

CHAPTER THREE: 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 followed a resolutions taken at the Water Indaba held in 2012 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 thought the following projects:

Project Name	Description
Jamestown Bucket Eradication And Sanitation Phase 2. Stage .2 Pump Stations and Sewer Lines Contract	Upgrading of the Waste Water Treatment works, outfall sewer and connection of all houses to the sewer network
Steynsburg Waterborne Sanitation Phase 3	The project entails the construction of a new waste water treatment works, outfall sewers and the connection of all households to the sewer system. The existing ponds will be subsequently decommissioned and rehabilitated.
Sterkspruit: Upgrading Wtw And Bulk Lines	The scope of work involves the upgrade of the Sterkspruit Water Treatment Works (WTW), construction of a new 5Ml reservoir, upgrade Voyizana distribution pipeline and associated bulk distribution infrastructure
Lady Grey Bulk Water Supply Scheme	Upgrading of the water treatment works and storage facilities, as well as the development of a new bulk water source.
Khwezi-Naledi Sanitation	The construction of sewer and water pipes, 23 new toilet structures and replace 465 VIP toilets with flush toilets
Mt Fletcher Bulk Water Supply	Construction of 13,6km of primary gravity pipelines and 15,8 km of village reticulations and two reservoirs in Upper & Lower Tokwana
	Construction of 13,3 km of primary gravity pipelines and village reticulations with pipe diameters ranging from 32mm to 250mm in Tsekong Village.
	Construction of 12.2km ductile iron pipes ranging from 80mm to 250mm diameter. Gravity Main B

	The Contract involves construction of 5,7km of primary gravity pipelines and 7.3km village reticulations with pipe diameters ranging from 32mm to 250mm and Construction of 175kl reservoirs in Dengwane Village
Maclear Water Treatment and Distribution Upgrade : Turnkey project for the Provision of Bulk Water Services to Sonwabile Township Development in Maclear	Construction of water treatment plants, pump stations, storage facilities, bulk water supply lines.
Maclear Water Treatment and Distribution Upgrade	Civil Engineering Services for Maclear Water Treatment and Distribution Upgrade in the town of Maclear and surrounding townships of Elundini Local Municipality
Maclear Water Treatment and Distribution Upgrade – Emergency Work	Due to the drought in Maclear that occurred in December 2015 an emergency Water project had to be done where water is to be pumped from a gauging weir in Mooi river to Aucamp WTP.
Error! Reference source not found. : Upgrading of Maclear WWTW and construction of a new Bulk Sewage pump station.	Professional Services for Maclear BSI Upgrade - Phase 4: <ul style="list-style-type: none"> Plan, design and construction supervision of bulk sanitation upgrade and reticulation for the entire Maclear to waterborne sewerage system and connecting houses and businesses to the system
	Bulk Sanitation Infrastructure Upgrade for Maclear: Upgrading of WwTW (Phase 3)
Senqu Rural Sanitation Programme	The project entails the construction of VIP toilets in all Senqu rural villages.
Expansion of the Bulk Water Infrastructure of Ugie to Augment the Bulk Water Supply to Ugie and Maclear Supply	In Progress
Elundini Rural Sanitation Programme	The project entails the construction of VIP toilets in all Elundini rural villages.
Senqu Rural Water Programme	The project entails the provision of water to all villages in Senqu without any formal water supply.
Elundini Rural Water Programme	The project entails the provision of water to all villages in Elundini without any formal water supply.
Tsolobeng and Mpharane Project	The project entails the provision of water to Tsolobeng and Mpharane villages in Elundini. The project was divided to 9 contracts which were awarded to 9 Learner Contractors who had debts coming from the Vuk'uphile programme so the plan was for the debts to be settled out of these projects.

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.

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.

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.

3.1.4 LOCAL ECONOMIC DEVELOPMENT

During 2015/16 the Joe Gqabi Economic Development Agency (JoGEDA) went through an intensive strategic review, where strategic direction of the Agency was reviewed which resulted to the development of a clear, realistic and manageable targets for 2015/16 financial year. Projects were prioritised based on their state of readiness and the enabling environment for implementation, including financial resources available or may be leveraged to implement such projects.

The focus in this 2015/16 financial year was on the following:

- Establishment of more strategic partnerships with the state institutions and agencies to support JoGEDA with technical expertise.
- Sourcing of requisite funding and development of feasibility studies and viable business plan for identified catalytic projects.
- Ensuring that, at least one of the catalytic projects gets off the ground

The focus in this first half of 2015/16 financial year was on the establishment of strategic partnerships with institutions to provide technical and financial support. Such strategic partnerships will play a significant role in the implementation of the identified projects. Prioritised projects for 2015/16 financial year are as follows:

- Aliwal Spa
- Gariiep Middle income Housing development
- Maize Meat Hub
- Senqu Plastic Manufacturing
- Senqu Small Town Regeneration
- Elundini Middle Income Housing Development

Human and financial resources remain a challenge for the Agency. Vigorous fundraising efforts are required for the Agency to be financial sustainable. Efforts should also be made towards more staff compliments especially within project management. During the period under review, strategic partnerships have been established with various institutions namely:

- Centre for Scientific and Industrial Research (CSIR),
- National Department of Tourism (NDT),
- Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) DEDEAT,
- Rural Enterprise and Industrial Development (REID),
- National Agricultural Marketing Council (NAMC),
- Eastern Cape Development Corporation (ECDC).
- University of Stellenbosch (USB)
- ABSA Bank

Funding commitments have received for the development of feasibility studies, business plans and technical expertise. The Completion of Feasibility studies and business plans for the Aliwal Spa and Senqu Plastic is underway with the assistance of CSIR. The final completed business plan for Senqu Plastic was received in the fourth quarter of 2015/16 financial year and the agency is currently engaging with the industry experts to get the project off the ground. The final report for Aliwal Spa is still outstanding and is expected during the

first quarter of 2016/17 financial year. The delays experienced in receiving funds from the funders yielded unintended negative consequences on the implementation of the above mentioned projects.

The success of our vision will be dependent on a strong institutional and governance framework. The agency subscribes to principles of corporate governance through an effective board and audit committee that is meeting as planned. During 2015/16 financial year with the support of the parent municipality re-appointment of Board members whose contracts had lapsed was completed with success. There was also appointment of the new Board members. The new Board members and their contribution are strengthening the capacity of the Board. It is worth noting that during the 2015/16 financial year the Agency was nominated as a runner up in the inaugural 2014 Board of the year Awards hosted by the Black Management Forum.

3.1.5 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.

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 are plans to enhance inter-governmental relations between the District and PDMC.

CHAPTER 4 – SERVICE DELIVERY PERFORMANCE REPORT




COMPONENT K: PERFORMANCE SCORECARD

K1: PERFORMANCE SCORECARD: JOE GQABI DISTRICT MUNICIPALITY




SERVICE DELIVERY AND INFRASTRUCTURE PROVISION

KPA 1: Service Delivery and Infrastructure provision

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Provide universal access to basic services	SD01: Maintain and rehabilitate all water and sanitation infrastructure	SD01-01	% compliance with SANS 241 for drinking water quality per quarter as per BDS (outcome)	97%	92.9%	97%	93.4%	👉	Old and aging infrastructure that compromised consistent clean water distribution to consumers. Water demand management and water carting implemented to manage the drought situation negatively affected water quality	Implement District Wide Reservoir Cleaning and Pipe Flushing programme. Continue to lobby for funding to replace the old and Aging infrastructure and reservoirs.	WSP



Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
		SD01-02	Number of Blue Drops achieved (outcome)	2	Unknown	2	0		Report not yet released by DWS for the current year	Await results	WSP
		SD01-03	2016/17 FY WSDP approved by Council (LGAS) (Output)	Reviewed WSDP approved by Council	Reviewed WSDP approved by Council	2016/17 FY WSDP approved by Council	Approved by Mayco in June		The WSDP was approved by the Mayoral Committee as per delegations	To be tabled before the next ordinary Council meeting	Comms
	SD02-01	S78 to determine best mechanism for delivering fire services approved by Council (Output)	Approval of S78 by Council	Not achieved	S78 to determine best mechanism for delivering fire services approved by Council	S78 to determine best mechanism for delivering fire services was approved by Council		None	None	Comms	

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	SD03: Provide fire, emergency and rescue services	SD03-01	Ratio of fire incidents responded to as a proportion of entries in the Occurrence Book (Outcome)	01:01	01:01	01:01	01:01		None	None	Comms
		SD03-02	Disaster Risk Management Plan approved by Council (Input)	New Indicator	New Indicator	Disaster Risk Management Plan Approved by council	Approved by Mayco in June 2016		The WSDP was approved by the Mayoral Committee as per delegations	To be tabled before the next ordinary Council meeting	Comms
	SD04-01	SD04: Create and maintain stakeholder engagement initiatives to deal with service delivery challenges	Number of District Water Forum meetings held (Output)	2 meetings	2 meetings	2 meetings	1 meeting		Second meeting could not sit despite being convened more than once due to changes in the programmes of key stakeholders (including Councillors)	Continue to hold a Water Forum meeting after the election of new public representatives	Comms

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	SD05: Expand and fast-track the provision of universal access to water and sanitation	SD05-01	% of households earning less than R1100 per month with access to free basic services (water and sanitation) (NKPI) (Outcome)	100%	100%	100% of registered households (indigents)	100% of registered households (indigents)		None	None	Finance
		SD05-02	% of households with access to basic level of water (NKPI) (Outcome)	74.5%	72%	77%	78%		None	None	Comms
		SD05-03	% of households with access to a basic level of sanitation (NKPI) (Outcome)	82.5%	84%	89%	90%		None	None	Comms

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
SD06: Provide and improve the quality of municipal health services		SD05-04	Number of households provided with sanitation services in the current financial year(toilets)(outcome)	New indicator	New indicator	5000	6334	👍	The rural sanitation targets for the year have been achieved already (5000 planned and 6334 achieved for the year) and because there is no extra funds, the programme has slowed down in the last quarter	None. Target has been achieved	Technical Services
		SD05-05	Number of households provided with potable water service in the current financial year (output)	New indicator	New indicator	5000	5934	👍	Due to emerging service delivery demands there were budget extra allocations	None as the result is positive	Technical Services
	SD06-01	Number of inspections (visits) per quarter on each of the 13 urban waste sites (Output)	12 inspection per site	12 inspection per site	12 inspections per site	12.6 inspections per site	👍	Variance insignificant	None	Comms	

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
		SD06-02	Number of inspections in formal food premises undertaken to focusing on identified hotspots (Input)	204	177	204	229	👍	Drought issues affected water supply, received and re-inspections were undertaken	None	Comms
	SD07: Support rehabilitation of all road networks throughout the District	SD07-01	Number of kilometres of gravel roads graded per quarter as per the DRPW SLA (Outcome)	4000km	3150km	2800km	3321 km	👍	Due to remaining funds in the allocated budget additional roads were graded	None as the result is positive	Technical Services



Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Facilitate environmental management and conservation	SD08: Implement working for water and working for wetlands	SD08-01	% budget spent of the 2015/16 National FY allocation on implementation of Working for Wetland rehabilitation programme (Output)	100%	92%	100%	67.59%		Contract was only signed in mid Quarter 2. Wetter than normal Summer in Ugie delayed progress affecting access to site. Slow delivery of some goods affected rapid delivery due to a focus on drought management	Attempt to get the agreement signed earlier in the year.	Comms
		SD08-02	% budget spent of the 2015/16 National FY allocation of alien plants eradication programme (Working for Water) (Output)	100%	0%	100%	35.6%		Contract only signed in December 2015. All contractors were new. Slow delivery of some goods affected rapid delivery due to a focus on drought management	Attempt to get the agreement signed earlier in the year	Comms

KPA 2: Local Economic Development

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY 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 (NKPI) (Outcome)	2000	2290	2000 job opportunities created (capital projects)	2380 job opportunities created (capital project)	👍	The rural sanitation targets for the year have been exceeded by 380 jobs. This is positive.	None. Annual target have been reached	Technical Services
				1659	383	375 job opportunities created (Working for Water and Working for Wetlands)	2494 job opportunities created (Working for Water and Working for Wetlands)	👍	Only WFWetlands was operating during the quarter due to the contract not signed.	Review to increase annual target and engage WFW to improve future planning.	Comms
	LED02: Encourage improvement of access to government services in farming areas	LED02-01	Number of information sessions (on government) services held with farming communities (Outcome)	1	1	2	2	👍	None	None	OMM

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	LED03: Encourage and support initiatives geared towards mass job creation and sustainable livelihoods	LED03-01	Number of CWP Regional Management Committee stakeholders meetings held (Output)	New indicator	New indicator	4 meetings	4 meetings	👍	None	None	OMM
	LED04: Support and facilitate rural development and poverty alleviation programmes	LED04-01	Council approved Agri-park concept document submitted to DRDLA (Input)	New indicator	New indicator	Agri-park concept submitted to DRDLA	Agri-park concept was submitted to DRDLA	👍	None	None	OMM
	LED05: Facilitate and actively participate in youth development programmes	LED05-01	Number of business support meetings or/ engagements facilitated for social groups (woman, youth, disabled) (Output)	10	11	4	5	👍	Additional engagement was held due to the need to cover more groups.	None.	OMM




Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Facilitate and support regional economic development initiatives	LED06: Identify, support and implement economic development flagship and anchor projects	LED06-01	Number of funding proposals for the Aliwal Spa submitted to potential funders (Output)	New indicator	New indicator	1 funding proposal submitted to potential funders	1 funding proposal submitted to potential funders	👍	None	None	OMM
		LED06-02	Number of business plans on Elundini Middle Income Housing submitted to potential funders (Output)	New indicator	New indicator	1 business plan submitted to potential funders	Not achieved	👎	The land identified for the project was found not to be suitable for housing	Await allocation of a suitable land by Elundini Municipality	OMM
		LED06-03	LED Strategy review adopted by Council (Output)	LED Strategy reviewed and approved by Council	LED Strategy reviewed and approved by Council	LED Strategy review adopted by Council	LED Strategy was reviewed and approved by Council	👍	None	None	OMM

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Facilitate and support regional economic development initiatives	LED07: Facilitate and support local supplier development initiatives	LED07-01	Number of Suppliers Day held (Outcome)	4	4	4	4		None	None	OMM
	LED8: Participate and support initiatives geared towards revitalization of towns and settlements	LED08-01	Number of reports on the implementation of District Branding and marketing strategy (output)	2 reports	2 reports	2 reports	1 report		The report was not prepared as the communications team was more concerned with drought and water demand management	The report will be submitted in the first quarter of 2016/17 Financial Year.	OMM





KPA 3: Financial Viability and Management



STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	PAST PERFORMANCE		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Ensure effective financial management and reporting	FM01: Comply with all statutory financial reporting and management	FM01-01	% of a municipality's capital budget actually spent on capital projects identified for 2015/16 financial year in terms of the municipality's IDP (NKPI) (Outcome)	100%	104%	100%	100%	👍	None	None	Technical Services
		FM01-02	% of MIG Funding expenditure (Output)	100%	97%	100%	100%	👍	None	None	Technical Services
		FM01-03	% of tenders concluded and appointment letter issued- within tender validity period as advertised per quarter (Output)	100%	100%	100%	95.7%	👍	Due to Bid evaluations not completed and tender applicants not meeting minimum requirements of the tender	SCM Committees has been strengthened and compliance with scheduled meetings will be assured	Finance

STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	PAST PERFORMANCE		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
		FM01-04	Cost coverage ratio (NKPI) (Output)	2.2	1.03	2.02	1.08	👉	Cash and cash equivalents at year end is less than it was expected	Cost to be managed better	Finance
		FM01-05	% of budget actually spent on implementing workplace skills plan (NKPI) (Output)	100%	97%	100%	94%	👍	6% resulted from the invoices that were not paid at the date of reporting due to institutional cash flow challenges	Outstanding invoices will be paid as soon as the institutional cash flow issues are resolved	Corporate
		FM01-06	% budget spent on repairs and maintenance (Output)	100%	99%	100% of the 2% budget allocated for repairs and maintenance	63% of the 2% budget allocated for repairs and maintenance	👉	The repairs and maintenance was not necessary for the year under review which is positive	None	Finance

STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	PAST PERFORMANCE		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	FM02: Improve financial administrative capacity of the District	FM02-01	Debt coverage ratio (NKPI) (Output)	14	2.09	2.03	1.74		Operating revenue received was not as expected	Decrease finance charges and increase operating revenue	Finance
		FM02-02	% reduction in municipal debtors related to service charges (Output)	40%	-89%	10%	18%		The reduction in debtors increased due to more aggressive implementation of Debtors collection policy	None	Finance
		FM-02-03	Procurement Plan signed-off by the Accounting Officer by July 2015 (Output)	New indicator	New indicator	Procurement Plan signed-off by the Accounting Officer by July 2015	Procurement Plan signed-off by the Accounting Officer by July 2015		None	None	Finance

STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	PAST PERFORMANCE		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
		FM02-04	Annual Financial statements developed internally by August 2015 (Output)	New indicator	New indicator	Annual Financial statements developed internally by August 2015	Annual Financial statements developed internally by August 2015	👍	None	None	Finance
		FM02-05	Outstanding service debtors to revenue ratio (NKPI) (Outcome)	1.8	1.65	1.8	2.35	👍	None	None	Finance
		FM02-06	% of operational budget actually spent (Input)	100%	95%	100%	97%	👍	3% deficit is due to delays in signing of contracts and other operational delays	None as the variance is insignificant	Finance
		FM02-07	% improvement in debtors' collection rate (outcome)	New indicator	New indicator	15%	19%	👍	The positive results are due to improvement in debtors collection rate	None	Finance



STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	PAST PERFORMANCE		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
		FM02-08	% of consumer debtors (including arrear debtors) recovered (Outcome)	New indicator	New indicator	60%	10%		50% deficit is due to the high percentage of outstanding debtors from prior years.	Water restrictions will be implemented as per the policy going forward.	Finance
		FM02-09	Reviewed indigent register adopted by Council (Output)	New indicator	New indicator	Reviewed indigent register adopted by Council	Indigent list was reviewed for 2015/16 during June 2016		The report was not sent to Council by year-end	To be tabled before the first ordinary Council	Finance
	FM03: Implement anti-fraud and anti-corruption measures	FM03-01	Ratio of Fraud and corruption cases initiated within three months of being reported (Outcome)	New indicator	New indicator	01:01	01:01		None	None	Finance
		FM03-02	Number management workshops on Anti-Fraud and anti-corruption held (Input)	New indicator	New indicator	1 workshop held	1 workshop held		None	None	Finance

STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	PAST PERFORMANCE		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	FM04: Implement revenue enhancement strategy	FM04-01	2016/17 MTRF Budget approved by Council (Input)	2015/16 MTRF Budget approved by Council	2015/16 MTRF Budget approved by Council	2016/17 MTRF Budget approved by Council	2016/17 MTRF Budget approved by Council		None	None	Finance
	FM05: Ensure and maintain clean governance	FM05-01	Attain clean audit outcomes (audit of financial information) (Input)	Clean Audit	Clean Audit attained	Clean Audit	Unknown		None	None	Finance

KPA 4 Institutional Development and Transformation




Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Improve human resource capacity	ID01: Effectively empower and develop the Council's workforce	ID01-01	Number of people from employment equity target groups employed in the three highest levels of management in compliance with EEP (NKPI) (Outcome)	5	12	5	9	👍	4 appointments were as a result of staff resignations or terminations	New appointments will be aligned where possible with the set EE targets	Corporate
		ID01-02	Number of Councillors actually trained as per the training programme (Output)	28	28	27	27	👍	None	None	Corporate
		ID01-03	Number of staff who successfully complete Minimum Competency levels as per (MFMA) (Outcome)	5 new trained staff	7 new trained staff	20	20	👍	None	None	Corporate

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	ID03: Attract, retain and encourage skills transfer initiatives	ID03-01	Staff attraction and retention strategy reviewed and approved by council (Input)	New indicator	New indicator	Staff attraction and retention strategy reviewed and approved by council	Not achieved		Report not tabled before Council due to extended consultation requirements	To be tabled in the next ordinary Council meeting	Corporate
		ID03-02	Number of external trainee opportunities (internship, Work integrated learning , learnership) created (Outcome)	New indicator	New indicator	53	66		Extra external funding was received	None as the achievement is positive	Corporate
		ID03-03	Employee Satisfaction Survey conducted	New indicator	New indicator	Employee Satisfaction Survey conducted	Employee satisfaction survey was conducted		None	None	Corporate
	ID04: Maintain good working conditions for staff	ID04-01	Number of LLF meetings held (Outcome)	4 meetings	5 meetings	12 meetings	5 meetings		Scheduled meetings could not seat due to lack of quorum	Following the inauguration of the Council new members will be designated	Corporate

strategically utilise information technology, legal services and other internal services to provide	Ensure enhanced service delivery through efficient institutional arrangements	Strategic objective
ID07: Ensure legislative compliance and improved legal capacity of the District	ID06: Ensure that funded vacant posts are filled	Programme
ID07-01	ID06-01	KPI number
Ratio of legal cases litigated (Outcome)	Average time taken to fill a vacant post (Output)	Key performance indicator
01:01	3 months	Past performance 2014/15 FY Target
01:01	3 months	2014/15 FY Actual
01:01	3 months	Current period 2015/16 FY Target
01:01	3 months	2015/16 FY Actual
		Snapshot
None	None	Variance
None	None	Corrective action
Corporate	Corporate	Custodian

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	ID08: Strategically utilise ICT to improve government efficiency	ID08-01	IT governance Framework approved by Council (Input)	T Governance Framework reviewed and approved by council	Not achieved	IT governance Framework approved by Council	IT governance Framework was approved by Council	👍	None	None	OMM
Ensure integrated planning and performance management	ID09: Implement effective planning and reporting mechanisms	ID09-01	Number of Section 56 Managers including the Municipal Manager with signed performance agreements by July 2015 (Outcome)	New indicator	New indicator	5	5	👍	None	None	OMM
		ID09-02	Review performance management policy (output)	New indicator	New indicator	Reviewed performance management policy adopted by Council	Reviewed performance management policy adopted by Council	👍	None	None	OMM

KPA 5: Good Governance and Public Participation

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
Facilitate intergovernmental cooperation	GG01: Promote intergovernmental cooperation initiative	GG01-01	Number of DIMAFO meetings held (Outcome)	4 meetings	4 meetings	4 meetings	No meeting held		There has been a difficult for these meetings to sit due the non availability of the members resulting to the quorum not being formed	The number of the meetings will be reduced and focus on necessary interventions	OMM
		GG01-02	2016/17 FY IDP approved by Council (Input)	IDP reviewed and adopted by council	IDP reviewed and adopted by council	2016/17 IDP reviewed and approved by Council	2016/17 IDP reviewed and approved by Council		None	None	OMM
ate effectively with communities and effective communications with communities		GG02-01	Number of Council meetings held (Outcome)	7 meetings	11 meetings	9 meetings	9 meetings		None	None	OMM

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
0303: Work closely with traditional leadership structures in the implementation of rural development programmes		GG02-02	Community satisfaction survey conducted (Output)	New indicator	New indicator	Community Satisfaction Survey conducted	Community Satisfaction Survey conducted	👍	None	None	OMM
		GG02-03	Number of service delivery related information sessions to inform the community held in each local municipality (excluding Outreach Programme) (Output)	New indicator	New indicator	2 community engagement sessions held in each local municipality (excluding Outreach Programme)	2 community engagement sessions were held in three local municipalities, and only 1 meeting in Senqu LM	👉	The other planned meeting was not held due to the start of the Outreach programme held in Senqu in May –June 2016.	None as all local municipalities were reached by the Executive Mayor	OMM
	GG03-01	Number of traditional leaders forum meetings held (Output)	2	2	4 meetings	4 meetings	👍	None	None	OMM	

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	GG04: Strengthen internal communications	GG04-01	Review Communications Plan (Output)	Communications Plan reviewed and approved by council	Communications Plan reviewed and approved by council	Reviewed Communications Plan approved by Council	Reviewed Communications Plan approved by Council	👍	None	None	OMM
Ensure integrated planning and performance management	GG05: Establish and support municipal oversight systems, mechanisms and processes	GG05-01	Number of Joe Gqabi Municipal Public Accounts Committee (MPAC) meetings held (Output)	4	4	4 meetings	4 meetings	👍	None	None	OMM
		GG05-02	2014/15 FY Annual Report approved by Council (Input)	Annual report prepared	Annual report was prepared	2014/15 FY Annual Report approved by Council	2014/15 FY Annual Report approved by Council	👍	None	None	OMM

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
		GG05-03	Oversight Report on the 2014/15 FY Annual Report adopted by Council (Output)	New indicator	New indicator	Oversight Report on the 2014/15 FY Annual Report adopted by Council	Oversight Report on the 2014/15 FY Annual Report adopted by Council	👍	None	None	OMM
		GG05-04	Number of Audit and Performance Committee meetings held (Outcome)	4	4	6 meetings	6 meetings	👍	None	None	OMM
		GG05-05	Number of quarterly institutional performance reports tabled before Council per quarter (Output)	4 Quarterly SDBIP Reports	4 Quarterly SDBIP Reports	4	4	👍	None	None	OMM
		GG06-01	Number of District AIDS Council meetings held (Outcome)	4 meetings	4 meetings	4 meetings	4 meetings	👍	None	None	OMM

Strategic objective	Programme	KPI number	Key performance indicator	Past performance		Current period		Snapshot	Variance	Corrective Action	Custodian
				2014/15 FY Target	2014/15 FY Actual	2015/16 FY Target	2015/16 FY Actual				
	GG07: Facilitate Implementation of programmes supporting the special groups (SPU)	GG07-01	Annual District Mayoral Cup held (Outcome)	1	1	Annual District Mayoral Cup held	Annual District Mayoral Cup held	👍	None	None	OMM

K1A: THREE YEAR CAPITAL WORKS PLAN

PROJECT NUMBER	PROJECT NAME	LM	SOURCE OF FUNDING	BUDGET IMPLICATION	Projected Expenditure for 2015/2016 (Incl. VAT)	Projected Expenditure for 2016/2017 (Incl. VAT)	Projected Expenditure for 2017/2018 (Incl. VAT)
TBA	Ugie Bulk Water Infrastructure Phase 2	Elundini	MIG	CAPITAL	R 2 000 000	R 5 000 000	R 8 000 000
MIG/EC670	Ugie Sanitation Infrastructure	Elundini	MIG	CAPITAL	R 7 000 000	R 5 000 000	R 5 000 000
MIG/EC1211	Mt Fletcher Villages - Bulk Water Supply Scheme	Elundini	MIG	CAPITAL	R 7 500 000	R 5 000 000	R 5 000 000
MIG/EC1126	Sterkspruit: Upgrading of WTW and Bulk Lines	Senqu	MIG	CAPITAL	R 12 000 000	R 10 000 000	R 10 000 000
MIG/EC20110052	Senqu Rural Sanitation Programme	Senqu	MIG	OPERATIONAL	R 25 000 000	R 25 000 000	R 10 000 000
EC2012012	Senqu Rural Water Programme	Senqu	MIG	CAPITAL	R 19 000 000	R 20 000 000	R 25 000 000
MIG/EC20100001	Elundini Rural Sanitation Programme	Elundini	MIG	OPERATIONAL	R 25 000 000	R 20 000 000	R 20 000 000
EC20110081	Elundini Rural Water Programme	Elundini	MIG	CAPITAL	R 20 000 000	R 20 000 000	R 20 000 000
MIG/EC4084	Steynsburg Waterborne Sanitation PHASE 3	Gariep	MIG	CAPITAL	R 14 270 000	R 0	R 0
EC20100004	Jamestown sanitation Phase 2	Maletswai	MIG	CAPITAL	R 10 000 000	R 10 000 000	R 15 000 000
EC2012142	Maclear Upgrading of Bulk Water Services	Elundini	MIG	CAPITAL	R 5 000 000	R 10 000 000	R 10 000 000
EC2012141	Maclear Upgrading of Bulk Sanitation	Elundini	MIG	CAPITAL	R 15 000 000	R 10 000 000	R 10 000 000
TBA	Mt. Fletcher Town Sanitation Infrastructure Upgrade	Elundini	MIG	CAPITAL	R 200 000	R 5 000 000	R 10 000 000
TBA	Mt. Fletcher Town Water Infrastructure Upgrade	Elundini	MIG	CAPITAL	R 200 000	R 5 000 000	R 11 867 000
TBA	Sterkspruit 73 sites sanitation	Senqu	MIG	CAPITAL	R 7 000 000	R 4 712 000	R 4 000 000
EC20100001	Ukhahlamba Planning Studies	District wide	MIG	CAPITAL	R 600 000	R 1 000 000	R 1 000 000
ZEC059	District WCDM Project	District Wide	MWIG	OPERATIONAL	R 25 011 000	R 7 328 000	R 7 731 000

	Sterkspruit WTW Refurbishment	Senqu	DWA	CAPITAL	R 5 000 000	R 10 000 000	R 12 000 000
	Elundini rural sanitation	Elundini	DHS	OPERATIONAL	R 0	R 4 500 000	R 4 745 000
	Construction of a weir and associated pipeline length of 11km to convey water to the existing Lady Grey Dam	Senqu	Prov Treasury	CAPITAL	R 3 000 000	R 0	R 0
	Lady Grey - Construction of a new reservoir of minimum of 72 hour storage capacity	Senqu	Prov Treasury	CAPITAL	R 5 000 000	R 0	R 0
	Lady Grey - Development of boreholes and connection into the new reservoir	Senqu	Prov Treasury	CAPITAL	R 2 000 000	R 0	R 0
	Lady Grey - Partial construction of a new dam as long term solution and associated pumping mains to the WTW	Senqu	Prov Treasury	CAPITAL	R 0	R 40 000 000	R 25 000 000
	Burgersdorp - Replacement of aging mains with pipeline of suitable modern material	Gariep	Prov Treasury	CAPITAL	R 10 000 000	R 0	R 0
	Burgersdorp - Development of groundwater sources (boreholes) and associated civil works to connect to the existing infrastructure	Gariep	Prov Treasury	CAPITAL	R 5 000 000	R 0	R 0
	Burgersdorp - Construction of a new reservoir for a required minimum storage of 48 hours	Gariep	Prov Treasury	CAPITAL	R 5 000 000	R 0	R 0
	Burgersdorp - Construction of potable water supply pipeline from Steynsburg Water Treatment Works to Burgersdorp	Gariep	Prov Treasury	CAPITAL	R 0	R 40 000 000	R 25 000 000
	Burgersdorp - Basic refurbishment of JL de Bruin Dam	Gariep	Prov Treasury	CAPITAL	R 2 000 000	R 0	R 0
	Steynsburg - Connection of new development in the upper section of the town to the existing water supply	Gariep	Prov Treasury	CAPITAL	R 5 000 000	R 0	R 0

	system (the new WTW)						
	Aliwal North - Upgrade of the Springs-Nursery Sewer Pump station and Abberview –Nursery Pumpstation outfall sewers	Maletswai	Prov Treasury	CAPITAL	R 9 000 000	R 0	R 0
	Aliwal North - Upgrade of the Nursery Pumpstation	Maletswai	Prov Treasury	CAPITAL	R 6 000 000	R 0	R 0
	Aliwal North - Upgrade of the Nursery pumpstation to Polar Park Sewer Pumpstation sewer pumping line	Maletswai	Prov Treasury	CAPITAL	R 6 000 000	R 0	R 0
	Aliwal North - Upgrade of the Polar Park Sewer Pumpstation pumping capacity	Maletswai	Prov Treasury	CAPITAL	R 6 000 000	R 0	R 0
	Aliwal North - Upgrade of the sewer gravity line from Polar Park to Waste Water Treatment Works	Maletswai	Prov Treasury	CAPITAL	R 6 000 000	R 0	R 0

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

SECTION 2.2 –TARGETS AND PERFORMANCE INDICATORS



JOE GQABI ECONOMIC DEVELOPMENT AGENCY

ANNUAL PERFORMANCE REPORT

● =Target achieved at 100%; ● = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed

Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual					
1.1 To enhance economic development and investment into the region	1.1.1	Alwal Spa	Number of strategic partnerships for technical support established	Feasibility study and business plan completed in 2014	2	R 500 000.00		0		0	Signed Partnership Agreement	●	Business Plan not obtained in time due to delays experienced in receiving funds and therefore the Agency could not secure any partnership.	Engagements with NDT are made to assist as Business Plan is being finalised for 2016/17	Chief Executive Officer
	1.1.2		Number of investor secured to operate the Alwal Spa		1					0	Contract signed or partnership agreement.	●	Partnership with a possible investor could not be achieved due to the investor pulling out of the deal because of the continued delays in the project as a result of the amalgamation between Gariep and Maletswai Municipality.	Obtain a Business Plan then a funding proposal will be submitted to various investors for the operation of the entire facility.	Chief Executive Officer
	1.1.3		Number of funding proposals developed and approved by the Board.		1		0	Funding Proposal	●	The Business Plan is almost completed by CSIR but will not be released to the Agency due to outstanding fees.	Once the CSIR report is made available, a funding proposal will be forwarded to the Board for approval.	Analyst/ Project Managers			
	1.1.4		Number of catalytic projects' infrastructure construction phase started (launched)		1			1	Implementing agent progress report	●	The Project Was Launch in November and it is still on construction. The Initial project completion date was the 3rd of June 2016 but due to challenges onsite, it has now been extended to end on the 24th of August 2016.	Presented to the DIC and the board for noting.	Analyst/ Project Managers		
	1.1.5		Number of tourism precinct plan developed around the Alwal Spa		1			0	Tourism Precinct Map	●	Draft Precinct map is in place. Delay to finalised the map are due to lack of reliable GIS information.	JGDM LED - Tourism , JGDM-GIS and JoGEDA have developed draft precinct plan which is to be finalised before end of Aug 2016.	Analyst/ Project Managers		

● = Target achieved at 100%; ○ = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed

Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person	
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual						
1.1 To enhance economic development and investment into the region	1.1.6	Elundini Middle Income Housing	Number of feasibility study approved by the board		1				0		Feasibility Study	●	The high level report submitted to ELM highlights a number of challenges with the land given to the Agency and the council resolution is also not aligned with the industry norms. The council resolution grants the Agency long term lease of the site which has negative cause of reaction in terms of middle income housing development. The land challenge is that it is sloping, it has no bulk infrastructure, EIA is not done, Township Establishment is not done, etc. which therefore means it will take approximately 5 years minimum for the site to be ready for development.	To obtain an alternative land from ELM and a council resolution which is aligned with the property industry norm granting the agency rights to source partnership within the industry.	Analyst/ Project Managers	
	1.1.7		Number of business plans approved by the board.	Feasibility Stage 1 Report completed in 2013	1	R	570 000.00				0	Business Plan	●	The high level report submitted to ELM highlights a number of challenges with the land given to the Agency and the council resolution is also not aligned with the industry norms. The council resolution grants the Agency long term lease of the site which has negative cause of reaction in terms of middle income housing development. The land challenge is that it is sloping, it has no bulk infrastructure, EIA is not done, Township Establishment is not done, etc. which therefore means it will take approximately 5 years minimum for the site to be ready for development.	To obtain an alternative land from ELM and a council resolution which is aligned with the property industry norm granting the agency rights to source partnership within the industry.	Analyst/ Project Managers
	1.1.8		Number of funding concept/Proposal approved by the board.		1						0	Funding Proposal	●	Once the Business Plan and the Feasibility study report is completed, the agency will formulate a funding proposal for approval to the board. The delay experienced are due to reason that KPI No. 1.1.6 and 1.1.7 is still outstanding.	Re-evaluate the effectiveness of the Council resolution to be aligned with the property industry norms. Once the report is available, a funding proposal will be forwarded to the Board for approval.	Analyst/ Project Managers
1.1 To enhance economic development and investment into the region	1.1.9	Gariep Middle Income Housing	Number of developers/consortium solicited for the development of the Gariep Middle Income Housing Project	Feasibility Stage 1 report completed in 2013	1	R	100 000.00		0		Board Resolution	★	The unavailability of a council resolution giving the Agency developmental rights over the designated land has slowed down the progress significantly	The project will have to be placed on hold until the council resolution is obtained.	Analyst/ Project Managers	

● = Target achieved at 100%;
 ● = Target partially achieved at 50% - 99%;
 ● = Target not achieved at less than 0%
 ★ = Target removed

Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual					
1.1 To enhance economic development and investment into the region	1.1.10	Maize Meat Hub	Number of business model approved by the Board for the commercialisation of the catalytic model.	Business Plan completed in 2014	1	R 50 000.00	1				Business Plan and Model has been presented to the board for noting .	●	Achieved	None	Analyst / Project Manager
	1.1.11		Number of partnership agreements signed with commercial enterprises in the maize meat chain		3			0	0	0	Partnership Agreement	●	The public participation process needs to happen before we can engage with possible partners in the red meat value chain. Lack of funds is the result of delay regarding the public participation,	Management will leverage partnership with stakeholders to expedite the coordination of the public participation process .	Analyst / Project Manager
	1.1.12		Number of Special Purpose Vehicle (SPV) established		1				0	Memorandum of incorporation for a new company.	●	Establishment of SPV could not be achieved because KPI No. 1.1.11 is not yet achieved.	Obtaining project plans from Department of rural development and Land Reformed.	Analyst / Project Manager	
	1.1.13		Number of agreements signed with the identified communities		1				0	SLA	●	Agreements with identified communities will be done once KPI No. 1.1.10, 1.1.11 & 1.1.12 have been completed,	Depends on the mentioned KPIs in order for social facilitation to be implemented and agreements signed with the communities.	Analyst / Project Manager	

● = Target achieved at 100%; ● = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed															
Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual					
1.1 To enhance economic development and investment into the region	1.1.14	Senqu Plastic	Number of Business model for the commercialisation of senqu plastic approved by the board		1	R 400 000.00				1	Business Plan	●	Achieved	None	Analyst/ Project Manager
	1.1.15		Number of investors solicited for the operations of the project		1				0	SLA	●	The business plan was only received on the 30 June 2016 and this is due to the experienced delays from the project funders which resulted in the Agency to obtain the document later than initially anticipated.	Now that the Business plan is received, then the interactions between the Agency and possible partners has resumed.	Analyst/ Project Manager	
	1.1.16		Number of funding proposals developed and approved by the board.	Feasibility study report and Business plan completed in 2014	3			0	0	0	Funding Proposal	●	The business plan was only received on the 30 June 2016 and this is due to the experienced delays from the project funders which resulted in the Agency to obtain the document later than initially anticipated.	Now that the Business Plan is received, a funding proposal will be submitted to the board for approval then it will be submitted to various financiers .	Analyst/ Project Manager
	1.1.17		Number of agreements signed with the identified communities/beneficiaries		1					0	SLA	●	The number of signed agreements with identified communities or beneficiaries depends on the completion of the KPI No. 1.1.15 (SLA with an Investor) & KPI 1.1.16 (Funding Proposal).	Depends on the mentioned KPI's in order for agreements to be signed with communities or beneficiaries.	Analyst/ Project Manager

● = Target achieved at 100%; ● = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed ● = Not Applicable																
Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person	
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual						
1.1 To enhance economic development and investment into the region	1.1.18	Senqu Small Town Regeneration	Number of viable projects identified for the implementation from Senqu Small town regeneration strategy approved.		1		1				Senqu Small Town Regeneration Strategy	●	Achieved	None	Analys/ Project manager	
	1.1.19		Number of strategic partnerships for technical support established.		1				0	SLA with prospective partner	●	The delay experience is due to the reason that Senqu LM has been trying to get back land that has been erroneously transferred to Public Works and some of these land have been committed to the agency.	An application for various land parcels committed to the agency will be submitted to the office of the MM. Once the land have been fully transferred back to Senqu Local Municipality and a council resolution over the even is given to the agency then the agency will leverage partnership for technical support.	Chief Executive Officer		
	1.1.20		Number of feasibility studies developed and approved by the board.	Feasibility study report completed in 2013	1	R	300 000.00				0	Feasibilit Study	●	The delay experience is due to the reason that Senqu LM has been trying to get back land that has been erroneously transferred to Public Works and some of these land have been committed to the agency.	An application for various land parcels committed to the agency will be submitted to the office of the MM. Once the land have been fully transferred back to Senqu Local Municipality then the agency will conduct a feasibility study and it will be submitted to the board for approval .	Analys/ Project manager
	1.1.21		Number of business plans developed and approved by the Board.		1						0	Business Plan	●	The delay experience is due to the reason that Senqu LM has been trying to get back land that has been erroneously transferred to Public Works and some of these land have been committed to the agency.	An application for various land parcels committed to the agency will be submitted to the office of the MM. Once the land have been fully transferred back to Senqu Local Municipality then the agency will conduct a business plan and it will be submitted to the board for approval .	Analys/ Project manager
	1.1.22		Number of funding proposals developed and approved by the Board.		1						0	Funding Proposal	●	The delay experience is due to the reason that Senqu LM has been trying to get back land that has been erroneously transferred to Public Works and some of these land have been committed to the agency.	Once the business plan and feasibility report is made available, a funding proposal will be forwarded to the Board for approval.	Analys/ Project manager

● = Target achieved at 100%; ● = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed																
Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person	
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual						
To enhance economic development and investment into region	1.1.23	Bridging the skills divide	Number of skills development plan/Strategy developed and approved by the board		1	R	150 000.00		1			Skills development Plan	●	Achieved	None	Analyst/Project Manager
	1.1.24		Number of signed agreement with stakeholders for skills development within the district.	New Targets	4						2	Partnership Agreements	●	The Agency has strategic functional relationship with ECDC and DEDEAT. We are currently in process of formalising through a SLA.	Management and external stakeholders to expedite the completion and signing of SLAs.	Analyst/Project Manager
	1.1.25		Number of funding proposal developed approved by the board and submitted to SET As.	New Targets	2						0	0	Funding Proposal	●	Engagements between the Agency and SET As took longer in order to conclude SLA and working arrangements.	The Agency is currently concluding arrangements with the energy SETA and services SETA
1.1 To enhance economic development and investment into the region	1.1.26	Trade and investment promotion	Number of investment prospectus developed	Investment Prospectus - 2013	1	R	50 000.00			0		Investment Prospectus	●	Draft is to be updated and printed.	SCM processes to be expedited for printing	Analyst/Project Manager
	1.1.27		Number of engagements to strengthen the relationships with the business associations	New Targets	4					0		2	SLA and meeting attendance registers	●	The Agency has strategic functional relationship with ECDC and DEDEAT. We are currently in process of formalising through a SLA.	Management and external stakeholders to expedite the completion and signing of SLAs.

● = Target achieved at 100%; ○ = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed

Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person			
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual								
2.1: To develop institutional capacity and internal systems enabling strategy implementation 2.2: To build a culture of organisational performance and excellence	2.1.1	Not Linked to any project	Approved (Reviewed) Organisational Structure aligned to the mandate of JoGEDA	Organisational Structure	1	R 3 579 020.49				1	Approved Organogram	●	Achieved	None	Chief Executive Officer			
	2.1.2		% of Job profiles for all position are completed by management.	New Targets	100%					100%	Task grading report	●	Achieved	None	Chief Executive Officer			
	2.1.3		% of approved funded positions filled in the approved organogram	Organisational Structure	100%					100%	Appointment Letters/Staff contracts	●	Achieved	None	Chief Executive Officer			
	2.2.1		Number of performance management system approved by the board.	Performance Management Policy	1					1	Performance Management Policy	●	Achieved	None	Chief Executive Officer			
	2.2.2		% of performance agreements signed annually	Performance Management Policy	100%					100%	Performance Contracts	●	Achieved	None	Chief Executive Officer			
	2.2.3		Number of performance evaluation performed quarterly.	Performance Management Policy	4					1	1	1	1	PMS Quarterly Review	●	Achieved	None	Chief Executive Officer
	2.2.4		Number of performance management reports submitted quarterly.	2014/15 performance reports.	4					1	1	1	1	Performance Management Report	●	Achieved	None	Chief Executive Officer
	2.2.5		% of organisational performance targets achieved.	2014/15 Annual Report	atleast 80%								60%	2014/15 Annual Report	●	Reasons for Variance are noted in the Annual report	Improve on those targets that were not achieved as per Annual report	Chief Executive Officer

● = Target achieved at 100%; ◐ = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed

Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person	
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual						
3.1 To ensure effective corporate governance procedures.	3.1.1	Not Linked to any project	Number of Board (and Board committees) effectiveness assessment completed annually.	Board Assessment Report	1	R 349 021.00				0	Assessment Report	●	Assessment report is almost finalised by PWC the submitted to the Agency	Management to expedite the process of facilitating the board assessments	Chief Executive Officer/Company Secretary	
	3.1.2		Number of board reports submitted timeously (7 days before meetings) to Board and less than 10% rejection rate for substantive matters.	Minutes of Board meetings - 2014	4		1	1	1	1	Company Secretary Report	◐	Achieved	None		
	3.1.3		% compliance with the "Compliance Universe" of JoGEDA based on compliance register.	Draft Compliance Universe	100%		100%	100%	100%	100%	Compliance register or company secretary report	◐	At this stage only a Draft Compliance Universe is in place, due to costs constraints.	Compliance Calender is currently utilised.		
	3.1.4		Number of organisational policies reviewed annually	Organisational Policies	1					1		Extract of the Board Meeting Minutes.	◐	Achieved	None	Chief Executive Officer / Finance Manager
	3.1.5		Number of Annual General Meetings Held	Minutes of previous AGM	1					1		Minutes of the AGM	◐	Achieved	None	
	3.1.6		Number of risk management plan approved and implemented.	2014/15 Risk Register	1						1	Risk Register 2015/16	◐	Achieved	None	
	3.1.7		Number of Unqualified Audit Opinion obtained for 2014/15.	AG Report for 2013/14	1					1		Auditor General's Report 2014/15	◐	Achieved	None	

● = Target achieved at 100%; ○ = Target partially achieved at 50% - 99%; ● = Target not achieved at less than 0% ★ = Target removed

Strategic Objective	KPI (No.)	Projects	Specific Deliverable (KPI)	Baseline	Annual Targets	Budget	Quarterly Targets				Audit Evidence	Snap shot	Reasons for Variance	Mitigation Measures	Responsible Person	
							Qrt 1 Actual	Qrt 2 Actual	Qrt 3 Actual	Qrt 4 Actual						
3.1: To ensure effective corporate governance procedures 3.2: To ensure financial sustainability	3.1.8	Not Linked to any project	% of previous Audit findings that have been resolved.	AG Report	100%					100%	Audit Action Plan	●	Audit Plan items are continuously monitored even though it has to be measured in quarter 4.	None	Chief Executive Officer / Finance Manager	
	3.2.1		Number of annual budget approved and submitted to JGDM.	2014/15 Annual Budget	1	-				1	Proof of submissions, e-mails or confirmation correspondence	●	Achieved	None		
	3.2.2		Number of monthly budget statement complete and submitted to JGDM and chairperson of the	Monthly Budget Statement for 2014/15	12			3	3	3	3	Proof of submissions, e-mails	●	Achieved		None
	3.2.3		Number of Financial Statements prepared and submitted (Quarterly and Annually)	2013/14 Financial Statements	4			1	1	1	1	AFS, proof of submission, e-mails.	●	Achieved		None
	3.2.4		% additional funding raised(over baseline)	IDC Funding	20%						50%	Funders letter of commitments/ SLAs	●	The budget for financial year 2015/16 was R8,706,517.00. Funding raised from external stakeholder namely being IDC, ECDC and DEDEAT have contributed R 3 million, R 556,960.00 and R800 000.00 respectively.		None

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	21 510	5000 households	5934	78%
Percentage of indigent households with access to free basic potable water	97 775	0% of registered indigents	100% of registered indigents	100% of registered indigents	100% of registered indigents
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	10 755	5 000 households	6 338	126%
Percentage of households using buckets					
Percentage of households with access to sanitation services	97 775	10 755	89%	6 334	90%

Percentage of indigent households with access to free basic sanitation services	100% (where there is access and registration has occurred)	100% (where there is access and registration has occurred)	100% (where there is access and registration has occurred)	100% (where there is access and registration has occurred)	100% (where there 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.	100%	100%	100%
Number of LED stakeholder forum held	4	6	6
Number of funding applications submitted for cooperatives and SMMEs (outcome) Percentage of SMME that have benefited from a SMME support program	4	5	125%
Number of job opportunities created through EPWP	2375	4874	205%
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	Achievement level during the year	Achievement percentage during the year
Percentage expenditure of capital budget	100%	100%	100%

Salary budget as a percentage of the total operational budget	34%	34%	100%
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	4	Yes
Existence of an effective communication strategy	1	Yes
Number of Mayoral <i>iimbizo</i> conducted	4	10
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	100%	100%	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 2014/15 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	252	100%
	Male	n/a	n/a		
MM and S57	Female	1	1	Refer to AFS	Refer to AFS
	Male	4	4	Refer to AFS	Refer to AFS
Total		5	5	Refer to AFS	Refer to AFS
<i>Has the statutory municipal calculator been used as part of the evaluation</i>					<i>Yes</i>

<i>process?</i>	
	<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 clean audit opinions for the 2015/16 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 2014/15 FY

7.1 AUDITOR GENERAL REPORTS 2014/15 FY (PREVIOUS YEAR)

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 is in a process to explore various funding mechanisms for the installation of bulk water meters and deal with all identified illegal connections. Some projects are underway.
T 6.2.1	

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	

COMPONENT B: AUDITOR-GENERAL OPINION 2015/16 FY (CURRENT YEAR)

7.2 AUDITOR GENERAL REPORT 2015/16 FY (CURRENT YEAR)

Auditor-General Report on Financial Performance 2015/16 FY	
Status of audit report:	CLEAN
Non-Compliance Issues	Remedial Action Taken
Material losses of 45.8 to the amount of 68 million were incurred	Progressively implement mitigation strategies and initiatives.

on water losses.	
T 7.2.1	

Auditor-General Report on Service Delivery performance 2015/16 FY	
Status of audit report:	CLEAN
Non-Compliance Issues	Remedial Action Taken
None	None
T 7.2.2	

7.2 AUDITOR GENERAL REPORT 2015/16 FY

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on Joe Gqabi District Municipality

Report on the separate financial statements

Introduction

1. I have audited the separate financial statements of the Joe Gqabi District Municipality set out on pages ... to..., which comprise the separate statement of financial position as at 30 June 2016, the separate statement of financial performance and statement of changes in net assets, and cash flow statement and 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 separate financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these separate financial statements in accordance with Generally Recognised Accounting Practise (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,2015 (Act No.1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of 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 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 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 separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 separate financial statements present fairly, in all material respects, the financial position of the Joe Gqabi District Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with Generally Recognised Accounting Practise (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, 2015 (Act No.1 of 2015) (DoRA).

Emphasis of matters

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

Material Losses

8. As disclosed in note 44 of the Annual Financial Statements, Material losses of 45.8% to the amount of R68 million were incurred on water losses.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected development priorities 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 assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected development priorities presented in the annual performance report of the District Municipality for the year ended 30 June 2016:
 - Development priority 1: Service Delivery and Infrastructure provision on pages x to x
11. 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 priorities. 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* (FMPPI).
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. I did not raise any findings on the usefulness and reliability of the reported performance information in respect of the selected development priorities.

Additional matter

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

Unaudited supplementary schedules

15. The supplementary information set out on pages XX to XX does not form part of the annual performance report and is presented as additional information. I have not audited this schedule and, accordingly, I do not report thereon.

Unaudited disclosure notes

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

Achievement of planned targets

17. Refer to the annual performance report on page x to x; for information on the achievement of the planned targets for the year.

Compliance with legislation

18. 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.

Internal control

19. I did not identify any significant deficiencies in internal control.

Auditor - General

East London

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

7.3 REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2016

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 2016.

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 J Emslie (Chairperson)	6
Mr P du Toit	6
Ms F Ntlemeza	6
Ms P Ntisana (Appointed 10/2015)	3

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.

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 by internal audit were applicable to ensure the 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. The unit was assisted by an external resource through a co-sourcing arrangement.

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

- Corporate Governance of Information and Communication Technology
- Employee costs
- Agency agreements
- Fleet management
- Review of the draft annual and interim financial statements and annual performance report
- Service revenue – billing and collections, takeover of the billing
- Auditing of performance management process
- Quarterly key control assessments
- Analysis of the implementation of the budget
- Occupational health and safety
- Auditing of the Supply Chain Management Processes

RISK MANAGEMENT

Risk Management was considered to be effective at the District Municipality in the year under review. The committee is of the opinion that the risk management function contributes to

good governance at the Municipality through actively managing risk, fraud and corruption.

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). 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 2015/2016 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

Governance at the Municipality for the year ended 30 June 2016 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 2016. The Municipality has maintained a clean 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

17 January 2017