significant improvements in this area in the current year.

GOVERNANCE

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Governance at the Municipality for the year ended 30 June 2015 continued to be effective and accordingly there were no material audit findings on governance, neither from the Auditor General nor from Internal Audit.

COMPLIANCE WITH THE MFMA AND OTHER APPLICABLE LEGISLATION

No instances of material non-compliance with legislation were identified during the year under review.

CONCLUSION

We concur with and accept the opinion of the AGSA on the financial statements of the Municipality for the year ended 30 June 2015. The Municipality has received an outstanding audit outcome and our appreciation is expressed to all who contributed to this result.



Mr J Emslie CA(SA)

Audit Committee Chairperson

For and on behalf of the Audit Committee

21 January 2016

APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.