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**CONTENTS • INHOUD**

<i>No.</i>	<i>Page No.</i> <i>Gazette No.</i>
<b>PROVINCIAL NOTICE</b>	
34 Local Government: Municipal Systems Act (32/2000): Publication of Consolidated Municipal Annual Reports for 2005/2006 .....	3 1806

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## PROVINCIAL NOTICE

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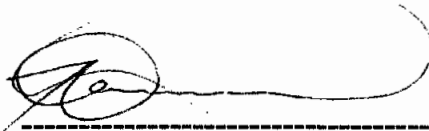
### PROVINCIAL NOTICE 34 OF 2007

### PROVINCE OF THE EASTERN CAPE

### DEPARTMENT OF HOUSING, LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS

### PUBLICATION OF CONSOLIDATED MUNICIPAL ANNUAL REPORTS FOR 2005/06 IN TERMS OF SECTION 47 OF THE LOCAL GOVERNMENT : MUNICIPAL SYSTEMS ACT, 2000 (ACT NO.32 OF 2000)

I, **TOKOZILE XASA**, Member of the Executive Council responsible for Housing, Local Government and Traditional Affairs in the Province of the Eastern Cape, acting in terms of section 47 (2) (c) of the Local Government : Municipal Systems Act, 2000 (Act No.32 of 2000) hereby publish the consolidated municipal annual reports for 2005/06 as set out in the annexure hereto.



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**TOKOZILE XASA**  
**MEC FOR HOUSING, LOCAL GOVERNMENT**  
**AND TRADITIONAL AFFAIRS**

## **CONSOLIDATED MUNICIPAL ANNUAL PERFORMANCE REPORT (SEC 47 REPORT)**

### **2005/06 Eastern Cape Province**

### **MEC'S COMMENTS**

In terms of Section 46 of Municipal Systems Act a Municipality must prepare for each year a performance report reflecting;

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

Section 47 of the same act mandates the MEC for Local Government to annually compile and submit to the Provincial Legislature and the Minister a consolidated report on the performance of municipalities in the province.

The report must identify municipalities that;

- a) Underperformed during the year
- b) Propose remedial actions to be taken
- c) Be published in the Provincial Gazette.

The MEC for Local Government must submit a copy of the report to the National Council of Provinces.

During the year under review of 45 municipalities 27 submitted their annual reports.

The list hereunder is of municipalities that had submitted.

NAME OF MUNICIPALITIES	STATUS SUBMITTED/NOT SUBMITTED
<b>Nelson Mandela Metro</b>	✓
<b>Amathole District</b>	✓
Amahlathi Local	✓
Buffalo City Local	✓
Great Kei Local	
Mbhashe Local	
Mnquma Local	✓
Ngqushwa Local	
Nxuba Local	✓
Nkonkobe Local	✓
<b>Alfred Nzo</b>	✓
Mzimvubu Local	
Matatiele Local	✓
<b>Cacadu District</b>	✓
Blue Crane Route Local	
Baviaas Local	
Camdeboo Local	
Kouga Local	✓
Koukamma Local	✓
Ikhwezi Local	✓
Makana Local	✓
Ndlambe Local	✓
<b>Chris Hani District</b>	✓

Emalahleni Local	
Engcobo Local	
Lukhanji Local	✓
Intsika Yethu Local	✓
Inkwanca Local	
Inxuba Yethemba	✓
Sakhisizwe Local	
Tsolwana Local	✓
<b>OR Tambo District</b>	✓
Ingquza Hill Local	
King Sabatha Dalindyebo Local	✓
Port St Johns Local	✓
Mhlontlo Local	✓
Mbizana Local	✓
Ntabankulu Local	
Nyandeni Local	
<b>Ukhahlamba District</b>	✓
Elundini Local	
Gariep Local	
Maletswai Local	✓
Senqu Local	

The department has not been able to develop a Consolidated Annual Performance Report (S47Report) in the past because of unavailability of Municipal Annual Performance Reports (S46Reports).

The Municipal Systems Act No 32 of 2000 as amended clearly states that Annual Financial Statements and the Auditor General's Report must form part of the Municipal Annual Performance Reports.

Many municipalities have not been able to submit these reports claiming that they still struggle to deal with backlog on the Annual Financial Statements. Those that have managed to submit them struggle to obtain Auditor General's Reports.

The Consolidated Annual Performance report is based on the Municipal Annual Performance Reports, therefore if they are not available there will be no consolidated report.

The vacancy rate within the department has also contributed negatively towards the attainment of this mammoth task but its being addressed through the departmental recruitment processes.

National Treasury after consultation with the Department of Provincial and Local Government developed guidelines on the preparation of annual report by municipalities. The guidelines aimed to encourage continuous improvement in the standard of reporting by municipalities and to promote accountability to stakeholders. It also aims to consolidate reporting requirements by incorporating a range of information required by various stakeholders into the report reducing duplication and improving communication.

## **CONTENT AND APPROACH**

The department nominated a team of officials which represented the Key Performance Areas of the Integrated Development Plan to assess the annual reports on:

1. Cross Cutting Issues

2. Spatial Planning and Analysis
3. Service Delivery
4. Transformation and Institutional Arrangements
5. Local Economic Development
6. Financial Viability and Managements
7. Good Governance and Community Participation

A format which seeks to address the legislative requirements of Section 47 had been developed with:

- a) Key Performance Area
- b) Actual Performance Based on IDP
- c) Gaps
- d) Remedial Actions

**NAME OF MUNICIPALITY: AMAHLATHI MUNICIPALITY**

<b><u>GOOD GOVERNANCE &amp; COMMUNITY PARTICIPATION</u></b>			
<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Does the municipality have an effective Communication strategy, Participatory and Decision –making strategies?	Yes there is some form of communication	There is no indication of existence of delegation and communication policy	The municipality must develop a clear delegation and communication policy and be adopted by the Council. The policy must be stated in both the IDP and annual report
<b><u>CROSS CUTTING ISSUES</u></b>	<b><u>ACTUAL PERFORMANCE</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>



	<b>BASED ON IDP</b>		
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	No but the annual report indicates the implementation of IDP projects.	Inavailability of an operational plan or a SDBIP	The municipality must develop a service delivery and budget implementation plan to enhance effective implementation of the IDP
e. To whom has specific responsibility been assigned for the rollout and implementation of the IDP/Operational Plan (SDBIP)? How is the execution of these responsibilities being monitored, and by whom?	The municipal manager and other section 57 managers. The section 57 managers report to the MM who in turn reports to council. They are all monitored through the implementation of performance management system and the municipal balanced score card	No gap	The municipality must develop a service delivery and budget implementation plan to enhance effective implementation of the IDP
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?	The municipality did not indicate in the annual report any existence of communication strategy	None existence of a communication strategy	The municipality must develop a communication strategy and allocate resources for communicating with all stakeholders
<b><u>Municipal Transformation &amp; Organisational Development</u></b>			
<b>Key Area</b>	<b>Actual Performance Based on IDP</b>	<b>Gaps</b>	<b>Remedial Actions</b>
Organogram, vacancy rates, Section 57 Managers	The municipality has done the breakdown of post in order to show the existing number of employees. All critical positions of nine (9) section 57 managers are filled. The breakdown of posts shows that	No indication of Vacant post	A fully fledged Organogram in line with IDP, Powers and Functions need to be developed and populated.

	235 approved posts have been filled.		
What is the Human Resource Development and retention Strategy	There is Human Resource Retention Strategy , bursaries , loans and an employees bursaries loan scheme	There is a gap in some areas on human resource policies	Municipality must develop a retention strategy or policy that will include the following incentives <ul style="list-style-type: none"> <li>- performance bonuses for the outstanding performers</li> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Where is the IDP driven from? Is this the MM or close to the MM?	IDP indicates that there is a Municipal Manager in the organogram.	No indication as to whether the MM is driving the IDP processes, but it is assumed that MM is accountable for IDP.	The IDP must clearly indicate who drives the IDP processes. Where the MM intends to delegate this function, appointment of personnel is imperative.
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	Annual report reflect that only Indigent policy and Asset Management Policy	Other policies are missing	There is a need for the municipality to identify critical policies. These policies should be developed.
<b><u>KPA</u></b>	<b><u>PERFORMANCE BASED ON THE IDP (2005/06)</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>

<b><u>Basic Services</u></b>			
Is the plan for the delivery of services logical, sound, based on statistics, backlogs		The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
Water Reticulation	There is no mention of a service delivery plan in the annual report		
	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should explore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision			
	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted during the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal			
	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and delays on the transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery Transfer of sites should be prioritised.

Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co
How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities

### **AMATHOLE LOCAL MUNICIPALITY**

<b>Key Area</b>	<b>PERFORMANCE BASED ON IDP</b>	<b>GAPS</b>	<b>REMEDIAL ACTIONS</b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for funded project.	Document does not provide sufficient information in this regard.	The report does not reflect any development of business plans for funded projects	Municipality need to develop business plans for funded projects
Layout and general plans	Document does not provide sufficient information in this regard.	There is no reflection on the report for layout and general plans	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	The report does not reflect any alignment with national and provincial legislation	The municipality need to align its processes with provincial as well as national legislation

Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	There is no indication of development & utilization of GIS information	There is a need to develop and utilize GIS information
Land Use Management	Document does not provide sufficient information in this regard.	The report does not indicate on Land Use Management	The municipality should indicate on its ability to perform land use management functions
Was there use of credible statistics	Document does not provide sufficient information in this regard.	The municipality does not indicate any use of credible statistics	The municipality should indicate if the statistics that was used was credible
Spatial development framework in place	Document does not provide sufficient information in this regard.	There is no indication of a spatial development framework	Need to develop Spatial Development Framework
Development of new property rates policy	Document does not provide sufficient information in this regard.	There is no reflection on the new property rates policy	The municipality should develop Spatial Development Framework
Implementation of general valuation in accordance with the MPRA	Document does not provide sufficient information in this regard.	No reflection on the implementation of general valuation in accordance with Municipal Property Rates Act	Need to implement general valuations in terms of the Municipal Property Rates Act

**NOTE:**

It is important to state that the annual report submitted by the municipality does not relate to the relevant issues, with regards to municipal targets, KPAs, actual performances etc.

**BASIC SERVICES**

<b><u>KPA'S</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTION</u></b>
Is the plan for the delivery of services logical, sound, based on statistics, backlogs	The annual report does not indicate information on service delivery as well as the backlog based on recent statistics	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs
Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and delay on transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.

Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans and shortage of building material.	The municipality should explore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose
How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities

### **ALFRED NZO DISTRICT MUNICIPALITY**

<b>Good Governance and Community Participation</b>	<b>PERFORMANCE BASED ON IDP</b>	<b>GAP/ UNDERPERFORMING ON IDP</b>	<b>REMEDIAL ACTION</b>
Does the municipality have Functional Structures (i.e. Ward, Standing Committees and CDW's)?	<ul style="list-style-type: none"> <li>• Wards not applicable</li> <li>• CDWs not applicable</li> </ul>	Standing committees not reflected in the annual report	Standing committees and other structures need to be reflected in both IDP and Annual report

What are the linkages with other governance structures?	Not indicated in the annual report	Linkages with other governance structures not reflected.	Municipality to indicate the linkages in the IDP.
Does the municipality have an effective Communication strategy, Participatory and Decision –making strategies?	None	No Communication strategy, Participatory and Decision – making strategies should be reflected in both IDP and Annual Report.	Both strategies need to be reflected in both documents.
Focus on Gender, People with Disabilities and Youth	Programmes on youth and young graduates exist.	No programmes on gender and people with disabilities highlighted in both IDP and Annual Report.	Municipality to consider programmes focusing on gender and people with disabilities.
Is there any evidence that the IDP has been informed by the community	None	No evidence of IDP being informed by community.	Municipality to provide evidence of community involvement in the IDP development process
Is there a plan to get both the budget and IDP approved by the community	No	No plan indicated.	Municipality to consider developing the plan for IDP and Budget to be approved by the community.



Is there evidence of a Code of Conduct for officials and political office bearers	None	No evidence of a code of conduct for both Officials and office bearers.	Municipality to provide evidence of a code of conduct for Officials and political office bearers
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### **Municipal Transformation & Organisational Development**

<b>Key Area</b>	<b>Actual Performance Based on IDP</b>	<b>Gaps</b>	<b>Remedial Actions</b>
Organogram, vacancy rates, Section 57 Managers	Organogram shows top structure, i.e. MM and other seven Section 57 managers. Out of 211 approved posts, only 153 have been filled.	Organogram does not show the total number of Section 57 posts in order to determine the shortfall. 58 posts need to be filled (vacancy rate is 27, 5%).	Filling-up of unfilled posts following the necessary procedures so as to enhance IDP implementation
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given</li> </ul>

			to the existing incumbents
Do they have a Skills Development Plan, including Workplace Skills Plan (WSP)	No existence of Skills Development Plan including WSP	Absence of Skills Development Plan including WSP	Municipality needs to conduct Skills Audit and develop Skills Development Plan including WSP and submit the plan to LG SETA
What Evidence is there of a Performance Management System (PMS)	According to the IDP there is no Institutional PMS, the Annual Report only reflects performance agreements for Section 57 Managers which are not based on the Sec 38 PMS if there is any	There is no indication of an existing Institutional PMS as required.	The municipality must develop the Section 38 Performance Management System where performance contracts of Sec 57 Managers' contracts will be based on
What is the assessment of the capacity and capability of the municipality to implement the IDP and projects therein	Although the Annual Report shows that about 72.5% (i.e. 153 out of 211) posts have been filled, IDP does not reflect institutional arrangement as required it only focus on Service Delivery	the IDP and Annual Report still have many gaps in terms of this assessment. It is difficulty to establish the availability of capacity and capability.	Their oganogram should be fully populated and also seek assistance from the Department in as far as training of personnel is concerned.
Is there an Equity plan and is there any emphasis on Youth, Gender and people with disabilities	There is no Employment Equity Plan on IDP, however the Annual Report only reflects filled posts according to gender, race and people that are physically challenged	IDP has no plan that can be used to assess compliance in this regard.	The municipality needs to develop a policy and or a plan to address Employment Equity issues and submit the plan to the department of Labour
<b><u>Cross cutting issues</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	An IDP has been submitted. Alignment between the projects and annual report was difficult to reconcile but could be due to the fact that the SDBIP/Operational Plan was not available.	Alignment between projects, performance indicators, set targets against actual targets met should be more explicit.	The Department could assist the municipality with the technical process of identifying measurable performance indicators and targets as part of the Hands-on Support initiative.
6. Is there a communication	The annual Report mentions that there	To source additional funding so	If a strategy had been developed

strategy and resources to communicate key issues of implementation to all stakeholders?	was a limited budget for Communications but does not elaborate whether a strategy is in place. This section was fully staffed (5 posts) during 2005/2006.	that the municipality can develop a communication strategy wherein all stakeholders will be catered for	it should be stated as baseline information and report on the progress of the reviewed strategy, if required to be done. DHLG&TA to note the need for additional funding and assist, if possible.
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## Basic Services

Is the plan for the delivery of services logical, sound, based on statistics, backlogs	There is no information that the municipal has submitted through its annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should explore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.

Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and delay on transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should impleore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co-opted
How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
<b><u>FINANCIAL VIABILITY AND MANAGEMENT</u></b>			
Is there capacity and capability in the treasury	The annual report must indicate whether the treasury department has capacity and capability to perform its functions as per the IDP.	Not covered in the annual report	The finance needs to include staff capacity and capability to perform their duties.
Is there clear identification of National and provincial allocations and resources. Clear identification of own resources.	The annual report needs to indicate the various funding of the budget e.g. national provincial and own funds as per the IDP.	Not covered in the annual report	The funding must be done per national provincial and local.
Is there a Service Delivery Budget Implementation Plan – if applicable	The annual report needs to state whether the service delivery	No mention made in the annual report	The annual report needs to indicate the success of the

from 07 or 08	performance was achieved as per the SDBIP that flowed from the IDP		implementation of the SDBIP and if the municipality is able to administer it.
Is there evidence of a Revenue management and Billing System	The annual report must provide the results of the revenue management and billing system and also the arrear amounts and what the municipality intend doing about it. Clear indications must be made on the debt management policy and provision for bad debts.	The annual report does not reflect on the revenue management and billing system and how to deal with the arrear book debts	The municipality needs to reflect on their revenue management and effectiveness of the billing system to produce timely accounts and the correctness thereof. The arrear book debts and strategies employed to address it must be spelled out.
Is there an Expenditure reports informing allocations	The annual report must provide the results of the expenditure as per the IDP and budget.	Not included in the annual report	Expenditure in comparison to the IDP and budget with actual needs to be addressed in detail with remedial actions envisaged.
Are there Budgets for all aspects, including 5 KPAs	The annual report must indicate the results of the budget implementation including the 5 KPAs	Not covered in the annual report	The budget implementation and aspects such as unfunded mandates and functions not performed must be included.
Is there a Response to Audits and Izimbizo outputs?	The annual report must include the audit responses with clear remedial actions or plans to alleviate the issues raised.	Not reflected in the annual report	The municipality must include the audit responses from the audit committee in the annual report with remedial actions taken or planned as per the department circular
Is there a Debt recovery plan	The annual report must provide the financial position of the municipality from the audit committee and whether it will need a debt recovery plan	Not included in the annual report	The annual report must address the debt position of the municipality and plans to address it if needed.
<u>Budget and IDP link:</u> Important to indicate whether spending of capital budgets is i.t.o. of priority projects identified in the IDPs. Also the linkage of capital expenditure to the strategic interventions as identified in the spatial development frameworks	The annual report must state the alignment between the budget and the IDP. The results of the spending of the capital budget i.t.o. priority projects as identified in the IDP and strategic interventions as per the spacial development plan.	Not included in the annual report	The municipality need to include the alignment between the IDP and the budget and the capital spending on priority capital projects and spatial planning priorities

**BUFFALO CITY LOCAL MUNICIPALITY**

<b>Good Governance and Community Participation</b>	<b>PERFORMANCE BASED ON IDP</b>	<b>GAP/ UNDERPERFORMING ON IDP</b>	<b>REMEDIAL ACTION</b>
Does the municipality have Functional Structures (i.e. Ward, Standing Committees and CDW's)?	1. 45 ward committees exist.  2. Standing committees exist.	The existence of CDW is not reflected in both IDP and annual reports	Municipality to reflect the existence of CDW's in the IDP and annual report.
Does the municipality have an effective Communication strategy, Participatory and Decision –making strategies?	Participation takes place through ward committees	No documented communication, participatory and decision making strategy	Municipality to reflect these strategies in the IDP and annual report
Is there evidence of a Code of Conduct for officials and political office bearers	No evidence reflected in the annual report	No evidence of a code of conduct for officials and political office bearers	Municipality to reflect this in both IDP and annual report

## **SPATIAL ANALYSIS**

<b>Key Area</b>	<b>PERFORMANCE BASED ON IDP</b>	<b>GAPS</b>	<b>REMEDIAL ACTIONS</b>
Development of business plans for spatial planning project.	Document does not provide sufficient information in this regard.	No provision for the development of spatial planning project business plan	The municipality need to develop business plans for spatial planning project
Layout and general plans	Document does not provide sufficient information in this regard.	No indication of layout and general plans	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	No indication of alignment with provincial and national legislation	There is no indication of any alignment with provincial and national legislation
Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	The municipality does not indicate development &utilization of GIS information	The municipality needs to develop and utilize GIS information.
Was there use of credible statistics	Document does not provide sufficient information in this regard.	The municipality does not indicate use of credible statistics	The municipality need to develop and use credible information.Un-employed graduates can be roped in to assist in developing credible data

## **LOCAL ECONOMIC DEVELOPMENT**

How has the municipality considered spatial issues relevant to economic development through the use of NSDP principles	Under Land Use Management and Housing, there was a backlog of 75 000 household needing proper shelter.	The annual report is not clear as what has been done in the financial year- it highlights on what has been done in the past	The municipality should set clear targets for the financial year in their IDP and report according to their set targets in the annual
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	In terms of roads maintenance, there are no plans or targets for the financial year,	and current financial years. (Pg 43 of 241 of the annual report)  The annual report indicates some performance but is not clear as to what has been done in the financial year in question. (Pg 23 of the annual report))	report. There should be some sort of synergy between the IDP and the Annual Report.  The work done should be indicated in the IDP with specific reference to the financial year.
What is the municipality doing to intensify enterprise development	The establishment of the Buffalo City Development Agency to advance and leverage the development of potential investment opportunities. The IDZ for the development of SMMEs, support of BEEE etc.	No gap	
What is the municipality doing to invest in second economy in line with ASGISA	As a partner, IDZ offers investment opportunities through the Black Economic Empowerment and SMME development resulting in job creation and skills transfer.	Lack of entrepreneurial and business skills	Engaging institutions of higher level within the municipality to assist with relevant skills training.
<b><u>Basic Services</u></b>			
Is the plan for the delivery of services logical, sound, based on statistics, backlogs	The plan had not been revealed in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.



Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co

How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
<b><u>KEY AREA ACTION</u></b>	<b><u>ACTUAL PERFORMANCE</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL</u></b>
<b><u>Municipal Transformation</u></b>			
What is the Human Resource Development and retention Strategy	HIV /Aids treatment strategy in place various skills development programmes in place employee wellness interventions implemented.	No clear definition of actual programmes existing for skills development and wellness programmes.	Programmes must be clearly defined especially issues pertaining to human resources and particularly those dealing with HIV and AIDS

### **CACADU DISTRICT MUNICIPALITY**

<b><u>GOOD GOVERNANCE &amp; COMMUNITY PARTICIPATION</u></b>			
<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Is there evidence of a Code of Conduct for officials and political office bearers	Not reflected in the annual report	No evidence code of conduct for both officials and political office bearers	Council to consider availing this in There is no indication of existence of ward committees and CDW's in the There is no indication of existence of ward committees and CDW's in the documents

What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
What Evidence is there of a Performance Management System (PMS)	It is indicated that PMS has been developed on staff level one(1) to level four (4)	There is no indication of implementation of Institutional PMS.	The municipality must see to it that the existing PMS is developed in terms of Section 38 of the Systems Act. NB - HR PMS is but part of the Organisational PMS therefore it is important to develop S38 PMS first
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	IDP indicates that there are no formulated and adopted policies.	Municipality operating without policies.	There is a need for the municipality to identify critical policies. These policies should be developed.
<b><u>FINANCIAL VIABILITY AND MANAGEMENT</u></b>			
Is there a Debt recovery plan	No there is no dept recovery plan that is mentioned in the annual report	The annual report must provide	The municipality be informed to include the Debt recovery plan

		financial position of the municipality from the audit committee and whether it has the Debt recovery plan	
<b><u>Basic Services</u></b>			
Is the plan for the delivery of services logical, sound, based on statistics, backlogs	The plan has not been expressed in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.

Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co
How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services on the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities

**CHRIS HANI DISTRICT MUNICIPALITY****GOOD GOVERNANCE & COMMUNITY PARTICIPATION**

<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Focus on Gender, People with Disabilities and Youth	Partly covers disabled with regard HIV/AIDS	No policies & programmes in place focusing on youth and women	To develop policies that focus on youth & women and other human resource aspects
Is there evidence of a Code of Conduct for officials and political office bearers	Not reflected in the annual report	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting on the code of conduct of officials as well as councilors on both documents
	<b><u>Key Area</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for spatial planning projects.	Mapping and land use survey for each village	Limited funding available	Municipality need to develop business plans for funded projects

Layout and general plans	Document does not provide sufficient information in this regard.	Document does not provide information on layout and general plans	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	Document does not reflect on the alignment with national and provincial legislation	The municipality need to align its processes with provincial as well as national legislation
Development & utilization of Cadastral / GIS information	Implementation of GIS system	The municipality should develop and utilize GIS information	There is a need to develop and utilize GIS information
Ability to perform Land Use Management functions	Develop a land use and commonage plan	The municipality should develop capacity to perform Land Use Management functions	The municipality should indicate on its ability to perform land use management functions
Was there use of credible statistics	StatsSA 1996 / 2001 statistics were utilized.	Usage of outdated statistics would lead to inadequate planning.	The municipality should indicate if the statistics that was used was credible
Spatial development framework in place	All towns should have SDFs	The municipality should develop and report on the Spatial Development Framework	Need to develop Spatial Development Framework

Development of new property rates policy	No information submitted in the annual report	The municipality does not have the new property rates policy	The municipality should develop Spatial Development Framework
Implementation of general valuation in accordance with the MPRA	No information submitted in the annual report	The annual report does not any implementation of general valuation in accordance with the Municipal Property Rates Act	Need to implement general valuations in terms of the Municipal Property Rates Act

### **Municipal Transformation & Organisational Development**

<b><u>Key Area</u></b>	<b><u>Actual Performance Based on IDP</u></b>	<b><u>Gaps</u></b>	<b><u>Remedial Actions</u></b>
Organogram, vacancy rates, Section 57 Managers	The municipality has done the breakdown of employees in order to show the existing number of employees. In order to align their organogram with both their budget and IDP seven posts were created including one (1) Section 57 Manager. The employee breakdown shows that 317 approved posts have been filled.	Seven budgeted posts have not been filled, including one (1) Section 57 manger i.e. Strategic Manager. The Municipality has a shortfall of about 2 %.	Filling-up of unfilled posts following the necessary procedures.
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy.	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding</li> </ul>



			<p>performers</p> <ul style="list-style-type: none"> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Do they have a Skills Development Plan, including Workplace Skills Plan (WSP)	<p>No existence of Skills Development Plan including WSP in their IDP though in Annual Report there is a mention of training plan which reflects the number of training programs that have been conducted in order to develop employees.</p> <p>The municipal Annual Report indicates that support has been given to local municipalities to develop their Workplace Skills Plan.</p>	Absence of Skills Development Plan including Workplace Skills Plan.	Municipality needs to conduct Skills Audit and develop Skills Development Plan including WSP and submit the plan to LGSETA
What Evidence is there of a Performance Management System (PMS)	<p>According to the IDP there is no Institutional PMS, but the Annual Report reflects that it was established; however it was neither implemented nor monitored. Further, it was never applied to staff members below Section 57 Managers.</p>	There is no indication of implementation of Institutional PMS.	The municipality must see to it that the existing PMS is developed in terms of Section 38 of the Systems Act.
Is there an Equity plan and is there any emphasis on Youth, Gender and people with disabilities	<p>There is no Employment Equity Plan on IDP, however the Annual Report Breakdown of Employees only reflects filled posts according to gender, race and one physically challenged person</p>	IDP has no plan that can be used to assess compliance in this regard.	The municipality needs to develop a policy/plan to address Employment Equity issues. And submit the plan to the Department of Labour

<b><u>Key Area</u></b>	<b>PERFORMANCE BASED ON THE IDP</b>	<b>GAP</b>	<b>REMEDIAL ACTION</b>
<b>LOCAL ECONOMIC DEVELOPMENT</b>			
How has the municipality considered spatial issues relevant to economic development through the use of NSDP principles	Spatial Development Framework has been completed. The following spatial issues: agriculture (especially in more fertile east) was identified as having not reaching its optimal potential due to a number of factors namely, lack of services and land tenure system. Agriculture was therefore recognized as an area for large growth and development potential. Tourism (especially in the culturally rich Western area) was also identified as an area of potential development in the municipality. Projects include Chris Hani Trail, Sector Plans, and Land Reform. Waste Management Plan, Transport Plan, Roads Master Plan LED Plan, Geographical Information System of the municipality, Natural Resource Database and Local Spatial Development Framework for the following Local Municipalities: Inxuba Yethemba, Tsolwana, Lukhanji, and Intsika Yethu have been developed. Other spatial structural elements include effective and efficient spatial planning to guide future planning in the following nodes: Primary Urban Nodes (level 3) Queenstown and secondary urban node (level 3) such as Cradock – Middleburg, corridors, and open spaces system for main protected areas situated on the R61 corridor from	Agriculture has been considered but not reaching its optimal potential (especially in more fertile East)	Agriculture (especially in more fertile East to be exploited to its full potential).

	Queenstown to Cradock. Emalahleni Rural Economic Development Zone has been identified as Rural Economic Development Zone as well as pilot project for the RuLiv (Promotion of Rural Livelihood Programme). Pockets of afromontaine forests have been identified as conservation areas.		
What is the competitive advantage of the municipality	The competitive advantage has been clearly in the IDP. These include tourism and agriculture and forestry development	The competitive advantage has not been clearly defined in the IDP	To exploit agriculture, forestry and tourism to its optimal potential.
How does the IDP address the issue of skills development in line with ASGISA principles	Skills development in the IDP has not been clearly defined in line with ASGISA principles.	Skills development in the IDP has not been clearly defined in line with ASGISA principles	Skills Development Plan in the IDP should be clearly defined in line with ASGISA principles
What is the institutional capacity to deliver on LED. Is it sufficient	The institutional capacity to deliver on LED has not been clearly defined. However, local economic development projects have been identified in the following areas: Dordrecht cheese factory, Middleburg Umsobomvu Wool and Mohair, Micro bakery, Abattoir, Brick making, and agriculture	Not clearly defined in the IDP.	Clear definition of LED institutional capacity is required.

### **BASIC SERVICES**

Is the plan for the delivery of services logical, sound, based on statistics, backlogs	The report does not reflect on the existence of the plan for service delivery	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
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Water Reticulation		395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
	593km of water piping was estimated.		
Water Provision		The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
	According to MIG records, the backlog stood at 3096 households as at 2005		
Refuse removal		No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
	It was intended to develop 2 dump sites.		
Housing		Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should improve the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co
	3577 houses were estimated to be built.		

How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
<b><u>CROSS CUTTING ISSUES</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>
e. To whom has specific responsibility been assigned for the rollout and implementation of the IDP/Operational Plan (SDBIP)? How is the execution of these responsibilities being monitored, and by whom?	The manager and other section 57 managers. The section 57 managers report to the MM who in turn reports to council.	The municipality does not have the performance management system to monitor implementation of the IDP	The municipality does not have the performance management system to monitor implementation of the IDP

#### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there evidence of a Revenue management and Billing System	The IDP is silent about billing systems although they have mentioned water backlogs and RDP sanitation	Both IDP and annual report are silent about billing systems	To advise the municipality to include its summary on debt management
Is there a Response to Audits and Izimbizo outputs?\	No	They have included the audit report for 2005/2006 in the annual report but they have not addressed the matters raised in it	The Municipality will be visited in order to ensure that they address the matters raised in the audit report as well as Imbizo reports
Is there a Debt recovery plan	No debt recovery plan in both IDP and annual report	There is no debt recovery plan in both IDP and annual report	To advise the municipality to include the debt recovery plan in future

**IKWEZI LOCAL MUNICIPALITY****Municipal Transformation & Organisational Development**

<b><u>Key Area</u></b>	<b><u>Actual Performance Based on IDP</u></b>	<b><u>Gaps</u></b>	<b><u>Remedial Actions</u></b>
Organogram, vacancy rates, Section 57 Managers	The municipal IDP shows top structure in as far as organogram is concerned i.e. MM, C F O and Infrastructure Manager.	Organogram does not show the total number of Section 57 posts in order to determine the shortfall. The organogram also does not show the filled and Vacant posts for the entire institution.	The municipality needs to develop and populate organogram and follow the necessary processes and procedures.
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>

Do they have a Skills Development Plan, including Workplace Skills Plan (WSP)	No existence of Skills Development Plan including WSP	Absence of Skills Development Plan including WSP	Municipality needs to conduct Skills Audit and develop Skills Development Plan including WSP. WSP must be developed and submitted to LGSETA
Is there a Budget Office	No. There is no show of fully-fledged Budget and Treasury Office, only the existence of a C F O.	There is no indication of existing personnel from the Organogram.	The municipality must develop an organogram that will include Treasury and Budget Office. Recruit and train personnel in both HR and Finance related issues in order to render effective and efficient service.
What Evidence is there of a Performance Management System (PMS)	According to the municipal IDP, there is no Institutional PMS and the Annual Report does not indicate anything to this regard.	There is no indication of an existing Institutional PMS as required.	The municipality must develop Performance Management System in line with provisions of Section 38 of the Systems Act.
What is the assessment of the capacity and capability of the municipality to implement the IDP and projects therein	The Organogram only reflects MM, C F O and Infrastructure Manager. The IDP also shows a lot of grey areas like inavailability of Skills Development Plan, Employment Equity Plan and policies. although critical post has been filled but the IDP does not reflect institutional arrangement as required it only focus on Service Delivery	It is difficulty to establish the availability of capacity and capability.	Their organogram should be fully populated and also seek assistance from the Department in as far as training of personnel is concerned.
Is there an Equity plan and is there any emphasis on Youth, Gender and people with disabilities	There is no Employment Equity Plan on IDP	IDP has no plan that can be used to assess compliance in this regard.	The municipality needs to develop a policy/plan to address Employment Equity issues. The equity plan must be submitted to Department of Labour
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	IDP indicates that there are no formulated and adopted policies.	Municipality operating without policies.	There is a need for the municipality to identify critical policies. These policies should be developed.

<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>	-	-	-
Development of business plans for funded projects.	Document does not provide sufficient information in this regard.	No business plans in place	Municipality need to develop business plans for funded projects
Layout and general plans	Document does not provide sufficient information in this regard.	No layout and general plans	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	No reflection on the alignment of provincial and national legislation	The municipality need to align its processes with provincial as well as national legislation
Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	No indication on the development and utilization of GIS information	There is a need to develop and utilize GIS information
Ability to perform Land Use Management functions	Document does not provide sufficient information in this regard.	No reflection on the perform land use management function	The municipality should indicate on its ability to perform land use management functions
Was there use of credible statistics	Document does not provide sufficient information in this regard.	No indication on the use of credible statistics	The municipality should indicate if the statistics that was used was credible
Spatial development framework in place	Document does not provide sufficient information in this regard.	No indication of the existence of spatial development framework	Need to develop Spatial Development Framework
Development of new property rates policy	Document does not provide sufficient information in this regard.	No property rates policy in place	The municipality should develop Spatial Development Framework
Implementation of general valuation in accordance with the MPRA	Document does not provide sufficient information in this regard.	No proof of the implementation of general valuations	Need to implement general valuations in terms of the Municipal Property Rates Act
<b><u>Cross cutting issues</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	NO	Inavailability of annual operational plan/ SDBIP.	Municipality must develop SDBIP
e. To whom has specific responsibility been assigned for	The municipal manager and other section 57 managers. The section 57	The municipal manager does not have the performance	The municipality must develop and implement performance



the rollout and implementation of the IDP/Operational Plan (SDBIP)? How is the execution of these responsibilities being monitored, and by whom?	managers report to the MM who in turn reports to council.	management system to monitor the implementation of the IDP through SDBIP's	management system as well as SDBIP.
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?	NO	None existence of a communication strategy	The municipality must develop a communication strategy and allocate resources for communicating with all stakeholders
<b><u>FINANCIAL VIABILITY AND MANAGEMENT</u></b>			
Is there capacity and capability in the treasury	The annual report must indicate whether the treasury department has capacity and capability to perform its functions as per IDP	Both documents are silent about capacity and capability	To inform the Municipality that it must include the organogram in the IDP
Is there a Debt recovery plan	The annual report must provide financial position of the municipality from the audit committee and whether it has the Debt recovery plan	No there is no Debt recovery plan	The municipality be informed to include the Debt recovery plan

### **BASIC SERVICES**

Is the plan for the delivery of services logical, sound, based on statistics, backlogs	Not expressed in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
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Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co-opted

How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
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## **INTSIKA YETHU LOCAL MUNICIPALITY**

### **Municipal Transformation & Organisational Development**

<b>Key Area</b>	<b>Actual Performance Based on IDP</b>	<b>Gaps</b>	<b>Remedial Actions</b>
Organogram, vacancy rates, Section 57 Managers	There is no organogram In the IDP, only Annual Report states that seventeen posts have been advertised and recruitment was done.	No organogram in the form of a structure to show both filled and vacant posts. It is difficult to identify Section 57 managers and the posts below this level.	Institutional structure needs to be developed and populated following the necessary processes and procedures. .
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy. Annual Report does indicate that HR development has been done and training programs were developed and employees were trained in identified gaps. Workshops were also conducted.	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> </ul>

			<ul style="list-style-type: none"> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Do they have a Skills Development Plan, including Workplace Skills Plan (WSP)	IDP does not have Workplace Skills Plan only the Annual Report shows that the training programs have been developed and employees were trained on identified gaps	Absence of Skills Development Plan including WSP	Municipality needs to conduct Skills Audit and develop Skills Development Plan including WSP and submit same to LGSETA..
Is there a Budget Office	No. There is no show of fully-fledged Budget and Treasury Office.	Non-existence of this office and also no indication of personnel to perform the functions allocated in this office	The municipality must develop an organogram that will include Treasury and Budget Office. Recruit and train personnel in both HR and Finance related issues in order to render effective and efficient service.
What Evidence is there of a Performance Management System (PMS)	According to the IDP there is no Institutional PMS. However, Annual Report reflects that presentations and workshops have been conducted.	There is no indication of an existing Institutional PMS as required.	The municipality must develop the Performance Management System in accordance with the provisions of Section 38 of the Systems Act.
What is the assessment of the capacity and capability of the municipality to implement the IDP and projects therein	. IDP does not reflect institutional arrangement as required it only focus on Service Delivery	It is difficulty to establish the availability of capacity and capability.	Institutional structure must be in place and fully populated.
Is there an Equity plan and is there	There is no Employment Equity Plan on	IDP has no plan that can be	The municipality needs to

any emphasis on Youth, Gender and people with disabilities	IDP.	used to assess compliance in this regard.	develop a policy/plan to address Employment Equity issues and submit same to Department of Labour.
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	IDP indicates that there are no formulated and adopted policies.	Municipality operating without policies.	There is a need for the municipality to identify critical policies. These policies should be developed.

### **GOOD GOVERNANCE & COMMUNITY PARTICIPATION**

<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Does the municipality have an effective Communication strategy, Participatory and Decision – making strategies?	<ul style="list-style-type: none"> <li>• participatory strategy and decision – making strategy is through the creation of governance structures and attaching roles and responsibilities</li> <li>• communication strategies through, imbizo's, road shows, news letters, websites, radio/ television, talkshows</li> </ul>	<ul style="list-style-type: none"> <li>• No communication policy reflected in the documents</li> </ul>	To develop policy and reflect in the IDP and annual report thereof
Focus on Gender, People with Disabilities and Youth	Structures for the categorized persons established	Policies outstanding	To develop policies
Is there evidence of a Code of Conduct for officials and political office bearers	No reflection on the annual report	No evidence code of conduct for both officials and political	Council to consider reflecting this on both documents

		office bearers	
Evidence - Does the municipality prepare an annual report that includes the annual performance report and submit to the Auditor General as required by the MFMA	There is no indication of the submission of annual financial statements and whether there are any backlogs	No evidence of submission to Auditor – General	Proof of submission to be reflected in the annual report
<b><u>Cross cutting issues</u></b>	<b><u>Actual Performance based on the IDP</u></b>	<b><u>Gaps</u></b>	<b><u>Remedial action</u></b>
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	An IDP has been submitted. Alignment between the projects and annual report was difficult to reconcile but could be due to the fact that the SDBIP/Operational Plan was not available.	Alignment between projects, performance indicators, set targets against actual targets met should be more explicit.	The Department could assist the municipality with the technical process of identifying measurable performance indicators and targets as parts of the Hands-on Support initiative.

### **BASIC SERVICES**

Is the plan for the delivery of services logical, sound, based on statistics, backlogs	Not expressed in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
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Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co-opted

How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
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### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there clear Identification of National and provincial allocations and resources. Clear identification of own resources.	The annual report needs to indicate the various funding of the budget e.g. national, provincial and own funds as per the IDP.	The annual report does not indicate the various sources of funding of the budget.	The annual report must indicate the various sources of funding of the budget.
Is there a Service Delivery Budget Implementation Plan – if applicable from 07 or 08	The annual report needs to state whether the service delivery performance was achieved as per the SDBIP that flowed from the IDP.	The annual report is silent on the SDBIP and whether the municipality had it.	The annual report should indicate whether the municipality has a SDBIP and the results of it.
Is there evidence of a Revenue management and Billing System	The annual report must provide the results of the revenue management and billing system and also the arrear amounts and what the municipality intend doing about it. Clear indications must be made on the debt management policy and provision for bad debts.	The municipality collected over their budget, however, the book debts is growing.	The municipality must spell out what it intends doing about the rising book debts.
Is there a Response to Audits and Izimbizo outputs?\	The annual report must include the audit responses with clear remedial actions or plans to alleviate the issues raised.	The municipality experienced a backlog with their audit reports.	The municipality needs to address issues raised in the audit reports to the departmental circular.
Is there a Debt recovery plan	The annual report must provide the financial position of the municipality from the audit committee and whether it will need a debt recovery plan.	The annual report does not address the debt management.	The annual report must spell out how the municipality plans to implement a debt management.
Budget and IDP link: Important to indicate whether spending of	The annual report must state the alignment between the budget and the	The annual report does not address alignment between the	The annual report should indicate the success of the alignment of



capital budgets is i.t.o. of priority projects identified in the IDPs. Also the linkage of capital expenditure to the strategic interventions as identified in the spatial development frameworks	IDP. The results of the spending of the capital budget i.t.o. priority projects as identified in the IDP and strategic interventions as per the spacial development plan.	budget and the IDP.	the budget and the IDP.
<b><u>LOCAL ECONOMIC DEVELOPMENT</u></b>			
How has the municipality considered spatial issues relevant to economic development through the use of NSDP principles	The municipality has formulated a Spatial Development Framework Plan to provide the municipality with a tool to assist them in making development decision which ensures that sustainable development is achieved. Dry Land Crop production covering 8 sites, 60ha each	Planned initiatives/programmes in the IDPs are not reflected in the annual report	There should reports on the targets of the IDPs

**KOU-KAMMA LOCAL MUNICIPALITY**

<b><u>GOOD GOVERNANCE &amp; COMMUNITY PARTICIPATION</u></b>			
<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Focus on Gender, People with Disabilities and Youth	Youth only	No disability and gender	Must consider disability and gender
Is there any evidence that the IDP and budget has been informed by the community	Yes	Only IDP reflects evidence, but in annual report not evidence is reflected	Annual report must also reflect the involvement of communities
Is there a plan to get both the budget and IDP approved by the community	Yes with IDP	No evidence with annual report	Annual report must also give evidence
Is there evidence of a Code of Conduct for officials and political office bearers	No	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting this on both documents
Evidence - Does the municipality prepare an annual report that includes the annual performance report and submit to the Auditor General as required by the MFMA	Performance report available.	But ,not audited	To submit an audited performance report

<b><u>Cross cutting issues</u></b>	<b><u>Actual Performance based on the IDP</u></b>	<b><u>Gaps</u></b>	<b><u>Remedial action</u></b>
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?	Discussions have been entered into with the Cacadu DM to establish a District Communication Forum that will be responsible to develop a District Communication Strategy. The target for the completion of the strategy has been set for 2007.	Lack of funds are inhibiting progress.	DHLG&TA to note the lack of funds and attempt to source funds for this issue.

### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there clear Identification of National and provincial allocations and resources. Clear identification of own resources.	The annual report needs to indicate the various funding of the budget e.g. national provincial and own funds as per the IDP.	The municipality should indicate identification of allocation of resources as well as own resources	The various sources of funding of the budget e.g. national provincial and local funds needs to be indicated. The going concern principle also needs mention to establish if the municipality can perform its mandate.
Is there an Expenditure reports informing allocations	The annual report must provide the results of the expenditure as per the IDP and budget.	Yes on the capital expenditure	No further action
Are there Budgets for all aspects, including 5 KPAs	The annual report must indicate the results of the budget implementation including the 5 KPAs	Need to indicate the availability of budget for all programmes and projects	The annual report must indicate the results of the budget implementation including the 5 KPAs
Is there a Response to Audits and Izimbizo outputs?	The annual report must include the audit responses with clear remedial actions or plans to alleviate the issues raised	Need to include resolutions on issues through Audits and Izimbizos	Responses to the audit reports needs to be included with actions taken or planned i.t.o. the department circular.
Is there a Debt recovery plan	The annual report must provide the financial position of the municipality from the audit committee and whether it will need a debt recovery plan	Need to reflect on the Dept Recovery Plan	The annual report must address the debt position of the municipality and plans to address it if needed.
Budget and IDP link: Important to	The annual report must state the	No alignment of Budget and	The municipality need to include

indicate whether spending of capital budgets is i.t.o. of priority projects identified in the IDPs. Also the linkage of capital expenditure to the strategic interventions as identified in the spatial development frameworks	alignment between the budget and the IDP. The results of the spending of the capital budget i.t.o. priority projects as identified in the IDP and strategic interventions as per the spatial development plan.	IDP	the alignment between the IDP and the budget and the capital spending on priority capital projects and spatial planning priorities
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### **KOUGA LOCAL MUNICIPALITY.**

#### **Municipal Transformation & Organisational Development**

<b>Key Area</b>	<b>Actual Performance Based on IDP</b>	<b>Gaps</b>	<b>Remedial Actions</b>
Organogram, vacancy rates, Section 57 Managers	The municipal IDP shows top structure in as far as organogram is concerned.	Organogram does not show the total number of Section 57 posts in order to determine the shortfall. The organogram also does not show the filled and Vacant posts for the entire institution.	The municipality needs to develop and populate organogram and follow the necessary processes and procedures.
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> </ul>

			<ul style="list-style-type: none"> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Is there a Budget Office	No. There is no show of fully-fledged Budget and Treasury Office, led by CFO.	There is no indication of existing personnel working under CFO.	The municipality must develop an organogram that will include Treasury and Budget Office. Recruit and train personnel in both HR and Finance related issues in order to render effective and efficient service.
What Evidence is there of a Performance Management System (PMS)	Annual report indicates that Performance Management System adopted and implemented for Section 57 employees. Still to be rolled out to lower levels.	There is no indication of an existing Institutional PMS as required.	The municipality must develop Performance Management System in line with provisions of Section 38 of the Systems Act.
Where is the IDP driven from? Is this the MM or close to the MM?	IDP indicates that there is a Municipal Manager in the organogram.	No indication as to whether the MM is driving the IDP process.	The IDP must clearly indicate who drives the IDP processes. Where the MM intends to delegate this function, appointment of personnel is imperative.
What is the assessment of the capacity and capability of the municipality to implement the IDP and projects therein	The Organogram only reflects MM and Managers although critical post has been filled but the IDP does not reflect institutional arrangement as required it only focus on Service Delivery.	It is difficulty to establish the availability of capacity and capability.	Their organogram should be fully populated and also seek assistance from the Department in as far as training of personnel is concerned.
Is there an Equity plan and is there	There is no Employment Equity Plan on	IDP has no plan that can be	The municipality needs to

any emphasis on Youth, Gender and people with disabilities	IDP	used to assess compliance in this regard.	develop a policy/plan to address Employment Equity issues.
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	Annual report indicated other policies with no indication of Supply Chain Management, Indigent Support Policy and Asset Management policy.	Municipality need to develop policies	There is a need for the municipality to identify critical policies. These policies should be developed.

### **GOOD GOVERNANCE & COMMUNITY PARTICIPATION**

<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Does the municipality have Functional Structures (i.e. Ward, Standing Committees and CDW's)?	<ul style="list-style-type: none"> <li>• 10 Wards with ward councilors established as well as ward committees</li> <li>• 4 standing committees established</li> <li>• Council comprised of 10 ward councilors &amp; 9 PR Councilors</li> </ul>	No reflection of CDW's in both documents	Municipality to reflect this in the documents
What are the linkages with other governance structures?	There is some form of linkage with some sector departments e.g. health, social welfare, education, roads	Linkages not clearly reflected in the documents	To clearly reflect on how it links with other governance structures in both documents

Does the municipality have an effective Communication strategy, Participatory and Decision – making strategies?	<ul style="list-style-type: none"> <li>participatory strategy and decision – making strategy is through the creation of governance structures</li> <li>communication - none</li> </ul>	<ul style="list-style-type: none"> <li>Not clearly reflected in the documents</li> <li>. no communication strategy</li> </ul>	To develop policy and reflect in the IDP and annual report thereof
Focus on Gender, People with Disabilities and Youth	Partly covers disabled and is silent on youth & women	No policies & programmes in place focusing on youth and women	To develop policies that focus on youth & women
Is there evidence of a Code of Conduct for officials and political office bearers	None	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting this on both documents

<b><u>Cross cutting issues</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?	Corporate Services are responsible amongst other functions corporate communications, media liaison, ward committees and records management.	Unsure whether a Communication Strategy has been developed.	If a strategy had been developed it should be stated as baseline information and report on the progress of the reviewed strategy, if required to be done.

### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there a Response to Audits and Izimbizo outputs?	The annual report must include the audit responses with clear remedial actions or plan to alleviate the issues raised	<b>No</b> there are no Response to Auditor Generals report in the annual report	To inform the audit committee in order that the municipality has to address the matter
Is there a Debt recovery plan	The annual report must provide financial position of the municipality from the audit committee and whether it	Yes there is a Debt recovery plan although it needs to be revisited	

	has the Debt recovery plan		
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### **BASIC SERVICES**

Is the plan for the delivery of services logical, sound, based on statistics, backlogs		The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
	Not expressed in the annual report		
Water Reticulation		395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should impleore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
	593km of water piping was estimated.		
Water Provision		The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
	According to MIG records, the backlog stood at 3096 households as at 2005		



Refuse removal			Good strategy and business plan should be developed to facilitate adequate delivery.
	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	
Housing		Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co-opted
	3577 houses were estimated to be built.		
How is service delivery and the provision of Free Basic Services linked to the Indigent Register			Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	

### **GOOD GOVERNANCE & COMMUNITY PARTICIPATION**

<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>

Does the municipality have Functional Structures (i.e. Ward , Standing Committees and CDW's)?	<ul style="list-style-type: none"> <li>• 10 Wards with ward councilors established as well as ward committees</li> <li>• 4 standing committees established</li> <li>• Council comprised of 10 ward councilors &amp; 9 PR Councilors</li> </ul>	No reflection of CDW's in both documents	Municipality to reflect this in the documents
What are the linkages with other governance structures?	There is some form of linkage with some sector departments e.g. health, social welfare, education, roads	Linkages not clearly reflected in the documents	To clearly reflect on how it links with other governance structures in both documents
Does the municipality have an effective Communication strategy, Participatory and Decision – making strategies?	<ul style="list-style-type: none"> <li>• participatory strategy and decision – making strategy is through the creation of governance structures</li> <li>• communication - none</li> </ul>	<ul style="list-style-type: none"> <li>• Not clearly reflected in the documents</li> <li>• . no communication strategy</li> </ul>	To develop policy and reflect in the IDP and annual report thereof
Focus on Gender, People with Disabilities and Youth	Partly covers disabled and is silent on youth & women	No policies & programmes in place focusing on youth and women	To develop policies that focus on youth & women
Is there evidence of a Code of Conduct for officials and political	None	No evidence code of conduct for both officials and political	Council to consider reflecting this on both documents

office bearers		office bearers	
Evidence - Does the municipality prepare an annual report that includes the annual performance report and submit to the Auditor General as required by the MFMA	There is annual report which includes performance	No evidence of submission to Auditor – General	Proof of submission to be reflected in the annual report

<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for funded project.	J-Bay/Humansdorp SDF. Upgrading of land tenure at Kwanomzamo. Cementry investigation at Thornhill. Municipal land & Infrastructure Man. Plan at Kouga.	Document does not provide sufficient information in this regard.	Municipality need to develop business plans for funded projects
Layout and general plans	Planning and Surveying of 450 sites at Pellsrus Surveying of 79 sites at Pellsrus & Stuurmanskop Planning informal settlement (24000 erven) at Kruisfontein Survey 627 even at Rosedale & Thornhill	Document does not provide sufficient information in this regard.	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality need to align its processes with provincial as well as national legislation

Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	There is a need to develop and utilize GIS information
Land Use Management	Development of precise Land Tenure System. Development of a Land Use Management Plan	The documents were still a draft	The municipality should indicate on its ability to perform land use management functions
Was there use of credible statistics	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality should indicate if the statistics that was used was credible
Development of new property rates policy	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Need to develop Spatial Development Framework
Implementation of general valuation in accordance with the MPRA	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality should develop Spatial Development Framework
			Need to implement general valuations in terms of the Municipal Property Rates Act

### **LUKHANJI LOCAL MUNICIPALITY**

#### **GOOD GOVERNANCE & COMMUNITY PARTICIPATION**

<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Does the municipality have an effective Communication strategy, Participatory and Decision –making strategies?	<ul style="list-style-type: none"> <li>• YES.</li> <li>• participation</li> </ul>	No evidence of Communication policy	Municipality need to develop a communication policy

Focus on Gender, People with Disabilities and Youth	No	No evidence of gender youth & disability	Council must produce evidence, if these are in place
Is there evidence of a Code of Conduct for officials and political office bearers	None	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting this on both documents
<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for funded project.	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Municipality need to develop business plans for funded projects
Layout and general plans	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality need to align its processes with provincial as well as national legislation
Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	There is a need to develop and utilize GIS information
Land Use Management	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard	The municipality should indicate on its ability to perform land use management functions
Was there use of credible statistics	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality should indicate if the statistics that was used was credible

Spatial development framework in place	Spatial Development Plan has been completed (no IDP document. It was indicated in annual report).	Document does not provide sufficient information in this regard.	Need to develop Spatial Development Framework
Development of new property rates policy	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality should develop Spatial Development Framework
Implementation of general valuation in accordance with the MPRA	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Need to implement general valuations in terms of the Municipal Property Rates Act

### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there capacity and capability in the treasury	The annual report must indicate whether the treasury department has capacity and capability to perform its functions as per the IDP.	gaps	Needs to indicate the posts available and the filling of it as well as the capacity to perform their finance functions.
Is there clear Identification of National and provincial allocations and resources. Clear identification of own resources.	The annual report needs to indicate the various funding of the budget e.g. national provincial and own funds as per the IDP.	Not reflected	The various sources of funding of the budget e.g. national provincial and local funds needs to be indicated. The going concern principle also needs mention to establish if the municipality can perform its mandate.
Is there a Service Delivery Budget Implementation Plan – if applicable from 07 or 08	The annual report needs to state whether the service delivery performance was achieved as per the SDBIP that flowed from the IDP.	Not included	The service delivery performance needs to be addressed in the annual report with any deviations.
Is there evidence of a Revenue management and Billing System	The annual report must provide the results of the revenue management and billing system and also the arrear amounts and what the municipality intend doing about it. Clear indications must be made on the debt management policy and provision for bad debts.	Not covered	The annual report needs to provide the results of the revenue management and billing system and the provision for bad debts.
Is there an Expenditure reports	The annual report must provide the	Not included	The annual report needs to

informing allocations	results of the expenditure as per the IDP and budget.		include the results of the expenditure as per the IDP and budget.
Are there Budgets for all aspects, including 5 KPAs	The annual report must indicate the results of the budget implementation including the 5 KPAs	Not included	The annual report must indicate the results of the budget implementation including the 5 KPAs
Is there a Response to Audits and Izimbizo outputs?	The annual report must include the audit responses with clear remedial actions or plans to alleviate the issues raised.	Not included	Responses to the audit reports needs to be included with actions taken or planned i.t.o. the department circular.
Is there a Debt recovery plan	The annual report must provide the financial position of the municipality from the audit committee and whether it will need a debt recovery plan.	Not included	The annual report must address the debt position of the municipality and plans to address it if needed.
<b>Budget and IDP link:</b> Important to indicate whether spending of capital budgets is i.t.o. of priority projects identified in the IDPs. Also the linkage of capital expenditure to the strategic interventions as identified in the spatial development frameworks	The annual report must state the alignment between the budget and the IDP. The results of the spending of the capital budget i.t.o. priority projects as identified in the IDP and strategic interventions as per the spatial development plan.	Not included	The municipality need to include the alignment between the IDP and the budget and the capital spending on priority capital projects and spatial planning priorities
<b><u>Basic Services</u></b>			
Is the plan for the delivery of services logical, sound, based on statistics, backlogs	There is no expression of the plan in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.

Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
Housing	3577 houses were estimated to be built.	Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co



How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. The must be based on affordability as well as priorities of the communities
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## **MALETSWAI LOCAL MUNICIPALITY**

### **Municipal Transformation & Organisational Development**

<b>Key Area</b>	<b>Actual Performance Based on IDP</b>	<b>Gaps</b>	<b>Remedial Actions</b>
Organogram, vacancy rates, Section 57 Managers	In the IDP, the organogram shows the Municipal Manger and four Section 57 managers with only one vacant post. The municipality has done the breakdown of employees in order to show the existing number of employees as well as vacancies.	The staff profile does not show the designation of posts below Section 57 managers. Organogram shows a vacant post of a Technical Services Manager.	Filling-up of critical posts (Technical Services Manager) following the necessary procedures.

	The employee breakdown shows that out of 234 approved posts 231 have been filled.		
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy.	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Do they have a Skills Development Plan, including Workplace Skills Plan (WSP)	Only the Annual Report shows that the Skills Development Facilitator was appointed from January 2006.	Absence of Skills Development Plan including WSP	Municipality needs to conduct Skills Audit and develop Skills Development Plan including WSP and submit same to LGSETA.
What Evidence is there of a Performance Management System (PMS)	According to the IDP there is no Institutional PMS,	There is no indication of an existing Institutional PMS as required.	The municipality must develop the Performance Management System in accordance with the provisions of Section 38 of the Systems Act.
Is there an Equity plan and is there	There is no Employment Equity Plan on	IDP has no plan that can be	The municipality needs to

any emphasis on Youth, Gender and people with disabilities	IDP; however the Annual Report only reflects that Employment Equity Plan has been adopted by council. Only the personnel breakdown reflects the filled posts according to gender, race.	used to assess compliance in this regard.	develop a policy/plan to address Employment Equity issues and submit same to Department of Labour.
<b><u>Cross cutting issues</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL</u></b>
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	No	There is no operational plan/ SDBPI to implement IDP	Municipality must develop SDBIP
e. To whom has specific responsibility been assigned for the rollout and implementation of the IDP/Operational Plan (SDBIP)? How is the execution of these responsibilities being monitored, and by whom?	The municipal manager and other section 57 managers. The section 57 managers report to the MM who in turn reports to council.	The municipality does not have the performance management system to monitor implementation of the IDP	The municipality must develop and implement performance management system as well as SDBIP.
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?		The municipality has not reflected on the availability of the communication strategy	The municipality must develop a communication strategy and allocate resources for communicating with all stakeholders
<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON THE IDP</u></b>	<b><u>GAP</u></b>	<b><u>REMEDIAL ACTION</u></b>
<b><u>LOCAL ECONOMIC DEVELOPMENT</u></b>			
How has the municipality considered spatial issues relevant to economic development through the use of NSDP principles		Both documents does not reflect the spatial issues relevant to LED	Indication by the municipality

How does the IDP address the issue of skills development in line with ASGISA principles	Training advice and support for small enterprises	No clear statistics in the annual report	The report should reflect as to how the municipality address skills development in line with ASGISA
What is the institutional capacity to deliver on LED? Is it sufficient	LED Unit Mthombo Sediba Development Agency	The municipality had mentioned LED unit but there is no clear indication of the number of personnel within the LED unit	

### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there clear Identification of National and provincial allocations and resources. Clear identification of own resources.	The annual report has to indicate the various funding of the budget e.g. National Provincial and own funds as per the IDP	It is not included in the annual report.	The annual report has to indicate the various funding of the budget e.g. National Provincial and own funds as per the IDP
Is there a Service Delivery Budget Implementation Plan – if applicable from 07 or 08	The annual report needs to state whether the service delivery performance was achieved as per the Service Delivery Budget Implementation Plan that flow from the IDP	Not included in the report	The annual report needs to state whether the service delivery performance was achieved as per the Service Delivery Budget Implementation Plan that flow from the IDP
Is there evidence of a Revenue management and Billing System	The annual report must provide the results of revenue management and billing system and also the real amounts and what the municipality intend doing about it. Clear indication must made on the debt management policy and provision for bad debts	Not included in the report	The annual report must provide the results of revenue management and billing system and also the real amounts and what the municipality intend doing about it. Clear indication must made on the debt management policy and provision for bad debts

Is there an Expenditure reports informing allocations	The annual report must provide the results of the expenditure as per the IDP and budget	Not reflected in the annual report	The annual report must provide the results of the expenditure as per the IDP and budget
Are there Budgets for all aspects, including 5 KPAs	The annual report must indicate the results of the budget implementation including the 5 KPAs	Not reflected in the annual report	The annual report must indicate the results of the budget implementation including the 5 KPAs
Is there a Response to Audits and Izimbizo outputs?	The annual report must include the audit responses with clear remedial actions or plan to alleviate the issues raised	The report is silent on this aspect except TB awareness Izimbizo	The annual report must include the audit responses with clear remedial actions or plan to alleviate the issues raised
Is there a Debt recovery plan	The annual report must provide financial position of the municipality from the audit committee and whether it has the Debt recovery plan	Not include in the annual report	The annual report must provide financial position of the municipality from the audit committee and whether it has the Debt recovery plan
Budget and IDP link: Important to indicate whether spending of capital budgets is i.t.o. of priority projects identified in the IDPs. Also the linkage of capital expenditure to the strategic interventions as identified in the spatial development frameworks	The annual report must state the alignment between the budget and the IDP. The results of the spending of the capital budget ITO priority projects as identified in the IDP and strategic intervention and spatial development plan	Not reflected in the annual report	The annual report must state the alignment between the budget and the IDP. The results of the spending of the capital budget ITO priority projects as identified in the IDP and strategic intervention and spatial development plan
<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for spatial planning projects.	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard	Municipality need to develop business plans for funded projects
			Need to develop layout and general plans
Layout and general plans	Document does not provide	Document does not provide	The municipality need to align its

	sufficient information in this regard.	sufficient information in this regard.	processes with provincial as well as national legislation
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	There is a need to develop and utilize GIS information
Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	No information was shown on annual report	The municipality should indicate on its ability to perform land use management functions
Ability to perform Land Use Management functions	Document does not provide sufficient information in this regard.	No information was shown on annual report	The municipality should indicate if the statistics that was used was credible
Was there use of credible statistics	Document does not provide sufficient information in this regard.	No information was shown on annual report	Need to develop Spatial Development Framework
Spatial development framework in place	Document does not provide sufficient information in this regard.	No information was shown on annual report	The municipality should develop Spatial Development Framework
Development of new property rates policy	No information in IDP	No information in Annual Report	Need to implement general valuations in terms of the Municipal Property Rates Act
Implementation of general valuation in accordance with the MPRA	No information in IDP	No information in Annual Report	The municipality should implement general valuation in terms of Municipal Property Rates Act
<b>Basic Services</b>			
Is the plan for the delivery of services logical, sound, based on statistics, backlogs	There is no expression of the plan in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.

Water Reticulation		395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
	593km of water piping was estimated.		
Water Provision		The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
	According to MIG records, the backlog stood at 3096 households as at 2005		
Refuse removal		No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.
	It was intended to develop 2 dump sites.		
Housing		Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co-opted
	3577 houses were estimated to be built.		

How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities
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### **MBIZANA LOCAL MUNICIPALITY.**

#### **REPORT ASSESSMENT - 2005/6: EASTERN CAPE**

**NAME OF MUNICIPALITY: MBIZANA LOCAL MUNICIPALITY**

<b><u>GOOD GOVERNANCE &amp; COMMUNITY PARTICIPATION</u></b>			
<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>



Does the municipality have Functional Structures (i.e. Ward, Standing Committees and CDW's)?	Yes	None	None
What are the linkages with other governance structures?	Yes Health, Water, Road, Land & Housing, Transport, and the districts as well.	None	None
Does the municipality have an effective Communication strategy, Participatory and Decision –making strategies?	Yes	None	None
Focus on Gender, People with Disabilities and Youth	Yes	Although there is a standing committee focusing on youth, gender and people with disabilities, there is no indication of programmes aimed at these designated groups.	To reflect on the programmes aimed at classified the groups.
Is there evidence of Sector Engagement	Yes	None	None

Is there any evidence that the IDP has been informed by the community	Yes	None	None
Is there a plan to get both the budget and IDP approved by the community	Yes	None	None
Is there evidence of a Code of Conduct for officials and political office bearers	None	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting this on both documents
Evidence - Does the municipality prepare an annual report that includes the annual performance report and submit to the Auditor General as required by the MFMA	None	No evidence of Annual report and submission thereof to the Auditor General.	To indicate whether Annual performance report and submission thereof has been done.

### **Municipal Transformation & Organisational Development**

<b><u>Key Area</u></b>	<b><u>Actual Performance Based on IDP</u></b>	<b><u>Gaps</u></b>	<b><u>Remedial Actions</u></b>
Organogram, vacancy rates, Section 57 Managers	Annual report indicated that there are six departments that are filled with relevant section 57 managers and also the municipal manager.	Organogram does not show the total number of Section 57 posts in order to determine the shortfall. The organogram also does not show the filled and Vacant posts for the entire institution.	The municipality needs to develop and populate organogram and follow the necessary processes and procedures.

What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses for the outstanding performers</li> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Is there a Budget Office	No. There is no show of fully-fledged Budget and Treasury Office, only the existence of a C F O.	There is no indication of existing personnel from the Organogram.	The municipality must develop an organogram that will include Treasury and Budget Office. Recruit and train personnel in both HR and Finance related issues in order to render effective and efficient service.
What Evidence is there of a Performance Management System (PMS)	According to the municipal IDP, there is no Institutional PMS and indicate that it has been developed.	There is no indication of implementation of Institutional PMS as required.	The municipality must develop Performance Management System in line with provisions of Section 38 of the Systems Act.
Where is the IDP driven from? Is this the MM or close to the MM?	IDP indicates that there is a Municipal Manager in the organogram.	No indication as to whether the MM is driving the IDP process.	The IDP must clearly indicate who drives the IDP processes. Where the MM intends to

			delegate this function, appointment of personnel is imperative.
What is the assessment of the capacity and capability of the municipality to implement the IDP and projects therein	The Organogram only reflects MM and six Managers although critical post has been filled but the IDP does not reflect institutional arrangement as required it only focus on Service Delivery	It is difficulty to establish the availability of capacity and capability.	Their oganogram should be fully populated and also seek assistance from the Department in as far as training of personnel is concerned.
Is there an Equity plan and is there any emphasis on Youth, Gender and people with disabilities	There is no Employment Equity Plan on IDP	IDP has no plan that can be used to assess compliance in this regard.	The municipality needs to develop a policy/plan to address Employment Equity issues.
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	IDP indicated the development of Supply Chain Management and Asset Management policy.	Municipality need to develop policies .As in annual report there is no mention of these policies being developed.	There is a need for the municipality to identify critical policies. These policies should be developed.
<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for spatial planning projects.	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard	Subsequent annual reports should provide information on this KPA
Layout and general plans	988 sites planned and serviced	Insufficient funding, land disputes and lack of suppliers and builders	Extra funding to be requested from the province. Intervention required from DLA to resolve land dispute. Create commercial opportunities to attract more suppliers, recruit builders from different areas.
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Subsequent annual reports should provide information on this KPA
Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	No information was shown on annual report	Relevant information on implementation status to be

			sourced.
Ability to perform Land Use Management functions	To protect the coastline by regulating land use	Lack of coastal land use control	Introduce proper land use control measures.
Was there use of credible statistics	Loyiso Consultants, 2002	None	None
Spatial development framework in place	Document does not provide sufficient information in this regard.	No information was shown on annual report	Relevant information on SDF Framework to be sourced.
Development of new property rates policy	No information in IDP	No information in Annual Report	Relevant information to be provided.
Implementation of general valuation in accordance with the MPRA	No information in IDP	No information in Annual Report	Relevant information to be provided.
<b>KEY AREA</b>	<b>PERFORMANCE BASED ON THE IDP</b>	<b>GAP</b>	<b>REMEDIAL ACTION</b>
<b><u>LOCAL ECONOMIC DEVELOPMENT</u></b>			
How has the municipality considered spatial issues relevant to economic development through the use of NSDP principles	No spatial delineation has been mentioned in the IDP.	LM spatial perspective has not been mentioned in the IDP.	The municipal Spatial perspective guided by the NSDP principles should form part of the IDP. It will therefore be recommended that the LM show how its space will be utilized.
How does the municipality understand the strategic link between governance and LED	Through the development and implementation of the following systems: 1. Capacity improvement systems 2. Market expansion systems; and 3. Cost reduction systems	Though these systems have been highlighted in the IDP document, it is not clear whether strategic links have been envisioned between these and LED.	Recommendations will be made in the next IDP development cycle to emphasize the importance of linking governance and LED.
<b><u>Cross cutting issues</u></b>	<b><u>ACTUAL PERFORMANCE</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTION</u></b>

	<b><u>BASED ON IDP</u></b>		
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	The municipal manager and other section 57 managers	In availability of annual operational plan/ SDBIP.	the municipality must submit SDBIP to ensure their commitment on the implementation of IDP project
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?	The municipality has not mentioned any availability of communication strategy and/any communication with the stakeholders	In availability of communication strategy	The municipality must develop to communication with all the stakeholders

### **FINANCIAL VIABILITY AND MANAGEMENT**

Is there evidence of a Revenue management and Billing System	Both annual report and IDP are silent on a Revenue management and Billing system	No mentioned in the annual report and IDP.	The annual report should reflect the adequacy of the Revenue management and Billing system but the results thereof.
Is there an Expenditure reports informing allocations	The annual report displays operating results as well as the Capital Expenditure	<u>No gap</u>	No remedial actions
Are there Budgets for all aspects, including 5 KPAs	The detailed budget is provided in the IDP but not in the annual report	The annual report is silent on the budget.	The annual report should also include budget figures.
Is there a Response to Audits and Iimbizo outputs?	No responses	Both annual report and IDP are silent on the Auditor-General report and responses to it.	The annual report and the IDP should include responses to the audit report and imbizos.
Is there a Debt recovery plan	No, not mentioned in the annual report or IDP	The IDP and annual report should indicate whether a debt recovery plan is needed.	The IDP and annual report should indicate whether a debt recovery plan is needed.

## **Basic Services**

Is the plan for the delivery of services logical, sound, based on statistics, backlogs	No mention of a plan in the annual report	The IDP tried to address previous backlogs with regards to the listed projects. However the plan was drawn based on outdated statistics (1996, 2000 & 2001).	Efforts should be made to use recent statistics when developing IDPs to address contemporary backlogs.
Water Reticulation	593km of water piping was estimated.	395km (67%) of water reticulation was achieved. The target was not achieved due to lack of skilled labour.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be contracted for this purpose.
Water Provision	According to MIG records, the backlog stood at 3096 households as at 2005	The municipal annual report states that 500 households benefitted for the same period.	Implementation of water related projects should be done under the guidance of DWAF, who also offer technical assistance in this regard.
Refuse removal	It was intended to develop 2 dump sites.	No dump site was developed due to lack of funds and lack of transfer sites.	Good strategy and business plan should be developed to facilitate adequate delivery.

Housing		Out of the 2207 housing subsidies approved, only 978 (45%) houses were constructed. This under-performance is as a result of lack of skilled workers; delays of approval of plans; shortage of building materials.	The municipality should implore the services of the project consolidate professionals in conjunction with consultants in implementing projects. Where local consultants cannot be found, due to project complexities, consultants from other areas should be co-opted
	3577 houses were estimated to be built.		
How is service delivery and the provision of Free Basic Services linked to the Indigent Register	The municipality has to state the linkage of service delivery and provision of free basic services to the indigent register	The information that is reflected to the Annual Report and IDP document do not address the linkage	Municipality should decide and make a strategic choice on service delivery levels and standards and the public should be informed of such choices. This must be based on affordability as well as priorities of the communities



## **MHLONTLO LOCAL MUNICIPALITY**

### **GOOD GOVERNANCE & COMMUNITY PARTICIPATION**

<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Does the municipality have Functional Structures (i.e. Ward, Standing Committees and CDW's)?	<ul style="list-style-type: none"> <li>• Yes because Council and standing committee structures in place</li> <li>• 21 Wards established</li> </ul>	No reflection of the number of CDW's	To reflect number of CDW's in their annual IDP documents
Does the municipality have an effective Communication strategy, Participatory and Decision –making strategies?	<ul style="list-style-type: none"> <li>• communication is through news letters, leaflets, brochures, and district communication structures is fairly functional</li> <li>• participation through IDP steering committees &amp; IDP representative forums</li> </ul>	Communication policy not available	To develop policy and reflect in the IDP and annual report thereof

Focus on Gender, People with Disabilities and Youth	Partly covers disabled with regard HIV/ AIDS	No policies & programmes in place focusing on youth and women	To develop policies that focus on youth & women
Is there evidence of a Code of Conduct for officials and political office bearers	None	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting this on both documents
<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for funded project.	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Municipality need to develop business plans for funded projects
Layout and general plans	Planning and Surveying of Tsolo ext. 7 and Qumbu ext. 7 completed.	GPs not available yet.	Need to develop layout and general plans
Alignment with relevant provincial and national legislation	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality need to align its processes with provincial as well as national legislation

Development & utilization of Cadastral / GIS information	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	There is a need to develop and utilize GIS information
Land Use Management	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality should indicate on its ability to perform land use management functions
Was there use of credible statistics	Statssa 1996 statistics were utilized.	Usage of outdated statistics would lead to inadequate planning.	The municipality should indicate if the statistics that was used was credible
Spatial development framework in place	Develop a Spatial Development Framework in November 2005.	Document does not provide sufficient information in this regard.	Need to develop Spatial Development Framework
Development of new property rates policy	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	The municipality should develop Spatial Development Framework
Implementation of general valuation in accordance with the MPRA	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Need to implement general valuations in terms of the Municipal Property Rates Act
<b><u>FINANCIAL VIABILITY AND MANAGEMENT</u></b>			
Is there capacity and capability in the treasury	The annual report does not address the capability and capacity in the treasury department to perform its functions	Annual report is silent on the capability and capacity of the treasury department to perform its functions.	The annual report should indicate whether the treasury department is capable and has capacity to perform its function.

Is there clear Identification of National and provincial allocations and resources. Clear identification of own resources.	There is no indication in the IDP and the annual report regarding national provincial and own funding.	There is no indication in the IDP and the annual report regarding national provincial and own funding.	The IDP and the annual report should cover the funding of the municipality e.g. national, provincial and own funds.
Is there evidence of a Revenue management and Billing System	No evidence in the annual report.	The annual report must discuss revenue arrears and the management are thereof.	The annual report must discuss revenue arrears and the management are thereof.
Is there an Expenditure reports informing allocations	No expenditure reports	No expenditure reports	Expenditure reports should be included in the annual reports indicating variances.
Are there Budgets for all aspects, including 5 KPAs	No information on the budgets on the annual report as reflected in the IDP.	Budget information omitted in the annual report	Budget information to be included in the annual report similar to the IDP.
Is there a Response to Audits and Izimbizo outputs?	Responses to the A/G report must be included in the annual report; however, no mention is made in the IDP.	No reference is made to responses regarding audit report.	Responses to audit report must be included in the annual report with the recommendation from the audit committee.
Is there a Debt recovery plan	No mention made on the IDP or the annual report whether debt recovery plan is under consideration.	There is a lack of information on the financial position of the municipality	Audit committee must express their opinion regarding the financial position of the municipality
Budget and IDP link: Important to indicate whether spending of capital budgets is i.t.o. of priority projects identified in the IDPs. Also the linkage of capital expenditure to the strategic interventions as identified in the spatial development frameworks	A report is needed on the alignment of the budget and the IDP.	No mention is made on the alignment of the budget on the IDP.	The annual report must indicate the alignment of the budget to the IDP.

<b>Cross cutting issues</b>	<b>Actual Performance based on the IDP</b>	<b>Gaps</b>	<b>I</b>
1. Is an Annual Operational Plan/SDBIP available to implement the IDP.	An IDP has been submitted. Alignment between the projects and annual report was difficult to reconcile but could be due to the fact that the SDBIP/Operational Plan was not available.		
e. To whom has specific responsibility been assigned for the rollout and implementation of the IDP/Operational Plan (SDBIP)? How is the execution of these responsibilities being monitored, and by whom?			
4. Is the IDP aligned to the Provincial Growth and Development Strategy.	Yes		
6. Is there a communication strategy and resources to communicate key issues of implementation to all stakeholders?	A Local Communication Strategy has not been adopted although it must be mentioned that 15 meetings were held with government departments (90% attendance) and they received an Award from the OR Tambo DM in recognition of sound relations with Traditional Authorities. Imbizos and community interaction has not been fully achieved.		

<b>Key Area</b>	<b>PERFORMANCE BASED ON THE IDP</b>	<b>GAP</b>	<b>REMEDIAL ACTION</b>
<b>LOCAL ECONOMIC DEVELOPMENT</b>			
How has the municipality considered spatial issues relevant to economic development through the use of NSDP principles		No clear indication	The municipality must consider spatial issues and use recent statistical data

How does the municipality understand the strategic link between governance and LED	Developed partnership with SVA for the Tsilitwa sustainable village pilot, with ECDC for the Tina falls development planning phase - feasibility study and business plan.	No gap	
What is the competitive advantage of the municipality	N2 National road that link East London to Durban and runs through Qumbu	No gap	
What is the municipality doing to intensify enterprise development	Conducted 1 learnership on LED and 23 on tourism development.	No gap	
What is the municipality doing to invest in second economy in line with ASGISA	Conducted 1 LED learner ship training Establishment of a Local Tourism Organisation	No gap	
How does the IDP address the issue of skills development in line with ASGISA principles	Capacity building of staff and councilors serving in the LED committee.  2 Led officials trained by Nelson Mandela Metropolitan University	No gap	
What is the institutional capacity to deliver on LED. Is it sufficient	LED Officer	The municipality did not mention the availability of LED unit	Establishment of LED unit
If not, what resources are required to address institutional capacity for LED	LED Unit	The municipality should establish and	

Who are the social partners who are collaborating with the municipality on LED	SVA ECDC O.R. Tambo D.M. Ntinga Development Agency DEAT	populate the LED unit No gap	

KPA	PERFORMANCE BASED ON THE IDP (2005/06)	GAP	REMEDIAL ACTION	
Basic Services				
Is the plan for the delivery of services logical, sound, based on statistics, backlogs		The report does have sufficient quantifiable information. Local Government officials should capacitate the municipalities in terms of developing credible IDP's and reporting format thereof.		
<i>What are the targets specified by the IDP over the specified period based on the items below:</i>				
Sewerage / Bucket eradication				
Energy – Electricity				
Water Reticulation				
Water Provision				
Refuse removal				
Housing	Target were 973	775 houses were completed		
How is service delivery and the provision of Free Basic Services linked to the Indigent Register				
What action is being taken to meet the 2014 MDG targets				

Is there a plan to spend the MIG Funds over the next one to three years (DORA)		
How is the integrated capital Investment plan over one, three and five years broken down into viable projects with budgets		
Is there a business mapping over the three to five years, scoping, EIAs, etc.		
What's the total cost of the plan and is it sound		
Does the plan address O&M and does it address old infrastructure (SAICE Report)		
Is the plan inclusive of the national and provincial infrastructure sector plans		
Education		
Transport – roads		
Health, etc		
Does the IDP reflect the capacity and capability to deliver on this plan, within the municipality		
What External partnerships do they have		
Are any Service Delivery Facilitators present		
What role does the District Municipality play		



How does the municipality show that they have the capacity and capability to develop and deliver on an Integrated Capital Infrastructure Plan

### **Mnguma Local Municipality.**

#### **Municipal Transformation & Organisational Development**

<b><u>Key Area</u></b>	<b><u>Actual Performance Based on IDP</u></b>	<b><u>Gaps</u></b>	<b><u>Remedial Actions</u></b>
Organogram, vacancy rates, Section 57 Managers	Annual report indicated that there are six departments that are filled with relevant section 57 managers and also the municipal manager. Annual report also shows break down of post as per department and also number of filled post per department and sections.	Out of 436 post only 50 post have been filled for the entire institution	The municipality needs to develop and populate organogram and follow the necessary processes and procedures.
What is the Human Resource Development and retention Strategy	There is no mention of any retention strategy or policy	The municipality needs to develop policies on human resources development and retention strategies	Municipality must develop a retention strategy or policy that will include the following incentives: <ul style="list-style-type: none"> <li>- bursaries for its employees</li> <li>- performance bonuses</li> </ul>

			<p>for the outstanding performers</p> <ul style="list-style-type: none"> <li>- long-service awards</li> <li>- on recruitment and selection processes (promotional), first preference must be given to the existing incumbents</li> </ul>
Do they have a Skills Development Plan, including Workplace Skills Plan (WSP)	No existence of Skills Development Plan including WSP	Absence of Skills Development Plan including WSP	Municipality needs to conduct Skills Audit and develop Skills Development Plan including WSP
Is there a Budget Office	No. There is no show of fully-fledged Budget and Treasury Office, only the existence of a C F O.	There is no indication of existing personnel from the Organogram.	The municipality must develop an organogram that will include Treasury and Budget Office. Recruit and train personnel in both HR and Finance related issues in order to render effective and efficient service.
What Evidence is there of a Performance Management System (PMS)	According to the municipal IDP, there is no Institutional PMS and the Annual Report does not indicate anything to this regard.	There is no indication of an existing Institutional PMS as required.	The municipality must develop Performance Management System in line with provisions of Section 38 of the Systems Act.
Where is the IDP driven from? Is this the MM or close to the MM?	IDP indicates that there is a Municipal Manager in the organogram.	No indication as to whether the MM is driving the IDP process.	The IDP must clearly indicate who drives the IDP processes. Where the MM intends to

			delegate this function, appointment of personnel is imperative.
What is the assessment of the capacity and capability of the municipality to implement the IDP and projects therein	The Organogram only reflects MM and six Managers although critical post has been filled but the IDP does not reflect institutional arrangement as required it only focus on Service Delivery	It is difficulty to establish the availability of capacity and capability.	Their oganogram should be fully populated and also seek assistance from the Department in as far as training of personnel is concerned.
Is there an Equity plan and is there any emphasis on Youth, Gender and people with disabilities	There is no Employment Equity Plan on IDP	IDP has no plan that can be used to assess compliance in this regard.	The municipality needs to develop a policy/plan to address Employment Equity issues.
Evidence of Policies – Supply Chain Management, Indigent Support Policy Asset Management policy	IDP indicates that there are no formulated and adopted policies.	Municipality operating without policies.	There is a need for the municipality to identify critical policies. These policies should be developed.
<b><u>GOOD GOVERNANCE &amp; COMMUNITY PARTICIPATION</u></b>			
<b><u>Key Area</u></b>	<b><u>ACTUAL PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
Does the municipality have Functional Structures (i.e. Ward, Standing Committees and CDW's)?	<ul style="list-style-type: none"> <li>Yes</li> </ul>	They are only reflected in IDP document not in annual report	To also reflect in annual report

Is there any evidence that the IDP has been informed by the community	No reflection of the IDP being informed by communities	No evidence that IDP has been informed by community	Must ensure that it be informed by community
Is there a plan to get both the budget and IDP approved by the community	No information submitted	No evidence of that	Must ensure that it be approved by community
Is there evidence of a Code of Conduct for officials and political office bearers	No reflection on the annual report	No evidence code of conduct for both officials and political office bearers	Council to consider reflecting this on both documents
Evidence - Does the municipality prepare an annual report that includes the annual performance report and submit to the Auditor General as required by the MFMA	Performance report available.	But ,not audited	To submit an audited performance report
<b><u>Key Area</u></b>	<b><u>PERFORMANCE BASED ON IDP</u></b>	<b><u>GAPS</u></b>	<b><u>REMEDIAL ACTIONS</u></b>
<b><u>Spatial Analysis</u></b>			
Development of business plans for funded project.	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Municipality need to develop business plans for funded projects
Layout and general plans	Document does not provide sufficient information in this regard.	Document does not provide sufficient information in this regard.	Need to develop layout and general plans



Province of the

**EASTERN CAPE**

Department of Housing, Local Government and  
Traditional Affairs

**EXECUTIVE SUMMARY OF THE  
CONSOLIDATED MUNICIPAL ANNUAL PERFORMANCE  
REPORT (SEC 47 REPORT) 2005/06 Eastern Cape Province**

*Developing Sustainable Communities*



## **MEC'S COMMENTS**

In terms of Section 46 of Municipal Systems Act a Municipality must prepare for each year a performance report reflecting;

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

Section 47 of the same Act mandates the MEC for Local Government to annually compile and submit to the Provincial Legislature and the Minister a consolidated report on the performance of municipalities in the province.

The report must identify municipalities that;

- a) Underperformed during the year
- b) Propose remedial actions to be taken
- c) Be published in the Provincial Gazette.

The MEC for Local Government must submit a copy of the report to the National Council of Provinces.

During the year under review of 45 municipalities 27 submitted their annual reports.

The list hereunder is of municipalities that had submitted.

## **BACKGROUND**

All the 45 municipalities were reminded in writing to submit section 46 reports for 2005/06 financial year. Only 27 municipalities managed to respond positively. They are as follows;

1. Nelson Mandela Metro
2. Amathole District Municipality
3. Amahlathi Local Municipality
4. Buffalo City Local Municipality
5. Mnquma Local Municipality
6. Nxuba Local Municipality
7. Nkonkobe Local Municipality
8. Alfred Nzo District Municipality
9. Matatiele Local Municipality
10. Cacadu District Municipality
11. Kouga Local Municipality
12. Koukamma Local Municipality
13. Ikwezi Local Municipality
14. Makana Local Municipality
15. Ndlambe Local Municipality
16. Chris Hani District Municipality
17. Lukhanji Local Municipality

18. Intsika Yethu Local Municipality
19. Inxuba Yethemba Local Municipality
20. Tsolwana Local Municipality
21. O.R. Tambo District Municipality
22. King Sabata Dalindyebo Local Municipality
23. Port St Johns Local Municipality
24. Mhlontlo Local Municipality
25. Mbizana Local Municipality
26. Ukhahlamba District Municipality
27. Maletswai Local Municipality

It is also worth mentioning that the Province has managed to compile the report of this nature (section 47) for the first time.

## **APPROACH AND METHODOLOGY**

The Department nominated teams of officials which represented the Key Performance Areas of the Integrated Development Plan to assess the Annual Performance Reports as follows;

- 1) Cross Cutting Issues
- 2) Spatial Planning and Analysis
- 3) Service Delivery
- 4) Transformation and Institutional Arrangements
- 5) Local Economic Development
- 6) Financial Viability and Management
- 7) Good Governance and Community Participation

A format which seeks to address the legislative requirements of Section 47 had been developed as follows;

- a) Key Performance Area
- b) Actual Performance Based on IDP
- c) Gaps
- d) Remedial Actions

## **CONTENT**

### **SPATIAL ANALYSIS**

Port St. Johns, Mhlontlo, Ndlambe, Nxuba, Port St Johns, Mquma, Makana, Cacadu, Amahlathi, Alfred Nzo, Intsika Yethu, Kouga, Koukamma, Umzimvubu, OR Tambo, Tsolwana, Mbizana, Chris Hani, Nkonkobe, Maletswai Local and District municipalities did not relate to the alignment with both the national and provincial legislation. There is no sufficient information on whether there are business plans for spatial planning projects. The municipalities had not developed and or utilized the Geographic

Information System and did not reflect on their ability to perform land use management functions.

On their planning all municipalities used Stats South Africa 1996/2001 statistics which is outdated and will result in inadequate planning. Although all towns are expected to have spatial development framework, new property rates policy and implement general valuations, most municipalities had not included such important information in their reporting.

Mzimvubu municipality does not have a land use management plan. Like other municipalities the local municipality relies on outdated information of Stats SA which results in inadequate planning. On alignment of spatial processes with relevant national and provincial legislation the municipality did not submit information which suggests such alignment. The municipality did not implement the general valuation in accordance with the Municipal Property Rates Act. There is no Spatial Development Framework in place.

Ndlambe, Makana and Nxuba municipalities showed an underperformance on areas of spatial planning as there is no information that can be found during the assessment and analysis of both the Integrated Development Plan and the Annual Performance Report. There is no reflection of a spatial development framework being available.

Mbizana municipality showed the lack of coastal land use control. Also there is insufficient funding, land disputes and lack of suppliers and builders.

### **CROSS CUTTING ISSUES**

Although the majority of the municipalities in the province have the communication strategy in place, there is no indication to the existence of the communication policy. Unavailability of an operational plan to some of the municipalities is a cause for concern. The following municipalities serve as an example: Alfred Nzo, Amahlathi, Amathole, Buffalo City, Chris Hani, Ikhwezi, Intsika Yethu, Kouga, Kou- kamma and Nelson Mandela Metro.

It is further noted that alignment between projects, performance indicators as well as set targets are not so explicit against the actual targets met as supposed to be.

Koukamma, Kouga, Ikhwezi, Port St Johns, Tsolwana Intsika Yethu Municipalities are some of the municipalities that had not developed the Municipal Performance Management System to monitor the implementation of the Integrated Development Plan. The municipalities such as Amahlathi, Ikhwezi, Intsika Yethu, Kouga and Kou-kamma have not yet developed critical policies with regard to Supply Chain Management and Indigent Support for financial management purposes.



## **TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

The following municipalities: Alfred Nzo, Amahlathi, Kou-kamma, Kouga, Mquma, and Nkonkobe did not reflect on vacant posts on both the IDP or Annual Report documents and this made it difficult to determine whether they will deliver on the implementation of their IDP. There was also no clear definition of actual programmes existing for skills development and wellness programmes.

There was also a dire need to develop policies on human resource development retention strategy as well as policies that have a special focus on women, youth and the people living with disabilities.

Maletswai municipality staff profile does not show the designation of posts below the level of section 57 managers. In the Maletswai municipalities the Human Resource Directorate do not have the management policies e. g. bursary, performance bonuses, long-service awards, recruitment and selection process. These municipalities need to develop policies on Human Resource Development and retention strategies.

## **BASIC SERVICES**

The plans for service delivery have not been highlighted in both the Integrated Development Plan and the Annual Report documents by the following municipalities: Alfred Nzo, Kou-kamma, Ikhwezi and Intsika Yethu.

Intsika Yethu like other municipalities had not developed a dumping site as planned due to financial constraints. The proposed target regarding housing development was not met due to lack of skilled workers. Delays of approval of plans and shortage of building material were also a contributing factor. In Cacadu District water reticulation target was not achieved due to lack of skilled labour. It was the intension of this municipality to develop two dumping sites but none was developed due to lack of funds and transfer sites. Out of 2207 housing subsidies approved only 978 houses had been constructed. The backlog is due to lack of skilled workers. Delays in approval of plans and shortage of building material.

## **LOCAL ECONOMIC DEVELOPMENT**

Intsika Yethu municipality's planned initiatives in the IDP are not indicated in the Annual Performance Report.

Maletswai municipality has mentioned Local Economic Development unit and yet no clear indication as to the actual number of personnel within the unit and this makes it difficult to determine if the municipality will be able to deal with local economic development functions. Mhlontlo municipality has not indicated the availability of LED unit.

Although Buffalo City municipality's Annual Report is reflecting some progress in the Annual Report it does not clearly state what has been achieved as well as challenges that the municipality is facing. Although Chris Hani has considered its potential on agriculture the spin-off thereof has not been clearly expressed. The planned local

economic development initiative programmes that are in the IDP are not reflected in the annual report by Intsika Yethu municipality. Umzimvubu municipality did not reflect on the existence of neither the LED unit nor the LED forum

### **GOOD GOVERNANCE**

On good governance Nxuba, Port St Johns, Mquma, Makana, Cacadu, Amahlathi, Alfred Nzo, Lukhanji, Mhlontlo, Ndlambe, Intsika Yethu, Kouga, Koukamma, Umzimvubu, OR Tambo, Tsolwana, Mbizana, Chris Hani, Nkonkobe, Maletswai Local and District municipalities did not indicate the existence of communication policies, which will give an indication that IDP is informed by communities.

### **FINANCIAL VIABILITY AND MANAGEMENT**

Mbizana, Mquma, Tsolwana, Nkonkobe, Ukhahlamba, Nxuba, Umzimvubu, Alfred Nzo, Chris Hani, Kouga and Kou-kamma Municipalities are silent on the Revenue Management and Billing system.

Mbizana, Mquma, King Sabata Dalindyebo, Nkonkobe, Ndlambe, Nxuba, Ikwezi and Chris Hani municipalities did not respond to Auditor Generals reports and Imbizo outputs. The Annual Reports do not reflect figures as per budget although detailed budget is provided in the Mbizana IDP.

Mquma, Tsolwana, Nkonkobe, Ndlambe, Port St Johns, Ukhahlamba, Nxuba, Umzimvubu, Alfred Nzo, Kou-kamma, Chris Hani, Nelson Mandela Metro and Makana municipalities do not address the capacity and capability to perform the treasury duties. In these municipalities there is no clear indication in the annual report on funding from both National and Province. These Municipalities do not align their budgets with the IDP as well as spending on capital projects and Spatial Planning. Mhlontlo, King Sabata Dalindyebo and Ndlambe did not reflect on the alignment of the budget, the IDP as well as spending on priority projects.

At Nkonkobe, Nxuba, Ikwezi municipalities the Annual Report does cover transfer of funds from National and the Province, the implementation plan on service delivery; Revenue Management and Billing System; Expenditure Reports and Budgets for all aspects including 5 Key Performance Areas (KPA's). The Annual Report of Intsika Yethu does not address the various sources of funding, SDBIP and the debt management. In this municipality the planned initiatives in the IDP are not reflected. In Kouga, Koukamma, Chris Han, Mquma, Port St Johns, Ukhahlamba, Umzimvubu, the expenditure report is not reflected in the IDP and the budget.

Ukhahlamba, Nxuba, Cacadu, Umzimvubu, Alfred Nzo, Chris Hani, Koukamma, Kouga municipalities did not include a Recovery Plan in their Annual Reports.

## **GENERAL IMPRESSION**

Perceived resistance of municipalities to develop Sec 38 PMS is hampering the process of reporting by municipalities. The backlog on the submission of Annual Financial Statement as well as the delay on the issuing of the Auditor General's opinion to municipalities has a negative impact on the development and submission of annual reports by municipalities. The deployment of financial specialists to some of the municipalities through PROJECT CONSOLIDATE INTERVENTION has assisted municipalities on financial management matters.

The Department also intends opening satellite offices in each district to bring its services closer to the municipalities. Focus should also be on the development of Section 38 Municipal Performance Management System. This will assist municipalities towards developing Annual Performance Reports.

## **CHALLENGES**

The vacancy rate within the department contributed negatively towards the attainment of this mammoth task. However, the matter is being addressed through the departmental recruitment process in some municipalities the vacant position at Section 57 Manager level and or the Acting status on such positions is a matter for concern as it is difficult to make such persons accountable. Of great concern is also the resistance of municipal officials to report. This is also evident during the Municipal Performance Excellence Awards where they have to compete on their performance during the implementation of their IDP's. The delay in the rolling up of Province –wide Monitoring, Reporting and Evaluation is also a challenge. Whilst municipalities develop their Integrated Development Plans which is an indication of which programmes and projects the municipality will undertake during a financial year during the implementation of such programmes /project the municipality would implement something different to what was planned. This is evident through the disjuncture between the IDP and the Annual Report.

## **PROPOSED REMEDIAL ACTIONS**

The vacancy rate within the component is being addressed through the departmental recruitment processes the population of the organizational structure especially at Section 57 manager level by municipalities can enforce accountability and ensure timeous reporting by managers. The planned half yearly reporting that is going to be introduced by the department to municipalities will detect whether the IDP is implemented as planned and position the department for intervention where and when necessary. The speedy rolling out of the Province-Wide MR&E will ensure that municipalities can keep track of what they are doing and report as required by different stakeholders.

## **NON COMPLIANCE**

Nineteen municipalities have not been able to submit Annual Performance Reports for 05 / 06 financial year due to the fact that they are still struggling to deal with backlogs on the

Annual Financial Statements. Another contributing factor is that some municipalities are still waiting for the Auditor General's report on their Annual Financial Statements.

The Municipal Systems Act No.32 of 2000 as amended clearly states that Annual Financial Statements and the Auditor General's Report must form part of the Municipal Annual Performance Reports.

### **CONCLUSION**

Despite the guidelines that were developed by National Treasury in consultation with the Department of Provincial and Local Government on the format of the development of the Annual Performance Report some municipalities are not reporting according to the guidelines. The format aims to encourage continuous improvement in the standard of reporting by municipalities and to promote accountability to all stakeholders. It also aims to consolidate reporting requirements by incorporating a range of information required by various stakeholders into the annual report reducing duplication and improving communication. In terms of the Treasury guidelines only high capacity municipalities are required to submit annual reports but if they feel that they are unable to submit they may apply for a relief. Despite the fact that Ukhahlamba District Municipality is amongst the list of high capacity municipalities the fact of the matter is that it supposed to be amongst the low capacity municipalities as its annual report can attest to that.

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**MEC:**  
**HOUSING, LOCAL GOVERNMENT &**  
**TRADITIONAL AFFAIRS**

**DATE:** \_\_\_\_\_

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