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MAKANA MUNICIPALITY DRAFT ANNUAL REPORT 2017– 2018



Prepared by the Makana Municipality

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ACRONYMS AND ABBREVIATIONS

IDP	INTEGRATED DEVELOPMENT PLAN
LM	LOCAL MUNICIPALITY
STATS SA	STATISTIC SOUTH AFRICA
EPWP	EXTENDED PUBLIC WORKS PROGRAMME
AFS	ANNUAL FINANCIAL STATEMENTS
MSA	MUNICIPAL SYSTEMS ACT 32 OF 2000
IGR	INTER-GOVERNMENTAL RELATIONS
MOU	MEMORANDUM OF UNDERSTANDING
MISA	MUNICIPAL INFRASTRUCTURE SUPPORT AGENT
FAME	FINANCE, ADMINISTRATION, MONITORING & EVALUATION
GRAP	GENERAL RECOGNISED ACCOUNTING PRACTICE
MUNI-MEC	AN INTERGOVERNMENTAL BODY THAT MEETS QUARTERLY TO ANALYSE THE STATE OF LOCAL GOVERNMENT AND IS MADE UP OF THE MEC AND THE MUNICIPAL MAYORS AND MUNICIPAL MANAGERS
MIG	MUNICIPAL INFRASTRUCTURE GRANT
NERSA	NATIONAL ENERGY REGULATOR OF SOUTH AFRICA
COGTA	CORPORATIVE GOVERNANCE & TRADITIONAL AFFAIRS
SPLUMA	SPATIAL PLANNING AND LAND USE MANAGEMENT ACT
SBDM	SARAH BAARTMAN DISTRICT MUNICIPALITY
HR	HUMAN RESOURCES
IT	INFORMATION TECHNOLOGY
SDF	SPATIAL DEVELOPMENT FRAMEWORK
CWP	COMMUNITY WORKER'S PROGRAMME
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
LED	LOCAL ECONOMIC DEVELOPMENT
PMS	PERFORMANCE MANAGEMENT SYSTEM
SMME	SMALL, MEDIUM & MICRO ENTERPRISE

EXECUTIVE MAYOR'S FOREWORD

The Makana Municipality strived to improve its capacity to better facilitate service delivery during the 2017/18 financial year.

The Council of the Municipality adopted a Integrated Development Plan (IDP) for year under review which was preceded by the necessary public participation and community engagement. The IDP was developed in line with the Provincial Growth and Development Strategy.

The IDP as the strategic planning tool for the Municipality, provided for the following five (5) Key Performance Areas:

- KPA 1 – Organizational Transformation and Institutional Development
- KPA 2 – Basic Service Delivery
- KPA 3 – Local Economic Development
- KPA 4 – Financial Viability and Management
- KPA 5 – Good Governance and Public Participation

The Municipality convened several IMBIZOS per Clustered Wards, to improve public participation in the development of the Priorities.

During the year under review, the Makana Municipality experienced severe drought conditions and the whole District was declared a Drought disaster area. The aforementioned gave rise to Makana received funding to address its Water provision measure through the development of new boreholes.

The Department of Water and Infrastructural Services (In short DWIS) also provided funding for the development of the Makana Water Treatment Works.

In order to address the "pot hole" problems in Makana, the SA National Roads Agency was requested to attend to the renovation of BeauFort/Jacob Zuma Road which is a Provincial Road that was needing attention. The Agency duly complied with the request.

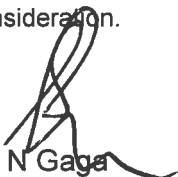
Through intervention with the MEC for COGTA , MEC Mkhize, a further 10 Million was sourced to deal with Makana's internal roads.

The Municipality successfully hosted the National Arts Festival in Grahamstown and afforde the Freedom of the City to the local 6 SAI Infantry Battalion.

During the financial year in question, the Makana Municipality requested the Sarah Baartman District Municipality to second its Municipal Manager, Mr D Pillay to Makana to provide leadership and ensure that a permanent Municipal Manager was appointed.

Although the Municipality still experienced serious financial cash flow difficulties, it priorities the provision of services to the Citizens of Makana.

On behalf of the Makana Municipality, I hereby submit the Annual report of 2017/18 for consideration.



Clr N Gaga

EXECUTIVE MAYOR

MAKANA MUNICIPALITY

Acting MM's Foreword

ACTING MUNICIPAL MANAGER'S FOREWORD

This Annual Report is prepared in accordance with the guidelines of Circular 63 issued by the National Treasury Department.

In an effort to assist the Makana Local Municipality (LM) when it comes to leadership stability, the Sarah Baartman District Municipality resolved to second its Municipal Manager to assist Makana Local Municipality by improving its capacity to better facilitate service delivery during the 2017/18 financial year.

The intervention focused on the employment of a permanent Municipal Manager, as well as addressing the service delivery hot spots such as water provision and the condition of Makana's road infrastructure.

The IDP of Makana is used as the strategic planning tool for the Municipality, and it provided for the following five (5) Key Performance Areas:

- KPA 1 – Organizational Transformation and Institutional Development
- KPA 2 – Basic Service Delivery
- KPA 3 – Local Economic Development
- KPA 4 – Financial Viability and Management
- KPA 5 – Good Governance and Public Participation

The performance of the Municipality has been measured against the targets set out in the IDP by means of the Service Delivery Budget and Implementation Plan.

During the year under review, the Municipal Infrastructure Grant funding of Makana LM were administered by the Sarah Baartman District Municipality, although all the Supply chain processes were made by the Makana Municipality.

The Municipality, like other municipalities in the District has not been immune to the severe drought Conditions which placed tremendous strain on the Dams and water treatment plants of Makana.

The Sara Baartman District was declared a Disaster Area and Makana was allocated R800 000 to deal with borehole revitalisation in Riebeeck East and Alicedale. Some of the funding was also utilised to address urgent upgrades to the pumps at the James Kleynhans Water Treatment Works.

In order to dress the leadership deficiency in Makana, the filling of vacancy of the Municipal Manager, was expedited and concluded successfully.

To address the lack of long term development Plans, MISA was requested to assist with the development of Masters Plans for Roads, Water and Sanitation provision.

On behalf of the Management of Makana Municipality we wish to express our appreciation for the political leadership and guidance given by the Speaker of Council, the Executive Mayor and his Mayoral Committee and the Councillors at large during this period. The dedication and support from management and the staff in general made it possible to achieve the milestones covered thus far.


Mr D Pillay

ACTING MUNICIPAL MANAGER

Municipal Overview

The Makana Municipality is situated in the western part of the Eastern Cape Province, falling under the Sara Baartman District Municipality. It is located 120km from Port Elizabeth to the west and 161km from East London to the east. It is the home of the National Arts Festival and the seat of Rhodes University and other prominent and internationally acclaimed primary and high schools found in Grahamstown. The Makana Municipality is located in the Eastern Cape Province on the south –eastern seaboard of South Africa. With the cities of Port Elizabeth 120km to the west and East London 180 km to the Makana Municipality is strategically situated between two of the province's largest industrial centre. Both coastal cities are serving by well-equipped container ports and have major airports linking them to Cape Town, Durban and Johannesburg.

The Makana Municipality consists of 12 wards in which 3 are found in the rural areas of the Municipality. However, for the new electoral term, the Municipality will have 14 wards.

Towns and Villages of Makana Municipality:

Grahamstown:

At the heart of Makana Municipality lies the city of Grahamstown, situated 55 km from the coast and 535 m above sea level, Grahamstown is famous as one of the leading cultural, educational, tourist centres and host of National Arts Festival in South Africa.

Alicedale:

This town owed its existence to the development of the railways where the station at Alicedale was a vital link between the Makana region and the main railway line between Port Elizabeth and Johannesburg. The rail link has been discontinued by the Passenger Rail Authority. The Shamwari Game Reserve is located in Alicedale.

Salem:

The Methodist Church founded Salem in the mid-1820s. It is famous for its many fine buildings and also for the historic negotiations between Richard Gush and the approaching Xhosa during the War of Hintsa, when the Xhosa agree to leave village in peace.

Riebeeck East:

The Dutch Reformed Church established the village of Riebeeck East in 1830 on the farm Mooimeisiesfontein, the home of the famous Voortrekker leader Piet Retief, Riebeeck East is now in the midst of a game and sheep farming area and offers many attractions and hiking trails through the surrounding diverse and beautiful hills.

Seven Fountains:

This farmers' community derived its name from seven springs located on different farms in the area.

Fort Brown:

Established as a military post in 1817, the gun tower and adjoining walls of the Fort, overlooking the Great Fish River and central to a number of major game reserves, are a national monument.

CHAPTER ONE

Municipal Functions, Population and Environmental Overview

1.1 Population Profile

According to Stats SA's Census 2011 statistics, the total population of Makana was 80, 391 in 2011. The aforementioned figure depicts an increase from the Makana population figure of 74, 561 indicated in the Census Survey of 2007.

Employment/Unemployment Trends

The percentage of people unemployed within Makana in 2011 was 40.3% according to Stats SA's Census of 2011.

Socio-Economic Indicators

Economic activity in Makana is organised under the following nine major sectors:

1. Agriculture, Hunting, Forestry and Fishing
2. Mining and Quarrying
3. Manufacturing
4. Electricity, Gas and Water supply
5. Construction
6. Wholesale and Retail trade
7. Transport, Storage and Communication
8. Financial, insurance, real estate and Business Services
9. Government and Community Services

The Government and Community Services is the largest contributor, contributing 50%. Makana's economy registered positive growth during the past decade and large strides are being made in addressing the levels of poverty through the Extended Public Works Programme and other related government initiatives.

1.2 Service Delivery Overview

The basic service delivery achievements and challenges of the Makana Municipality are addressed by the Technical & Infrastructure and the Community and Social Services Directorates. The Finance Directorate is responsible to ensure compliance and credible reporting on the budget. The Local Economic Development Directorate gives support for economic rejuvenation and the Corporate Services Directorate provides administrative support to the Council and the administrative structures. The aforementioned Directors play a strategic role in service delivery to the Makana residents.

1.3. Financial Health Overview

Operating Ratios	
Detail	%
Employee Costs	Refer to AFS
Repairs & Maintenance	Refer to AFS

1.4. Organisational Development

An Overview of the Demographic and Socio-Economic Characteristics of the municipality

The Approximate Population Distribution is:

SETTLEMENT	PERCENTAGE
Grahamstown	80%
Alicedale	10%
Riebeeck East	5%
Rural Areas	4%
Population	82 060
Age Structure	
Population under 15	24.40%
Population 15 to 64	69.40%
Population over 65	6.20%
Dependency Ratio	
Per 100 (15-64)	44.10
Population Growth	
Per annum	0.65%
Labour Market	
Unemployment rate (official)	32.50%
Youth unemployment rate (official) 15-34	42.30%
Education (aged 20 +)	
No schooling	6.30%
Higher education	11.90%
Matric	22.70%
Household Dynamics	
Households	21 388
Average household size	3.40
Female headed households	44.50%
Formal dwellings	85.40%
Housing owned	48.30%
Household Services	
Flush toilet connected to sewerage	71.90%
Weekly refuse removal	88.90%
Piped water inside dwelling	49.80%
Electricity for lighting	89.50%

By comparison the demographic information indicates an increase in the population figures and this is reflective in the population growth rate of 0.8% p.a. between the period of 2001 and 2011. Stats SA 2011 reflects that 24.4% of the population is young and less than 15 years of age, which requires

intergovernmental planning efforts to jointly focus on improved education and providing sport and recreation facilities.

The Stats SA reflects that there has been a 2.4% increase, from 42.1% to 44.5%, in respect of female headed households between 2001 and 2011. The increase is moderate considering that the population has grown by 7.9% over a 10 year period and the male to female sex ratio has only risen marginally.

An Overview of Key Municipal Policies

During the 2017/18 financial year, the Municipality reviewed the following policies that are used in governing the rendering of municipal services.

No	Policy Title	Directorate
1	Termination of employment	Corporate and Shared Services
2	Employee Wellness programme	Corporate and Shared Services
3	Internship	Corporate and Shared Services
4	Leave of absence and procedure	Corporate and Shared Services
5	Overtime and procedure	Corporate and Shared Services
6	Recruitment and Selection	Corporate and Shared Services
7	Retention	Corporate and Shared Services
8	Study Assistance	Corporate and Shared Services
9	Training and Development	Corporate and Shared Services
10	Transport allowance	Corporate and Shared Services
11	Subsistence & Travel	Corporate and Shared Services
12	Budget	Budget and Treasury
13	Asset Management	Budget and Treasury
14	Supply Chain Management	Budget and Treasury
15	Virement Policy	Budget and Treasury
16	Rates Policy	Budget and Treasury
17	Credit Control Policy	Budget and Treasury

1.5. Auditor-General Report

1.5.1 Auditor-General Report 2017/18.

The Auditor General's Office is still in the process of considering the Audit Opinion for the financial year in question. The process is expected to be concluded by 31 November 2018

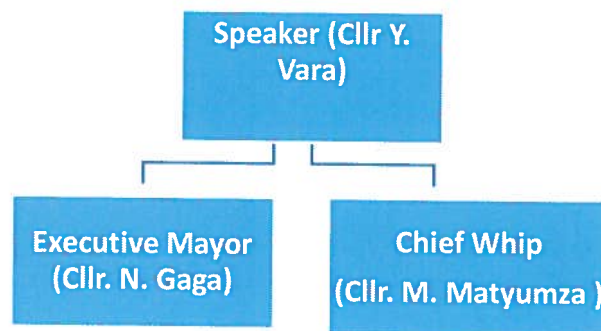
2.1. Political Governance

The Council plays an oversight role in terms of the delegations, and the Mayor and Council provide political guidance over the financial matters of the Municipality. The Council, along with the Speaker as its Chairperson, is the highest decision making structure and consists of 26 councillors. Makana has an Executive Mayoral System with a full time Mayoral Committee comprising of the Executive Mayor and the five Chairpersons of the Portfolio Committees. The aforementioned Mayoral Committee reports to Council.

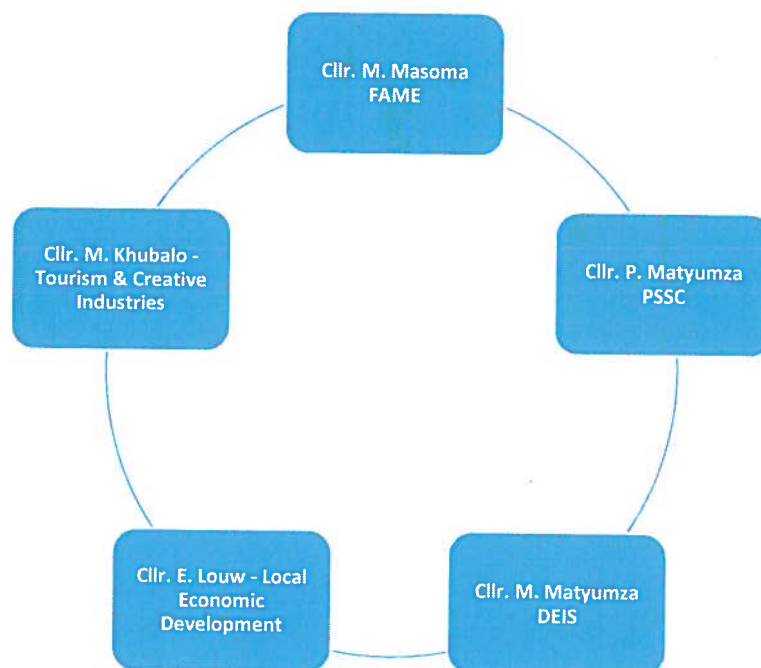
There is a fully functional Audit Committee established by the Municipality that provides opinions and recommendations on financial processes and performance, and provides comments to the Oversight Committee on the Annual Report.

The Municipal Public Accounts Committee (MPAC) is comprised of six Councillors, with the purpose of providing Council with oversight on the Annual Report and recommending certain actions related to irregular expenditure. The MPAC Report was published separately in accordance with Municipal Finance Management Act (MFMA) guidance.

Political Structure



MAYORAL COMMITTEE MEMBERS



COUNCILLORS

The Makana Council consists of 27 councillors of which 14 are ward councillors and the rest are proportional representatives.

- Appendix A depicts a full list of Councillors
- Appendix B sets out committees and committee purposes.

POLITICAL DECISION-TAKING

Political decisions are taken on the basis of reaching consensus and where the political parties that comprise Council cannot agree on a matter, they vote on it.

The schedule below gives an indication of the date meetings were supposed to sit and the date the meeting actually sat. The meetings that did not sit on the scheduled dates and those not scheduled are highlighted.

	COUNCIL/COMMITTEE	SCHEDULED DATE	MEETING DATE
1	Mayoral Committee	11 July 2017	11 July 2017
2	Budget Steering Committee	13 July 2017	14 July 2017
3	Aesthetics Committee	17 July 2017	Did not sit
4	Employment Equity Committee	19 July 2017	Did not sit
5	Training Committee	20 July 2017	Did not sit
6	Audit Committee	20 July 2017	20 July 2017
7	Ordinary Council	26 July 2017	26 July 2017
8	Local Labour Forum	01 August 2017	Did not sit
9	Budget Steering Committee	14 August 2017	Did not sit
10	Tourism and Cultural Industries	15 August 2017	15 August 2017

11	Social Development	16 August 2017	16 August 2017
12	Infrastructural Development	17 August 2017	17 August 2017
13	Local Economic Development & Planning	22 August 2017	29 August 2017
14	Finance, Administration, Monitoring and Evaluation (F)	24 August 2017	29 August 2017
15	Finance, Administration, Monitoring and Evaluation (C)	24 August 2017	29 August 2017
16	Audit Committee	25 August 2017	28 August 2017
17	Special Council	30 August 2017	31 August 2017
18	Library Advisory	31 August 2017	31 August 2017
19	Health and Safety	07 September 2017	21 September 2017
20	Municipal Public Accounts Committee	08 September 2017	08 September 2017
21	Budget Steering Committee	11 September 2017	Did not sit
22	Mayoral Committee	12 September 2017	13 September 2017
23	Special Council	Not scheduled	27 September 2017
24	Special Council	Not scheduled	10 October 2017
25	Budget Steering Committee	12 October 2017	13 October 2017
26	Aesthetics Committee	16 October 2017	Did not sit
27	Employment Equity Committee	18 October 2017	18 October 2017
28	Training Committee	19 October 2017	19 October 2017
29	Audit Committee	19 October 2017	Did not sit
30	Ordinary Council	25 October 2017	25 October 2017
31	Local Labour Forum	31 October 2017	31 October 2017
32	Tourism and Cultural Industries	07 November 2017	07 November 2017
33	Social Development	08 November 2017	15 November 2017
34	Infrastructural Development	09 November 2017	09 November 2017
35	Budget Steering Committee	13 November 2017	14 November 2017
36	Local Economic Development & Planning	14 November 2017	21 November 2017
37	Finance, Administration, Monitoring and Evaluation (F)	16 November 2017	16 November 2017
38	Finance, Administration, Monitoring and Evaluation (C)	16 November 2017	16 November 2017
39	Local Labour Forum	Not scheduled	17 November 2017
40	Library Advisory	23 November 2017	23 November 2017
41	Special Council	Not scheduled	24 November 2017
42	Audit Committee	28 November 2017	14 December 2017
43	Mayoral Committee	05 December 2017	06 December 2017
44	Health & Safety	07 December 2017	07 December 2017
45	Municipal Public Accounts Committee	08 December 2017	17 January 2018
46	Budget Steering Committee	12 December 2017	12 December 2017
47	Budget Steering Committee	12 January 2018	11 January 2018
48	Aesthetics Committee	22 January 2018	22 February 2018
49	Employment Equity Committee	24 January 2018	06 February 2018

50	Training Committee	25 January 2018	09 February 2018
51	Training Committee	Not scheduled	14 February 2018
52	Audit Committee	25 January 2018	Did not sit
53	Local Labour Forum	30 January 2018	19 February 2018
54	Ordinary Council	31 January 2018	31 January 2018
55	Budget Steering Committee	12 February 2018	12 February 2018
56	Tourism and Cultural Industries	13 February 2018	13 February 2018
57	Social Development	14 February 2018	14 February 2018
58	Infrastructural Development	15 February 2018	15 February 2018
59	Local Economic Development & Planning	20 February 2018	20 February 2018
60	Special Mayoral Committee meeting	Not scheduled	20 February 2018
61	Finance, Administration, Monitoring and Evaluation (F)	22 February 2018	22 February 2018
62	Finance, Administration, Monitoring and Evaluation (C)	22 February 2018	22 February 2018
63	Library Advisory	22 February 2018	Did not sit
64	Special Council	28 February 2018	28 February 2018
65	Health & Safety	08 March 2018	19 March 2018
66	Municipal Public Accounts Committee	Not scheduled	12 March 2018
67	Municipal Public Accounts Committee	09 March 2018	16 March 2018
68	Budget Steering Committee	12 March 2018	13 March 2018
69	Mayoral Committee	13 March 2018	13 March 2018
70	Special Council	Not scheduled	20 March 2018
71	Local Labour Forum	Not scheduled	27 March 2018
72	Special Council	28 March 2018	28 March 2018
73	Budget Steering Committee	12 April 2018	12 April 2018
74	Aesthetics Committee	16 April 2018	Did not sit
75	Employment Equity Committee	18 April 2018	18 April 2018
76	Training Committee	19 April 2018	19 April 2018
77	Section 32 Committee	Not scheduled	24 April 2018
78	Audit Committee	19 April 2018	28 May 2018
79	Ordinary Council	25 April 2018	25 April 2018
80	Local Labour Forum	02 May 2018	09 May 2018
81	Health & Safety	07 May 2018	21 June 2018
82	Municipal Public Accounts Committee	Not scheduled	10 May 2018
83	Budget Steering Committee	11 May 2018	14 May 2018
84	Tourism and Cultural Industries	15 May 2018	25 May 2018
85	Social Development	16 May 2018	16 May 2018
86	Infrastructural Development	17 May 2018	17 May 2018
87	Section 32 Committee	Not scheduled	18 May 2018
88	Local Economic Development & Planning	22 May 2018	23 May 2018
89	Finance, Administration, Monitoring and Evaluation (F)	24 May 2018	24 May 2018

90	Finance, Administration, Monitoring and Evaluation (C)	24 May 2018	25 May 2018
91	Special Council	30 May 2018	30 May 2018
92	Library Advisory	31 May 2018	31 May 2018
93	Municipal Public Accounts Committee	08 June 2018	07 June 2018
94	Mayoral Committee	12 June 2018	25 June 2018
95	Budget Steering Committee	13 June 2018	25 June 2018
96	Municipal Public Accounts Committee	Not scheduled	21 June 2018
97	Section 32 Committee	Not scheduled	26 June 2018

The highlighted meetings (29 out of 66 = 44%) are those that did not sit on the scheduled dates while 17 meetings were not scheduled.

A breakdown of the above-mentioned meetings is as follows:

1. Ordinary Council meetings	- 4
2. Special Council meetings scheduled	- 4
3. Special Council meetings not scheduled	- 4
4. Mayoral Committee meetings	- 5
5. Special Mayoral Committee meeting	- 1
6. Tourism and Cultural Industries	- 4
7. Social Development	- 4
8. Infrastructural Development	- 4
9. Local Economic Development & Planning	- 4
10. Finance, Administration, Monitoring and Evaluation (Finance)	- 4
11. Finance, Administration, Monitoring and Evaluation (Corporate)	- 4
12. Municipal Public Accounts Committee	- 7
13. Local Labour Forum	- 5
14. Training Committee	- 4
15. Employment Equity Committee	- 3
16. Audit Committee	- 4
17. Budget Steering Committee	- 10
18. Aesthetics Committee	- 1
19. Section 32 Committee	- 3
20. Health & Safety Committee	- 4
21. Library Advisory Committee	- 3
22. Meetings that did not sit	<u>- 11</u>
TOTAL	97

The reasons for the postponement or non-sitting of meetings were the following reasons.

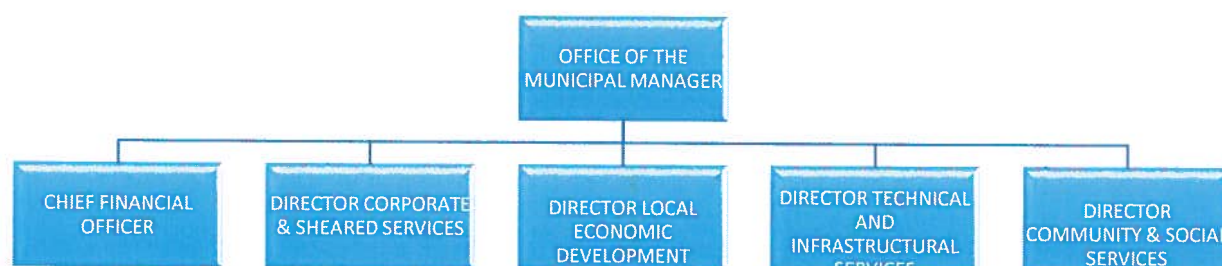
- Absence of a quorum at some meetings.
- No items received to compile an agenda.
- Other important official Council activities.

2.2. Administrative Governance

2.2.1 Introduction of Administrative Governance

During the year under review, the Acting Municipal Manager was Mr D Pillay, who acted as the Accounting Officer of the Makana Municipality. He was assisted in the provision of administrative governance by five Section 57 Directors. The Directors have Assistant Directors who assist them in managing their Directorates.

Top Administrative Structure



2.3. Inter-Governmental Relations

2.3.1. National Intergovernmental Structures

The Makana Municipality plays an active role when National Planning Proposals are discussed at the South African Local Government Association,

2.3.2. Provincial Intergovernmental Structures

The Municipal Manager attends all meetings of the Provincial Muni-Mec and similar structures with all resolutions taken at that level being worked into the Makana Council agenda.

The value in this interaction is in ensuring that the needs of the local community are considered when the implementation of Government Projects is discussed.

2.3.3. District Intergovernmental Structures

The Makana Municipality regularly interacts with the other Municipalities in the District as the Government has created platforms for such deliberations, such as the Cacadu District Municipal Managers Forum. This ensures that information related to new initiatives in the District is effectively relayed to the Makana Municipality's senior management.

2.3.4. Local Intergovernmental Structure.

The Makana Municipality established its own Inter-governmental Relations (IGR) Forum and it convened 3 meetings in the year under review. The IGR Forum is chaired by the Executive Mayor, Ms N Gaga and is comprised of senior decision-makers from the Government Departments and Public Sector entities that operate in the Makana area of jurisdiction. The IGR Forum serves as a platform for information sharing and the deliberations revolve around the intervention strategies and programmes being undertaken by the Municipality and the Government Departments.

Public Accountability and Participation

2.4. Communication, Participation and Forums

The Makana Municipality convened a series of Mayoral Imbizos, “Masipathisane” War Rooms and established Ward Committees to ensure that consultation takes place throughout the year on various issues including matters raised by members of the community. With respect to the Integrated Development Plan (IDP) and the Budget, the IDP/PMS Manager set up IDP/Budget and Performance Management Representative Forums. The Municipality also uses its municipal website and a weekly slot on Radio Grahamstown to inform the public about municipal matters.

2.4.1. Comment on the Effectiveness of the Public Meetings Held.

The input derived from the Mayoral Imbizo’s (general meetings in the wards chaired by the Mayor) is reflected in the planning documents of the Municipality.

2.4.2. Ward Committees

The key purpose of Ward Committees is to act as consultation vehicles for the Municipality. Refer to Appendix E which contains further details on Ward Committee structures of the Makana Municipality.

2.4.3 Internal Audit Unit

The Internal Audit Unit of Makana consisted of an Internal Audit Manager, a Senior Internal Auditor and an Internal Audit Trainee, during the year under review. The unit performed various investigations related to section 32 of the Municipal Financial Management Act and it also ensured that the Audit Committee meetings were held regularly.

2.5. IDP Participation and Alignment

IDP Participation and Alignment	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPI's, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPI's in the strategic plan?	Yes
Do the IDP and KPI's align to the Section 57 managers?	Yes
Do the IDP and KPI's lead to functional area KPI's as per the SDBIP?	Yes
Do the IDP and KPIS align with the provincial KPI's on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Corporate Governance

2.6. Risk Management

The Makana Municipality has seen the need to address risk management as per Section 62 (1) (c) (i) of the Municipal Finance Management Act (in short MFMA)

The Audit and Risk Committee of Makana is the Committee which considers and approves the Risk Implementation Plan of the Municipality. The Chairperson is Dr W Plaatjies and new members were appointed in April 2018 to ensure that the Audit Committee sits on a regular basis. Progress in addressing the Municipality's risks, is reported as part of the Risk register process and there is an appointed Risk Manager.

Below, are the top ten risks to the Makana Municipality, as identified by Management.

No	Risk Description	Mitigation actions to be taken
1	Ageing Road And Stormwater Infrastructure	Makana would obtain the needed plant and equipment when funding is available. It would also facilitate the maintenance of provincial roads and seek funding for the development of master plans. The Municipality would further ensure that there is capital budget for roads maintenance.
2	Inadequate And Ageing Water Infrastructure Including Plants	<ol style="list-style-type: none"> 1. Water - upgrading of James Kleynhans WTW. Upgrading of Waainek WTW. The upgrade of the Riebeeck East Water Treatment Work. 2. Sanitation – the upgrading Mayfield and Belmont Valley Water Treatment Works through funding received from the Department of Water and Infrastructure services 3. Upgrading of the Sewer reticulation system. Electricity - refurbishment of the 66 KV overhead line. Training of staff. Applying for external funding. Development of Master Plans with the assistance of MISA
3	Going Concern Assumption Compromised (Not Financial Viable)	<ol style="list-style-type: none"> 1. Increase the staffing in the revenue collection section. 2. Update and verify the indigent register 3. Disposal of our obsolete assets. 4. Continue implementation of Revenue collection strategies and policies. 5. Improved debt collection and strict credit control procedures to be continuously applied. 6. Broaden revenue base. 7. Reduce expenditure on salaries, fuel, telephone and other controllable expenditure. 8. Continue monthly monitoring of expenditure and income. 9. Implementation of reduction overtime. 10. Only crucial vacancies to be filled. 11. Implementation of Fleet Management system. 12. To appoint a service provider

		through tender processes to perform meter audit. 13. To source funds for smart metering project. 14. Restructuring the organisation.
4	Unstable And Poor Reliability Of Supply Of Electricity	1. Sourcing of external funds. 2. Enforcement of the ring-fencing of 10% allocation as stipulated by NERSA. 3. Review of by-laws. 4. Update Master Plan. 5. Disconnect illegal connection. Prosecute illegal connections. Develop maintenance plans. BTO to ensure the availability of tools, equipment and materials at stores.
5	Inadequate Solid Waste Management	Enforcement of measures against illegal dumping. Awareness campaigns. Improvement of resource. Upgrading of the solid waste site. Removal of the Illegal vagrants and fixing of the Weighbridge. Vehicles. Long term plan for an alternative site. Investigate a monthly payment for the use of tip site. Recycling. Expedite biomass projects. Review of by-laws. Staffing and training.
6	Performance Targets Not Fully Achieved	Proper job descriptions in place and properly evaluated. New organogram (restructuring). Review set targets. Set aside time to prioritise planning. Management prioritising the issue of performance with staff. Cascading the Performance Management System to lower levels. Creating a conducive work environment. Consequence management. Filling of critical positions
7	Non Compliance With Laws And Statutory Regulations	1. Increase number of CWP participants. 2. Roll out training programmes for SMME's. 3. Ensure that SMMEs benefit from SANRAL projects and municipal construction projects
8	Business Continuity Compromised	Embarking on a additional revenue sources. Ensuring improved debt collection. Reducing internal Spending on salaries, fuel and controllable expenditure. Dealing with water and electricity Service losses.
9	Poor Contract Management	1. Procurement plans: Ensure that No projects are accepted by SCM without an approved procurement plan from the user department by the relevant Director. Convene regular meetings with Project Management Unit to update all expenditure. 2. Contract register/ commitment register to be updated with invoices from user departments every month as they are provided. 3. Service Level Agreements to be signed with all contractors.
10	Poor Planning Of Infrastructure	Developing a long term infrastructure development plan,

	Development (Housing And Business Development)	(SDF) and housing plan. Capital investment plan. Developing Master plans.
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2.7. Anti-Corruption and Fraud

2.7.1. Fraud and Anti-Corruption Strategy

The Makana Municipality developed and adopted a Fraud Prevention Policy Framework and Fraud Prevention has been included in the KPAs of the Directors.

During the year of review, the Municipality assigned this function to the Risk manager and attempts were made to operationalise fraud-reporting. A Fraud reporting Hotline number would be established in the next Financial Year and a Fraud Whistle Blower Policy was formulated to protect whistle blowers.

All members of the Bid Committees are required to disclose their interests before every meeting and the membership of all Bid Committees, is revised annually. No Councillors are allowed to be part of the Bid Committees.

The Municipality has also established a Section 32 Committee chaired by Cllr MA Masoma and it has the task of investigating all matters related to Fruitless Wasteful and Irregular expenditure and recommending the correct action to be taken by Council. The Accounting Officer is a permanent member of the Committee to ensure accountability.

2.8. Supply Chain Management

The Makana Municipal Council approved a Supply Chain Management (SCM) Policy which directs how Supply Chain Management processes would be practiced in the Makana Municipality. The standards set out in Section 112 of the MFMA are rigorously adhered to and the Supply Chain Management Unit has appointed the bid committees to ensure that the supply chain function facilitates fast-tracked service delivery. The Supply Chain Unit is led by a Supply Chain Manager who ensures compliance with the SCM Policy and all instance of financial fraud are also reported to the SA Police Services by the Accounting Officer.

2.9 By-laws

No new by-laws were enacted during the period of review and the Municipality would be attending to the matter in the next Financial Year.

As indicated above, several of Makana Local Municipality's HR and Finance related policies were reviewed.

2.10. Website

During the year under review, the Makana Website was not always updated as the resignation of the IT Manager led to the non-availability of sufficiently skilled human resources. The appointment of a Systems Administrator was successfully concluded in the year under review. The IT Manager vacancy would be filled in the new financial year.

2.11. Public satisfaction on Municipal services

According to a community survey conducted by Stats SA (2016), the top five challenges that Makana Local Municipality is facing presently are as follows:

- Lack of safe and reliable water supply (20% of the population)
- Lack of employment opportunity (15% of the population)
- Inadequate housing (14% of the population)
- Inadequate road (14% of the population)
- Violence and crime (5% of the population)

(Information derived from Makana IDP of 2018/19)

CHAPTER THREE

SERVICE DELIVERY PERFORMANCE

PERFORMANCE REPORT

Introduction

The Makana Municipality provides the following essential services in its area of jurisdiction:

- a) Electricity (It provides electricity through Eskom in the former Grahamstown East area and certain rural areas, whilst the former Grahamstown West and parts of Alicedale are supplied by the Municipality).
- b) Sanitation
- c) Water
- d) Refuse removal
- e) Roads
- f) Other services such as Libraries, Traffic Control and Environmental Management.

In an effort to market the Makana area, the Municipality has a long-standing arrangement with Makana Tourism where the Municipality makes an annual financial allocation to Makana Tourism in exchange for it to market the area and promote tourism. A Service Level Agreement was also completed by both parties to formalise the arrangement and the body provides the Municipality with monthly financial reports. The Makana Municipality does not have a "Municipal Entity" nor does it utilise external mechanisms for basic service delivery.

Basic Services

This component includes: water; waste water (sanitation); electricity; waste management; housing services; and a summary of free basic services.

3.1. Water Provision

3.1.1. Introduction to Water Provision

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and functions by the Minister of

Water Affairs and Forestry in 2004, Makana Municipality is acting as both Water Services Authority and Water Services provider. The Authority function means that the Municipality is responsible for regulation, water quality, ensuring access and monitoring and evaluation. The Provider function means that the Municipality is responsible for access, provision, operations and maintenance of all water needs.

The National Department of Water Affairs is responsible for policy formulation, capacity building and support where it is needed, regulation and enforcement of legislation. The National Department of Corporate Governance and Traditional Affairs is responsible for funding of some water capital projects through Municipal Infrastructure Grant. The Municipality has the responsibility of implementing water

services projects and maintenance thereof. Water deliveries were made by truck to rural areas on request by the Community and Social Services Directorate.

Description	2017/18 Actual No of Households
Water: (above min level)	
Piped water inside dwelling	6309
Piped water inside yard (but not in dwelling)	9325
Using public tap (stand pipes)	819
Other water supply (within 200m)	0
Minimum Service Level and Above sub-total	164
Minimum Service Level and Above Percentage	98%

Description	2017/18 Actual no of Households
Water: (below min level)	
Using public tap (more than 200m from dwelling)	2% located at rural farms
Other water supply (more than 200m from dwelling)	None
No water supply	2% located at farms
Below Minimum Service Level sub-total	None
Below Minimum Service Level Percentage	None
Total number of households	16481

3.1.2 Highlights

The Municipality provided its households with sufficient water with the exception of farm areas and informal settlements. The Municipality supplies water to farm areas by carting water with water trucks and informal settlements receive their water through communal stand pipes. Makana is currently providing the basic level of services as per the RDP standards but most of our households have individual house connections.

The Municipality currently supplies water from two sources, which are the Fish River and Howisons Poort Dams.

Challenges

The Municipality is still struggling with its aging infrastructure and external funding was received to increase the capacity of some of Makana's Water Treatment Works such as the James Kleynhans Water Treatment Works. The Department of Water Affairs and the East Cape Development Corporation are the implementing Agents for the projects. The internal human resources capacity is still a challenge especially as the Municipality's Manager for Water and Sanitation resigned during the year under review. The position will be filled in the next financial year.

3.2. Waste Water (sanitation) Provision

3.2.1 Introduction to Sanitation Provision

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and Functions by the Minister of Water Affairs and Forestry in 2004 Makana Municipality is acting as both Water Services Authority and Water Service provider. The Authority function means that the Municipality is responsible for regulation, quality, ensuring access, monitoring and evaluation of basic sanitation. The provider function means that the Municipality is responsible for access, provision operations and maintenance of all water provision mean The Department of Water Affairs is responsible for policy formulation, regulation and enforcement. The Department of Corporate Governance and Traditional Affairs is responsible for funding of some sanitation capital projects through MIG. The Municipality is having a responsibility of implementing sanitation projects and maintenance thereof.

Level and standard of services	The Municipality has met the target of providing households with basic sanitation services for informal settlements. It is currently providing the basic level of services as per the RDP standards. The sewer infrastructure is very old and makes use of asbestos pipes which are no longer manufactured in South Africa. This results in continuous sewer blockages and overflows. The main wastewater treatment plant is currently overloaded. There is a lack of capacity on human resources, especially on technical expertise in-order for the Municipality to respond effectively on issues of operations and maintenance, is still a challenge.
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Annual performance as per Key performance indicator in sanitation services					
Indicator	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of Households/ customer reached during the Financial Year	Percentage of achievement during the year
Households with access to sanitation services	1%	1986	569	629	100%
Indigent households with access to free basic sanitation services	8064 have benefited.	7930	8000	8604	100%

All Clinics and schools were provided with adequate sanitation services during the year under review.

Challenges

Lack of Financial resources- Funding application will be made to the Department of Water Services Most schools have sanitation infrastructure but there are water pressure problems at a number of schools that

are being addressed. Makana is also challenged with increasing pressure on its waste water treatment leading to works overflow i.e. Belmont Valley which is near full capacity. The number that still needs to register as indigent is unknown.

Remedial action: Makana will ensure that the upgrading of the Water Treatment Works is prioritised to deal with the increased need.

3. Electricity

3.3.1 Introduction to Electricity

The Makana Municipality's Electricity Department ensures that its customers get good supply of quality service in compliance with the quality criteria prescribed by the national Electricity Regulator. The Department has the duty of refurbishing electrical infrastructure and the responsibility of connecting customers who are not on the grid.

The Department is also responsible for project implementation as well as day-to-day operations and maintenance.

Level and standard of services	<p>Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from renewable energy.</p> <p>The Municipality provides streetlights in accordance to the standards as outlined in the National Energy Regulator of South Africa (Nersa) guidelines. It also provides high masts which are funded by the Municipal infrastructure grant (MIG).</p> <p>Medium and low voltage electricity is distributed according to consumer requirements and with NERSA standard.</p>
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Annual performance as per Key performance indicator in Electricity Services

Indicator	Total number of house hold or customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the financial year under review (actual numbers)	Number of households or customers reached during the financial year	Percentage of achievement during the year	Major challenges and remedial action
Households with access to electricity services	245	0	169	81	%	Funding for electrification of rural area (formalised infill area). All avenues of funding will

						be investigated.
Indigent households with access to basic electricity services		0	300	416	70%	None

Achievements

The Electricity Department sought funding from the Eastern Cape Development Corporation, for upgrade and refurbishment of various Makana sanitation pump stations.

There was successful construction of an 11 KV line Overhead line supplying the Belmont Waste Water Treatment Works to be used as a back-up.

Challenges and remedial action

The major challenge was the absence of resources such as the Vehicles and material. A further challenge was the absence of training measures for staff due to a lack of funds. In addition, the inadequate maintenance of infrastructure was a major problem.

More funding would be sourced from external parties to address the challenges in the next financial year.

3.4. Housing

3.4.1 Introduction to Housing

The Municipality fulfils the following roles in respect of the provision of housing:

- Provision of serviced land for housing development as per the Housing Act;
- To compile Housing Sector plans for a period of five years;
- To compile housing needs surveys for housing delivery purposes;
- To facilitate the development of housing,
- To ensure that the houses that are built conform to the minimum building standards for residential houses.

The following role players are involved in the housing delivery process:

- Portfolio Committee: Considers housing inputs from the ward councillors, ward committees and housing officials.
- Ward Councillors: Provide housing needs and housing plans in respect of their constituents.
- Ward Committees: Provide housing needs from their respective ward residents.
- Housing Officials: Assist and guide the council in housing delivery to ensure that the end-user is satisfied with the product delivered. To ensure that service delivery does take place.
- Beneficiaries: Provide the municipality with their needs and what kind of output to be delivered by the municipality.

- Eastern Cape Housing Development Board: Provide land for housing development.
- Council: Approves the housing delivery plans.
- National Housing Board Regulatory Council: Ensure that the minimum building standards are adhered to and the registration of all housing contractors.
- Department of Human Settlements: Provide the funding for housing development.

Challenges

Makana has a backlog of 13 400 housing units and 1392 sites are serviced for development. The refurbishment of the Water Treatment Works to increase Makana's Bulk sewer capacity has given rise to a situation where no new housing projects could be actioned until the capacity of the Water Treatment Works of Makana are increased.

3.5 Free Basic Services and Indigent Support

3.5.1 Introduction to Free Basic Services and Indigent Support

The Makana Municipality provides free basic services to registered indigent residents and also has a policy for indigent support that is implemented by the Finance Department. The registration of more Indigents is a project that has been receiving more attention in order to increase the number of beneficiaries.

ROADS

3.6. Introduction to Roads

The maintenance of the Makana Road network involves 4 major role players:

- a) The Provincial Road Construction Unit presently constructing a surfaced road between Grahamstown and Alicedale. The road is situated partially within Makana and Sundays River jurisdiction.
- b) The District Road Engineer (provincial maintenance unit) is responsible for 155, 0 km surfaced trunk and main roads as well as 663,0km of gravel roads within the rural areas of Makana. The condition of these roads is presently poor.
- c) The Makana Council is responsible for the maintenance of 176,0km of gravel and 163.0km of surfaced roads within the urban areas. The roads are generally in a poor to fair condition owing to lack of financial resources.
- d) A District Roads Forum has been established to address the problem of a lack of communication between the role-players.

The road network consists of a national road between Port Elizabeth and King William's Town consisting of ± 45km surfaced road being maintained by the National Roads Agency. The Department is currently maintaining only Rural District Roads.

Level and standard of road services	The 16 503 erven within the urban areas of Makana have an acceptable surfaced or gravel access road to each erf. The 400 erven within the informal areas have no acceptable access. Maintenance done is of a high standard utilising cold premix, chip and spray and acceptable decomposed shale with a CBR of 45.
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Annual Performance as per Key Performance Indicator in Road Maintenance

Indicator	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Major challenges and remedial action
Households without access to gravel or graded roads	350	350	Funding was a major challenge and for the next financial year a Business Plan will be developed to address this matter
Road infrastructure requiring upgrade	80%	153 kilometres	Lack of finance Shortage of material

Annual performance as per Key Performance Indicator in Roads Maintenance

Planned new road infrastructure actually constructed	2.5 Km	176km	Insufficient funding
Capital budget reserved for road upgrading and maintenance effectively used.	2,4%	176Km	Insufficient funding

Planning and Development

3.7. Local Economic Development (and Tourism)

The Municipality embarked on a process to review the strategy in-house with the support of COGTA. The strategy is however not finalised yet.

The staff component of LED and Planning Directorate is fully populated with qualified and experienced staff.

The LED and Planning Directorate is constituted as follows:

- Local Economic Development Section:** responsible for agricultural development, tourism development and promotion; trade and investment promotion and SMME development.
- Town Planning Section:** responsible for preparation and approval of Spatial Development Framework and land use management.
- Building Inspectorate Section:** responsible for the review and approval of building plans.

The staff component of LED Directorate is fully populated with qualified and experienced staff.

The LED and Planning Directorate is constituted as follows:

- d) **Local Economic Development Section:** responsible for agricultural development, tourism development and promotion; trade and investment promotion and SMME development.
- e) **Town Planning Section:** responsible for preparation and approval of Spatial Development Framework and land use management.
- f) **Building Inspectorate Section:** responsible for the review and approval of building plans.

During the year under review the municipality solicited funding to implement the following Agricultural and Tourism projects:

Agriculture and Rural Development

Projects	Amount	Funding Source
Nonzaliseko project : Crop project	R100,000	SBDM
Riebeek East Farmers: Livestock farmers	R70,000	SBDM

Listed below is funding and assistance solicited for SMME's

Name of Company	Source	Type of Assistance
Tyson Tyre Services	Sarah Baartman	Grant funding = R100 000
Mlatsha Garden Services	Sofia & Phillips	Grant Funding = R40 000
DZ Laundry	SBDM	R70 000.00
Phummy's catering	SBDM	R70 000.00

HIGHLIGHTS AND ACHIEVEMENTS.

- Feasibility Study and Business Plan on the development of Grey Dam were completed.
- 200 SMMEs were registered with CIPC (Companies and Intellectual Property Commission).
- 366 Walk-ins from SMMEs seeking assistance with business registrations, registering on the National Treasury's Central Supplier Database, advice on SARS e-filing, business plans and funding
- MOU with CEMAIR approved by Council
- An MOU was entered with SEDA for the latter to provide business support services to local SMMEs
- 3 Information sharing / networking sessions for SMMEs were held.
- 1011 jobs were created through the Community works Programme (CWP)

- 20 SMMEs were subcontracted for various projects in compliance with the revised Preferential Procurement Regulations of 2017.
- The Directorate allocated exhibition space to 4 crafters to showcase their products during the National Arts Festival
- EIA was approved in 2017
- 7 Co-ops were trained by SEDA on governance and financial management
- 3 Co-ops were funded by NYDA (in the rural areas)
- Waste to Energy project – in cooperation with Cacadu Development Agency
- Upgrading of Airfield
- Preparing for social housing
- SPLUMA – delay in tribunal from SBDM – Council approved Municipal Tribunal
- Integrated Land Use Scheme finalised
- Building plan approvals and inspections – backlog was eradicated and building plan approvals and inspections are conducted when submitted
- Township Establishment – progress report distributed
- Rem Portion 1 Farm Donkerhoek (Alicedale: Eastern Cape)
- SDF – MISA is assisting with review of the SDF and an application for funding for R500, 000 was submitted.

3.8. Planning

During this financial year the following land use applications were processed:

TYPE	RECEIVED AND PROCESSED	APPROVED
Rezoning	6	7
Subdivision	2	7
Consent Uses	2	0
Departure	2	0
Removal of title deed restrictions	1	0
Closure of Public Open Space	0	0

Public Safety & Community Services

3.9 Libraries; Archives; Museums; Galleries; Community Facilities; other services

Reporting Level	Detail	TOTAL
Overview	The provision of accessible community facilities to an acceptable standard for all people in Makana Municipality.	

Description of activity	<p>Provision of:</p> <p>Adequate library services for all sectors of the community.</p> <p>Access to library material for the purposes of education, information, recreation and aesthetic appreciation for all residing within the Makana municipal area. The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • Ensure that the residents have access to up-to-date information through libraries. • Ensure that there are libraries in needy areas. • Ensure that an acceptable standard of service for all. • Decrease the illiteracy rate of the Makana community. 	
Analysis of function	<p>Statistical information:</p> <p>Quantity of materials circulated</p> <ul style="list-style-type: none"> • Main Library (Hill Street) 54,600 • Community Library 32,300 • Duna Library 23,300 • Fingo Library 40,957 • Alicedale Library 10,095 • Riebeeck East Library 11,016 <p>Total 182,662</p> <p>Number of current patrons</p> <ul style="list-style-type: none"> • Main Library (Hill Street) 15,164 • Community Library (Currie Street) 4,335 • Duna Library 7,325 • Fingo Library 1,187 • Alicedale Library 913 • Riebeeck East Library 347 <p>Total 29,271</p>	
Analysis of function	<p>Statistical information:</p> <p>Quantity of materials circulated</p> <ul style="list-style-type: none"> • Main Library (Hill Street) 54,600 • Community Library 32,300 • Duna Library 23,300 • Fingo Library 40,957 • Alicedale Library 10,095 • Riebeeck East Library 11,016 <p>Total 182,662</p>	

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Challenges	<ul style="list-style-type: none"> • Securing of land to build Riebeeck East Library. • Children's activities space at Fingo, Riebeeck East and Alicedale Library. 	
Highlights	<ul style="list-style-type: none"> • Provision of Office space at Hill Street Library for Mobile Librarian and Library Clerk. • Installation of a library detector system and CCTV cameras at Duna, Fingo and Community Libraries. Providing public access to internet at Fingo and Hill Street Libraries using "Connect with Cacadu" vibrant literacy and audio projects in all libraries.	

Environmental Protection

3.11 ENVIRONMENTAL MANAGEMENT

FUNCTION

To ensure and co-ordinate full integration of environmental considerations, protocols and practices into all Makana municipal activities.

OVERVIEW

Environmental management function is a strategic one, providing environmental leadership to the municipality and the community at large. The municipality functions with its partners through the Makana Environmental Forum, a forum of local individuals and organizations with a focus on environmental matters in the municipality. The municipal environmental programmes and plans are communicated to the public through the quarterly meetings of the Makana Environmental Forum. A call was made for a Makana Environmental Forum at Crown Hall but due to poor attendance, the meeting was cancelled. During the 2017/2018 financial year, the municipal environmental awareness activities continued to be strengthened by a collaboration with the Eastern Cape's Department of Environment and Economic Development.

ACTIVITIES

1. Environmental education and awareness

During the last financial year, the environmental management section worked in collaboration with the provincial Department of Environment and Economic Development which assisted the municipality financially to attend to landfill site issues. These sessions were aimed various groups including an EPWP youth group working at the landfill site, waste pickers at the landfill site and livestock owners. Environmental education and awareness also went together with issuing of letters of duty of care to local scrapyards and shop owners. This was with regard to surrounding littering emanating from their business.

a) EPWP youth group at the landfill site

The community environmental education and awareness programme was strengthened by the appointment of twenty youth to assist with cleaning at the landfill site. These individuals were from various wards of the municipality. This programme was sponsored by the Department of Environment and Economic Development in the Eastern Cape. A number of workshops were held with the group to familiarise them with municipal waste by-laws.

b) Waste pickers at the landfill site

There is a group of people who pick up recyclable materials at the landfill site in order to sell. Some of these people were occupying an empty building at the landfill site and residing there. A number of on-site sessions were held with them to make them aware of stipulations of the landfill site license and municipal by-laws.

c) Adopt – A- River Project

The Adopt –A-River initiative was a project sponsored by the Department of Water and Sanitation. The project was aimed at addressing the pollution of the Kowie River by sewerage spills and littering. The project employed fifty people along the Kowie River to clean the litter whilst two days per month were

spent conducting environmental awareness amongst communities along the stream. The perimeter of selection given was 80% women and 20% men including individuals from vulnerable groups. The wards affected and from whom these beneficiaries were recruited were ward 10; ward 13; ward 8; ward 9 and ward 4. Beneficiaries were paid a stipend per day and the project's duration was six months.

2. Municipal assisted initiatives

Establishing green economies is a worldwide trend to ensure economies that are sustainable in a low carbon economy and society that aims to preserve the environment for both present and future generation and to be more inclusive of all people. The municipality often carts water to outlying areas such as farms. Two Makana Environmental Youth Group participants were mentored and started a company specializing in drilling boreholes and drawing water using solar panels instead of electricity. As a test site, a borehole at Avondale farm (a land reform farm) was restored. It now produces 6000 litres a day at a depth of 40 metres for the farm dwellers.

3. Makana Municipal Invasive Action Plan

In terms of the Alien & Invasive Species Regulations (2014) and the National Environmental Management: Biodiversity Act (2006), all Organs of State are meant to have developed Alien Species Control Plans for areas under their jurisdiction by October 2016. In the case of Makana municipality this regulation affects all land that is private or owned by other organs of state and would include *inter alia* commonage areas, street verges, green open spaces etc. A Makana Alien & Invasive Action Plan was drafted and submitted to the Council. The plan also incorporated actions underway and future plans such as Working for Water's activities.

4. Environmental Risk Register

With due consideration of the Environmental monitoring outlined in the Makana Local Environmental Action Plan, assessment of risks associated with the environment in order to monitor effects of exposure of humans and/or the environment to hazardous situations is necessary. Monitoring environmental risks will also assist in avoiding litigation or compelling contractors or service providers working in the municipal area to comply with relevant legislation.

MAIN CHALLENGES

The general lack of funding to initiate community environmental projects remains a threat towards the implementation of projects. To mitigate this risk, the environmental management section continues to apply for funding from other state departments or in the form of EPWP projects. External stakeholders should be brought to assist the municipality to discharge its environmental mandate and be provided with various kind of rewards such as rates rebates etc. This could be the case with environmental stewardship programmes by business and NGO entities.

3.12. Waste Management (solid)

Strategy and main role player	<p>The overall objective of waste management is to reduce the generation of waste; reduce the environmental impact of all forms of waste to ensure the health of the people of Makana. The Municipality's waste management system has enhanced the quality of its environmental resources.</p> <p>The roles and responsibilities in terms of the National Waste Management Strategy for local government include:</p> <ul style="list-style-type: none"> • Waste minimisation: Local Government has to implement and enforce appropriate national waste minimisation initiatives and promote the development of voluntary partnerships with industry. • Recycling: Local Government is to establish recycling centres and/or facilitate community initiatives. • Waste collection and transportation: Local Government is to improve service delivery. • Waste disposal: Local Government is to take responsibility for the establishment and management of landfill sites, and to promote the development of regionally based facilities. <p>Formalising and controlling of scavenging is the responsibility of the permit holder.</p>
Level and standard of services	It is expected that every household has access to waste collection services. The Municipality is expected to collect refuse from every household on a regular basis.

Annual performance as per Key performance indicator in refuse removal services

Indicator	Total Number of Households/ Customers expected to Benefit	Estimated Backlogs (actual numbers)	Target Set For the Financial Year under review (actual numbers)	Number of Households/ Customers reached During the Financial Year	Percentage of Achievement During the Year	Major Challenges and Remedial Action
Households with access to refuse removal services	23 366	648 (farm houses) Rural areas	0	22500	97%	Illegal dumping is a major challenge in Makana.

3.13. Fire and Rescue services

Function Public Safety	
Sub-Function: Fire & Rescue Section	
Reporting Level	Detail
Overview:	Includes fire-fighting, fire safety and awareness campaigns
Mission statement	It is the mission of Makana Fire and Rescue to create a safer environment for all persons in our society by providing an efficient and effective fire-fighting, emergency, rescue and fire safety service within the framework of the resources available.

It is the mission of Makana Fire and Rescue to create a safer environment for all persons in our society by providing an efficient and effective fire-fighting, emergency, rescue and fire safety service within the framework of the resources available.

Core Functions

Core Functions (As per the Fire Brigade Services Act 99 of 1987)

- Preventing the outbreak or spread of a fire
- Fighting or extinguishing a fire
- The protection of life or property against fire or other threatening danger
- The rescue of life or property from fire or any other threatening danger; and
- The performance of any other function connected with any of the matters related to the above.

These functions are performed in accordance with Standard By-Laws relating to Fire Brigade Services, which was promulgated on 11 June 1982 (Provincial Notice 661 / 1982

Administration Section

This section deals with the day-to-day administrative activities of the Fire and Rescue Section which includes report writing, typing, recording and updating of information and all other related activities as required. This section is headed by the Manager and includes the Station Commander, Senior Clerk and Messenger Cleaner.

Operational Section

This section consists of four (4) Platoon Commanders, six (6) Senior Fire Fighters, twenty one (21) Fire Fighters, and four (4) Dispatchers. Two (2) fire fighter posts are still vacant. One (1) Platoon Commander and one (1) Senior Fire Fighter is on long sick leave since September 2017.

The operational section implements the practical aspects relating to fire fighting and other emergency incidents. To achieve its aim this section is responsible for the following:

- The attendance and handling of all fires, rescues and emergency incidents.
- The acquisition of vehicles and operational equipment.

- The maintenance of vehicles and equipment.
- The checking and cleaning of fire hydrants.

The training of public by group inspections and lectures.

Description of Activity

Reduction of vegetation fires

The key objective is to try and minimise the amount of vegetation fires. Emphasis is put on

1. Analysing the risk areas
2. Training the farmers on proper control burnings tactics
3. Awareness campaigns involving the Fire Protection Association, Albany Working for Water, Parks Department and DAFF etc.

Overview

Includes firefighting, fire safety and awareness campaigns

Special Services

Fire Services:

Annually the Municipality decides on tariff charges which the department will levy for services rendered. In this tariff layout the cost of the use of fire appliances, services vehicles, staff and equipment, specialised extinguishing media, training etc. are laid down. Due to the fact that the fire department is an emergency service where the majority of its service is of a human nature, income from this source is very low.

Fire prevention:

Businesses are inspected to ensure that they comply with fire safety regulations. A total of one hundred and twenty nine (129) businesses were inspected during the financial year.

Disaster Management Services:

Makana Municipality, established a Disaster Management Office and employed a Disaster Management Officer in January 2012. The Disaster Management Officer resigned in October 2017 and the post is still vacant at the moment.

Mission Statement:

The mission is to provide for measures to safeguard the physical wellbeing and safety of the environment and property, to ensure the implementation of an integrated and coordinated approach to disaster management across all spheres of government, involving all relevant stakeholders.

Core Functions:

- Recruitment and training of disaster management volunteers
- Conduct disaster management awareness program at schools, farmers associations and for the general community
- Informs the above mentioned groups of possible disaster areas, dangers associated with it and how to deal with disaster situations
- Advise council on disaster management legislation
- Prepare disaster management plans to ensure maximum emergency plans for its area
- Ensure disaster management plans

- Form an integral part of an IDP
- Anticipate the types of disaster that are like to occur and their possible affects
- Provide prevention and initiation strategies
- Contain contingency plans and emergency procedures in the event of a disaster

These functions are performed in accordance with the Disaster Management Act, 2002 (Act no 57 of 2002) provides a legislative framework for the management of disasters in the country. In terms of sections 19, 38 and 53 all spheres of government are required to prepare disaster management plans setting out the way in which the concept and principles of disaster management are to be applied in its functional area. These plans must facilitate maximum emergency preparedness and contain contingency plans and emergency procedure in the event of a disaster clarifying the allocation of responsibilities to the various role-players and coordination in the carrying out of those responsibilities. The aim of this readiness plan is to ensure prompt and effective response to emergency incidents during and after the disaster occurrences.

Administration Section

This section deals with the day-to-day administrative activities of Disaster Management which includes report writing, typing, recording and updating of information and all other related activities as required. This section is headed by the Disaster Management Officer only, and reporting to the Manager: Fire Services.

Operational Section

This section consist of one Disaster Management Officer, it implements the practical aspects relating to fire fighting in conjunction with the fire department since fires are classified as potential disasters and other emergency incidents e.g.

- Floods/Fire Victims – To conduct damage assessment to flooded/fire damaged areas, arrange temporary housing units to those have their houses badly damaged by the flooding/fires, the office has been providing mattresses and blankets where necessary, refer the victims to other relevant sector departments for assistance example being SASSA, Social Development etc. and assist flood/fire victims with necessary requirements including evacuation of the area if needs be.
- The office forms part of the Road Incident Management System which seeks to reduce road accidents/accidents on the N2 and our national roads by taking note of bad surface on our roads, road marking, stray animals, managing tow truck operators and training of emergency personnel in incident management.
- The Office forms part of the Safety Events Management Team that constitute amongst other stake holders SAPA, Rhodes University, NAF Organisers, Makana Municipal Departments, Home Affairs etc. to make sure that all events taking place in Makana Municipal are planned in accordance with the Safety at Sports and Recreational Events Act no 02 of 2010 to protect participants, spectators and property.

- To conduct awareness campaigns to the targeted groups making them aware of potential disasters and how to deal with them when they do occur.
- Dissemination of weather warnings to the community at large via community radio stations, Grocott's and social networks.
- The Office forms part of the Provincial Project Management Steering Committee Meetings monitoring the DMRG (Disaster Management Risk Grant) allocated to Municipalities and Sector Departments to repair the damaged infrastructure after disaster occurrences.

Building Plans:

Building plans are scrutinized to ensure that they comply with fire safety regulations.

A total of one hundred and six (106) building plans were scrutinized during the year under review.

Flammable liquids:

Flammable liquid inspections are carried out on businesses that deal with flammable liquids. The annual tariff of charges also makes provision that all businesses dealing in the sale, manufacture, handling or storage of flammable liquids or gases must register and acquire a license from the municipality.

An annual license fee for this purpose is therefore payable after safety requirements have been met.

A total of fifty five (55) Flammable Liquid inspections were conducted.

Fire Hydrants:

Fire Hydrants inspections are done regularly to ensure that they are clean, clearly marked and in operation.

A total of one thousand and one (1001) Fire Hydrants inspections were conducted.

Water Deliveries:

As an additional income, the department delivers water to farms situated within the protected area upon request. Normal water tariffs are charged and include the use of the fire engine plus the distance travelled. Water is also delivered to rural communities in municipal area of jurisdiction, for the Department of Technical and Infrastructural Services, who is then responsible for the charges. A total of sixty four (64) Water Deliveries were done.

Motor Vehicle Accidents:

The Directorate responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc. A total of one hundred and fourteen (114) Accidents were attended to during the financial year.

Training and Awareness

Training of Staff

Lectures and practical drills are presented to the staff of the Fire Department on various subjects of firefighting, rescues, handling of hazardous incidents and legislation applicable to the fire service. This is in - Service training and only focus on preparedness of Fire Fighters to combat fires and other emergencies.

Public Training

Fire awareness campaigns are conducted at rural communities, schools and clinics within Makana to make the community aware of the dangers of fires. A total of one thousand one hundred and sixteen (1116) public members were reached.

Elementary Fire Fighting training is presented to businesses to enable their staff to react immediately when a fire occurs at their workplace whilst it is still small.

School Awareness Programme

The department continued with our School Awareness Programme to make the students / scholars aware of the dangers of fires and what to do in case of a fire. A total of fifty five (55) teachers and five hundred and seventy one (571) students / scholars were reached during the financial year.

Challenges

No fire station in Alicedale	Interim arrangements have been made. One vehicle and three fire fighters are placed in Alicedale, ready to respond to emergencies. No Capital Budget for the 2017 / 18 financial year, due to the financial situation of the Municipality.
No fire station in Riebeeck-East	Crew on duty to respond to emergencies from Grahamstown. No Capital Budget for the 2017 / 18 financial year, due to the financial situation of the Municipality.
No fire station in Grahamstown-East	No Capital Budget for the 2017 / 18 financial year, due to the financial situation of the Municipality.
Handling of after-hours complaints.	The Control Room is dealing with after-hours complaints, such as electricity, water, sewer etc. posing a risk, as the telephone lines are continuously engaged due to the influx of complaints from the public.
No Capital Budget to procure vehicles and equipment	No Capital Budget to procure much needed vehicles and equipment for the 2017 / 18 financial year, due to the financial situation of the Municipality.
Impact of Sick leave on the Fire Service	Sick leave of staff has a negative impact on the fire services. The Collective Agreement and Leave Policy makes provision for an employee to be on sick leave for two days without proof. Due to the shift system of 4 days on duty and 4 days off duty, the employee's absence from work is increased to 6 days. The employee will then only work two days

	and is then off for 4 days off duty before his/her next shift start again.
Shortage of Staff	Vacant positions not filled yet due to the financial situation of the Municipality

Health

This component does not apply to the Makana Municipality as the provision of primary health care was transferred to the Provincial Health Department.

Security and Safety

The Makana Municipality does not have an in-house policing force but does actively participate in the Local Safety and Security Forums.

3.14. Traffic and Law Enforcement

Function: Public Safety

Sub Function: Traffic and Licensing

Reporting Level	Detail
Overview:	Includes Traffic, Licensing, Road Worthiness and Technical Services
Description of activities Traffic Law Enforcement	<p>The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area.</p> <p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> • Conduct preventative traffic patrols and enforce traffic legislation • Enforce speed limits • Attend traffic accidents • Enforce parking legislation • Enforce municipal bylaws <p>The key objective of this function is to ensure safe and free flow of traffic within Makana Municipal area.</p>
Driving Licenses	<p>These services include all driver testing functions.</p> <p>The Municipality has a responsibility to :</p> <ul style="list-style-type: none"> • Test applicants and issue learner licenses • Test applicants and issue driving licenses • Renew credit card driving licenses • Renew and issue Professional driving licenses

	The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.
Roadworthy Testing	<p>These services include all vehicle testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test vehicle • Issue roadworthy certificates <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>
Technical services	This service is responsible for the maintenance of all road markings and road signs
Challenges	Lack of finances are seriously hampering operations as we find it difficult to maintain old and outdated equipment. Vehicles are old and break down frequently. This department has also not grown in numbers although town has grown considerably in the last 10 years

Sport and Recreation

3.15. Parks and Recreation

Function: Horticulture and auxiliary services sub-function: Aerodrome		
Overview:	Makana and the surrounding Municipalities are fortunate to have at their disposal a category 1 licensed aerodrome with an all-weather runway and navigation lights that needs maintenance to accommodate up to a light jet aircraft.	
Description of activity:	<p style="text-align: center;">Inspections</p> <p>The section head carries out regular inspections of the facility with respect to:</p> <ul style="list-style-type: none"> - Maintenance of the tarred and grassed runways - Maintenance of navigational aides - Maintenance of municipal buildings - Maintenance of boundary fences - - Rough cutting or burning of outfields <p>The Department of Civil Aviation also undertakes annual inspections in support of the retention of the category 1 licence.</p>	Twice monthly

Administration		
	<p>Collection of landing fees</p> <p>Challenges</p> <p>The continued deterioration of the main tarred runway due to the use of heavy aircraft by SAFAIR undertaking military exercises with SANDF. Their failure to respond to appeals for financial assistance regarding the maintenance of the facility, together with the fact that the runway was not designed for AUW in excess, of 10,000kg.</p> <p>Achievements</p> <p>Commendation from DCA for maintaining one of the best category 1 aerodromes in the country.</p>	Annually
Overview:	This sub-function includes a number of sections including maintenance of grass verges and public open space, planted layouts, street trees and weed control.	
Description of activity:	<p>The services provided include:</p> <ol style="list-style-type: none"> 1. Mowing of verges of Grahamstown, Alicedale and Riebeeck East including main entrances, CBD, material roads, suburban roads and council facilities. 2. Mowing of public open space with tractor drawn implements. 3. Maintenance of gardens and planted layouts within the city. 4. Maintenance of street trees including tree planting and the maintenance of trees under power lines as well as the removal of trees where required. 5. Manual tree stump removal. 6. Weed control that includes the eradication of weeds and annual grasses on roads, gutters and storm-water channels. 	<p>196 ha</p> <p>449 ha</p> <p>2,5 ha</p> <p>673 trees</p> <p>17</p> <p>1650 ha</p>
Function: Horticulture and auxiliary services sub-function: Cemeteries		
Overview:	This sub-function includes the maintenance of cemeteries in Grahamstown, Alicedale and Riebeeck East.	
Description of activity:	<p>The services provided include:</p> <ol style="list-style-type: none"> 1. Administration of electronic recording system for burials 2. Cemetery maintenance 3. Contract management <p>CHALLENGES</p> <p>Acquisition of land for new Cemetery in Alicedale and Grahamstown</p> <p>Funding to maintain Cemeteries.</p> <p>Theft of artefacts and metal railings</p>	<p>± 875 burials annually</p>

	ACHIEVEMENTS <p>Extensions to Mayfield, Waainek, including additional service roads for Mayfield. Planted a further 100 trees at Mayfield cemetery.</p> <p>Procurement of Contracts for the maintenance of grassed areas: Waainek, Mayfield, Historical, Lavender Valley and Kings Flats cemeteries</p>	12 contracts
Function: Horticulture and auxiliary services sub-Function: Nursery		
Overview:	The nursery is maintained for the production of greening material for the Municipality.	
Description of activity:	<p>The services provided include:</p> <ol style="list-style-type: none"> 1. The production of ground covers, shrubs and trees. 2. Maintenance of ornamental section for decorations. 3. Production of manuals for street displays 4. Sales to public. 5. Support to the Millennium tree planting initiative that sees approximately 640 trees planted throughout Makana Municipality annually. 	
	CHALLENGES <p>Dealing with stray animals.</p> <p>Water deliveries in support of Technical Department.</p>	
	ACHIEVEMENTS <ol style="list-style-type: none"> 1. Renovation of hardening off section for shrubs. 2. Growing of 2,300 trees and a further 1250 indigenous shrubs. 	
Function: Horticulture and auxiliary services sub-function: Projects		
Overview:	Includes funded projects including that of the Botanical gardens that have been or are to be outsourced.	
Project description	Funded projects include: <ol style="list-style-type: none"> 1. EPWP – River Bed maintenance, Sport Ground and cemetery maintenance. 2. Makana Resort- Completion of Phase 2 upgrade to infrastructure 3. Kowie Catchment Campaign 4. Greening project 5. Millennium Tree Planting Project (Logistical) 	R1,5 million R11 million R25,000 R10-million R30,000
	Challenges <ul style="list-style-type: none"> • Manpower to monitor and evaluate projects. • Vandalism of sport ground buildings and perimeter fencing. 	
	Achievements <ol style="list-style-type: none"> 1. Completion of new Indoor Sport Centre in Extension 6. 	

Financial and Other Services

3.16. Financial Services

REFER TO CHAPTER 5 ON FINANCIAL VIABILITY.

3.17. Human Resource Services

Presentation of the Organisational Structure

During the year under review the Makana Municipality undertook a review of its organisational structure and developed a Functional Organisational structure with the assistance of the Department of Cooperative Governance and Traditional Affairs and eventually it was finalised for Council Approval.

3.18. Information and Communication (ICT) Services

Makana developed an ICT Policy to deal with the Information Technology and Information Systems requirements as well as the protection of both the integrity and correct usage of the IT resources. The establishment of a fully-fledged Information and Technological Services Unit was knee-haltered by the resignation of the employed IT Manager, and the two temporary workers. The vacancies would be filled in the new financial year as the Systems Administrator is the only position that is filled.

CHAPTER FOUR

ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1. Employees Totals, Turnover and Vacancies

4.1.1. Municipal Manager and Section 57 Managers

Introduction to the Municipal Personnel

	Approved Positions (e.g. MM-S57 etc.)	Number of Approved and Budgeted posts.	Filled Posts	Vacant Posts
1	Municipal Manager	1	No	1
2	Director Corporate Services	1	Yes	0
3	Chief Financial Officer	1	Yes	0
4	Director Local Economic Development	1	Yes	0
5	Director Technical & Infrastructure	1	Yes	0
6	Director Public Safety	1	Yes	0
	Total	6		1

Annual performance as per key performance indicators in Municipality Transformation and Organisational Development

	Indicator Name	Total Number of People (planned for) During the Year Under Review	Achievement Level during the Year Under Review	Achievement Percentage During the Year Under Review	Comments on the Gap
1	Vacancy rate for all approved and budgeted posts	25	25	100%	None
	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	4	60%	One resignation and a suspension was experienced at this level
3	Percentage of Section 57 Managers including Municipal Managers who attended at least one skills development training	3	3	100%	No Gap

	course within the financial year				
4	Percentage of Managers in Technical Services with a professional qualification	6	6	100%	No Gap
5	Percentage of municipalities within the district that have a fully functional Performance Management System (District Municipality only)	Not applicable to Makana LM.			
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current five year term	724	0	0%	Process will be addressed as one of the outcomes of the Organisational development process of the Municipality.
7	Percentage of councillors who attended skills development training within the current five year term	27	4	20%	Training was hampered by a severe lack of funds.
10	Percentage of staff complement with disability	1	1	100%	N/A
11	Percentage of female employees	131	131	100%	No Gap
12	Percentage of employees that are aged 35 or younger	57	44	77%	N/A

MANAGING THE MUNICIPAL WORKFORCE.

HUMAN RESOURCES:

This Unit is responsible for the transformation of Makana Local Municipality into an effective, efficient and progressive public sector organisation. It is further responsible for the development and implementation of policies, procedures and oversight of the daily operations of the organisation. The Municipal Manager is

the link between five Divisional Directorates which form Senior Management. The major responsibilities of senior management are the development and implementation of policies, procedures and daily operations of the organisation.

Management ensures that relevant legislation and regulations are adhered to and that adequate internal controls are developed, implemented and maintained.

Human Resources Division:

The function of this division is to develop and implement HRM strategies, policies and plans aligned to the strategy of the organisation that enable the organisation to achieve its objectives.

The function includes employee benefits, skills development, recruitment & selection, employee wellness, occupational health & safety and employee relations.

Human Resources Policies

The Makana Municipality is required annually to review and prepare for the submission of the policy to Council for adoption. The policies may be amended from time to time, and must be revised at least every five years. All other policies.

SAFETY, HEALTH, ENVIRONMENTAL AND QUALITY POLICY (SHEQ)

Compliance with Legislation

The Makana LM has adopted a policy for the Occupational, Health and Safety Policy. The position of the Occupational, Health and Safety Officer has been approved in the organogram with the aim of ensuring on an ongoing review its standards, policies and procedures to comply and, where possible, to exceed legislative requirements pertaining to Occupational Health & Safety regulations. The Occupational Health and Safety Act (85 of 1993) and its regulations provide guidelines for the Makana Council to develop appropriate standards and management systems.

Training Interventions and Targeted Employment

The Makana LM offers various annual in- service training opportunities to promote the development of skills in specific areas to encourage growth in skills availability in the province and to assist learners in obtaining practical exposure to the world of works.

Targeted training and employment is also used to affirm previously disadvantaged categories, with a special training initiative to address the gender imbalances in the work force. There has been a particular focus on developing women as water treatment works operators over the past five years. This trend will continue in the future.

Study assistance is available to all employees who wish to further their studies in order to attain a first Degree or Diploma in areas relevant to Makana organisational objectives.

Employment Equity and Recruitment Policy

The success and competitive standing of Makana LM business activities hinge critically upon the quality of its human capital and on its retention and continual development of a workforce of competent and motivated personnel. Consequently, the Makana LM seeks, as a key intent, to implement best practices in the direction of all its human resources provisioning, management and employee development activities. An Employment Contract has been developed and adopted by the Council. Subsequent to that a Human Resources Plan was developed and adopted by the Council as guiding tool towards achieving organisational objectives.

An Employment Equity policy has been adopted by the Makana Council and guides the organisation's human resources practices in promoting employment equity, the recruitment and development of employees from designated groups and the advancement of appropriate gender representation in the organisation.

An Employment Equity Plan has been developed setting out organisational equity targets, while simultaneously ensuring compliance with requirements by the Department of Labour. Progress towards employment equity has been accorded high priority and is being driven by the Employment Equity and Training & Development Committee that reports directly to the FAME. The committee includes both Makana Councillors and Management Committee representation.

A range of policies have been formulated to advance both Makana LM initiatives to address historical employment inequalities as well as wider organisational transformation goals. Areas of employment equity focus have included the review and revision of the policy on employee recruitment practices to bring these into alignment with the requirements of Makana LM Employment Equity and Affirmative Action plans.

Training and Development

In further support of its major transformation outcomes, Makana LM has also revised its human resources training and development policy and plans, making this area the responsibility of a dedicated Training Committee.

The Training Committee is responsible for the issue and updating of Makana LM Workplace Skills Plan prepared in terms of the requirements of the Skills Development Act. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

Employee Wellness

The Makana LM pursues employee wellness initiatives and, within this effort, has implemented an HIV/AIDS prevention programme that serves to create awareness and share information on available assistance for HIV/AIDS treatment. The initiative has also offered elected community members as peers educators so that participants are able to interact meaningfully with affected persons, both within the workplace and in the broader community.

Various additional efforts have been made to exploit employee communication tools and staff training opportunities to promote the maintenance of employee health and positive levels of staff motivation and healthy workplace relations. This has included efforts to disseminate information and advice on the management of HIV/AIDS related illnesses and workshop training to impart knowledge and skills to managers and supervisors to promote the recognition and embracing of cultural and other diversity in the workplace.

Accounting Policies

The accounting policies of Makana LM conform to South African Standards of Generally Recognised Accounting Practice, (GRAP) and to the reporting requirements of the Makana LM. This requires that its Annual Report and Financial Statements which are tendered to the Treasury Department, must also be published for public review.

Other Structures and Forums

Makana Local Municipality acknowledges that relationships with other strategic forums impact positively in an indirect manner on the management of the organisation. Makana LM has a formal recognition agreement with the South African Municipal Workers Union (SAMWU) and annual salary and wage adjustments affecting the union represented employees have been satisfactorily concluded since 2001. Makana LM has a disciplinary and grievance procedure in place and invokes these in dealing with employee relations problems that may arise, with recourse taken to the Council for Conciliation, Mediation and Arbitration (CCMA) to settle any matters not satisfactorily resolved internally. An Industrial Relations Officer position has been filled with aim of improving employer-employees relations.

4.2. IMPLEMENTATION OF THE PERFORMANCE MANAGEMENT SYSTEM (PMS):

4.2.1. Individual Performance Management System

The Performance Management System was not effectively implemented in the year as the Senior Managers did not sign their Performance Agreements timeously. The cascading of the Performance Management System to lower levels could also not be achieved.

4.2.2. Institutional Performance Management System

The Municipality Performance Management Policy Framework was not revised during the year under review, because of outstanding internal consultation processes. The matter will be finalised in the next financial year.

4.2.3. Major challenges and remedial actions with regard to Human Resource and organisational Management

The Makana Municipality continues to face challenges related to the inability to retain key engineering skills. As a response to this challenge, the Makana Municipality has developed and adopted a Scarce Skills and Retention Policy. The Scarce Skills and Retention policy seeks to provide a framework for the retention of critical skills and also provide incentives for such skills.

Due to organisational growth and new challenges, the Municipality proceeded with a review of its organisational structure and Functional Organogram will be adopted by Council in the new financial year, after consultation with the Labour Forum.

4.3. INJURIES, SICKNESSES AND SUSPENSIONS

4.3.1. Comment on suspensions and cases of misconduct:

During the year under review, 5 cases of "Injury on Duty" were reported to the Compensation Commission. In the same year, the Makana Municipality dismissed two employees for various cases of misconduct.

CAPACITATING THE MUNICIPAL WORKFORCE

4.4. Skills Development and Training

During the year under review the Makana Municipality developed and adopted a Workplace Skills Plan which was forwarded and approved by the Local Government SETA (LGSETA).

The following training programmes were undertaken with regard to staff development:

Details	Training undertaken
Councillors	TRAINING ON LOCAL LABOUR TERMS OF REFERENCE – One Councillor.
Staff:	OCCUPATIONAL HEALTH AND SAFETY TRAINING COURSE- 10 Officials serving as Safety representatives TRAINING IN WATER AND WASTEWATER TREATMENT.- Learnership for 29 Makana Employees

Challenge

A lot of training could not take place because of the scarcity of funds.

4.4.1 All staff registered with professional bodies

Technical Services	Total Number of Managers and officials	Total Number of Registered with Professional Body Accredited	Total Number of Pending Registration Confirmation with Accredited Professional Body	Total Number not registered with Accredited Professional Body
Water	1	1	0	0
Electricity	3	2	0	1
Technical	4	2	0	2
Town Planning	2	1	0	1

Project Management Unit	1	0	0	1
Internal Audit	3	3	0	0

4.4.2. Levels of Education and Skills

Total Number of Staff	Number of Staff Without Grade 12	Number of Staff with Senior Certificates Only	Number of Staff with Tertiary/ Accredited Professional Training
714	323	139	150

MANAGING THE WORKFORCE EXPENDITURE

4.5. Employee Expenditure

Financial Year	Total Number of Staff	Total Approved Operating Budget	Personnel Expenditure (Salary Related)	Percentage of expenditure
2015 – 2016	714	437920000	15341208	35,07%
2016-2017	706	422210000	167750475	39,73%
2017-2018	670	432216 000	167803000	38,8%

4.5.1 List of pension and Medical Aid Scheme to which employees belong.

Names of pension fund	Number of staff	Name of Medical Aids	Number of staff
Cape Joint Pension Fund	3	Bonitas	99
Cape Joint Retirement	325	LA Health	240
SALA Pension Fund	111	Samwu Med	81
SAMWU Provident Fund	245	Key Health	42
		Hosmed	2

4.5.2 Employee related costs (section 56 / 57 employees, of staff members and also councillors).

Employee Related costs	2017/2018
Salaries	167803000
Remuneration of Councillors	10 436000

TERMINATION REASON	NUMBER
RETIREMENTS	5
DECEASED	5
RESIGNATIONS	9
MEDICALLY BOARDED	2

DISMISSALS	2
APPOINTMENTS 2017/18	
MALES	22
FEMALES	32

CHAPTER FIVE

FINANCIAL VIABILITY AND PERFORMANCE

HEALTH OVERVIEW

5.1 FINANCIAL VIABILITY HIGHLIGHTS

The steady progress made to date evidenced by a better cash coverage ratio and an increased ability of the Municipality to contribute towards paying Eskom account and long outstanding which lead to litigation have been the critical milestones of the municipality.

The financial performance of the municipality has been forecasted with marginal deviation to the operational budget when comparing actual results to the budget. The review of municipal organogram and job description is another initiative that will bring accountability and ensure that departmental managers ability to plan, and implement internal controls.

EXECUTIVE SUMMARY OF KEY FINANCIAL ACHIEVEMENTS FOR THE YEAR UNDER REVIEW:

With leadership of the CFO and managers Budget & Treasury Office has been able to diagnose and identify possible remedial action to enhance municipal revenue.

FINANCIAL VIABILITY HIGHLIGHTS

5.2 Financial Viability Challenges

The following general challenges are experienced by the municipality with regards to financial viability:

CHALLENGES	ACTIONS TO ADDRESS
Maintain a sound financial position in the context of the national and international economic climate	Makana took a conservative approach towards borrowing until the tax base has broadened. Makana also accepts that it should do more with less considering its financial challenges and slow improving collection rate.
Long outstanding creditors	Makana has implemented turnaround for payment of creditors, however, there are still some high long outstanding creditors. Eskom, Amatola Water, DWS are our highest creditors but the municipality has made payment

	arrangements with both Institution in its attempt to show commitment.
Revenue enhancement	Makana needs to further enhance the effectiveness and completeness of debt recovery and implement the Revenue Enhancement Plan successfully.
High volume of litigations	Due to non-payment of creditors and lack of funding to complete projects the municipality experiences a high volume of litigations which resulted in our bank account and assets attached.
Limited revenue base	Local economic development needs to ensure that the revenue base is broadened through the LED strategy.
Financial Recovery Plan	Implementation of Financial Recovery Plan to ensure improved financial health and sustainability remains a challenge.
Filling of critical positions	Currently Budget & Treasury Office has 10 vacant position including the CFO's position. The high vacancy rate impact on the performance revenue section and compliance as a whole.

FINANCIAL VIABILITY CHALLENGES

5.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

The following table indicates the municipality's performance in terms of the **national key performance indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

KPA & indicator	2017/18	2016/17	Comments
Collection Rate – (Gross Debtors Closing Balance + Billed Revenue-Gross Debtors Opening Balance-	84%	78%	The ratio indicates the municipality's ability to collect its revenue, which implies that the municipality can collect within its

Bad debts written off)/Billed Revenue x 100			budgeted collection estimates.
Current Ratio – (Current Assets/Current Liabilities)	1.02	1.02	<p>This ratio indicates the municipality's ability to meet its monthly expenditure.</p> <p>The ratio of 1.02 is below the norm of 1.5:1.</p> <p>Management is constantly evaluating investment portfolios to ensure optimum inflows and return rates; cutting on cost containment items and constantly enhancing revenue inflows. The implementation of Financial Recovery Plan is also very nodal in the process to ensure sound cash flow and financial health within the municipality</p>
Revenue Growth (%) - (Period under review's Total Revenue –previous period's Total Revenue)/previous periods Total Revenue) x 100	6%	18%	<p>This ratio indicates the municipality's ability to grow its own revenue. The revenue growth of 16% (6% 2017/18) suggests that the municipality has the potential in growing its own revenue which will assist in rendering the services to the community of Makana.</p>
Creditors Payment Period –			This ratio indicates the municipality's ability to pay

(Trade Creditors Outstanding/Credit Purchases (Operating and Capital) x 365	311 days	311 days	its creditors within the 30 days legislated period. The creditors payment of 311 days (92 days 2017/18) confirms the financial constrains as well as lack of performance by the municipality
Remuneration as % of Total Operating Expenditure – Remuneration (Employee Related Costs and Councillors' Remuneration)/Total Operating Expenditure x 100	47%	39%	This indicates that the municipality conforms with norm 25% - 40% considering that its current % is 47% and confirms the compliant proportion of the salaries and wages budget against the total operating expenditure

National KPI's for financial viability and management

5.4 FINANCIAL OVERVIEW

The table below shows the financial overview of the municipality:

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
	R ' 000		
INCOME	432 216	432 216	367 380
LESS: EXPENDITURE	(474 948)	(432 216)	(367 380)
Net surplus/ deficit	42 732		377

FINANCIAL OVERVIEW

5.5 OPERATING RATIOS

The following table contains the operating ratios for the 2017/18 financial year:

	Expected Norm	Actual	% Variance
--	---------------	--------	------------

Detail	(%)		
Employee cost	25-40	36	
Repairs & maintenance	8-12	1	7

OPERATING RATIOS

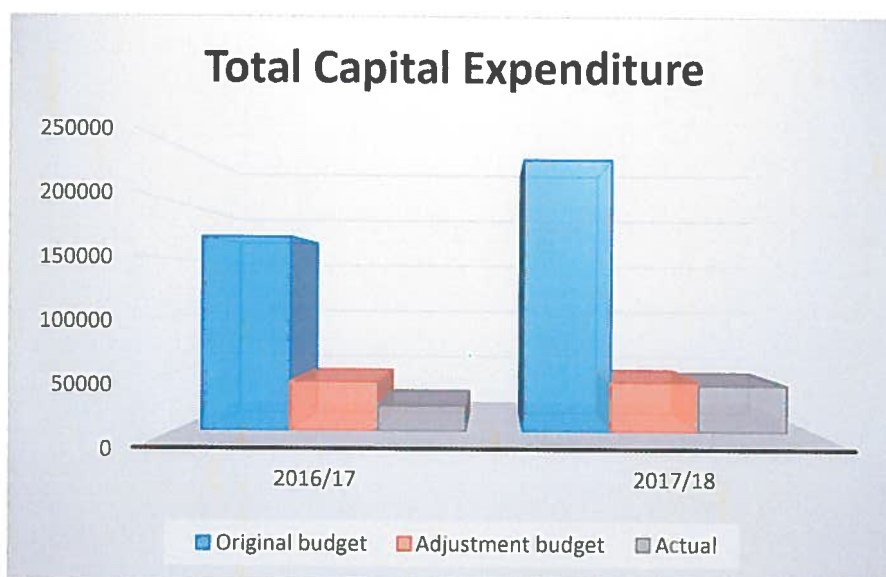
5.6 TOTAL CAPITAL EXPENDITURE

The table below shows the total capital expenditure for the last two years:

DETAILS	2016/17	2017/18
	R' 000	
Original budget	170 043	238 403
Adjustment budget	43 168	43 792
Actual budget	22 915	40 722

TOTAL CAPITAL EXPENDITURE

The graph below shows the total capital expenditure for the last two financial years:



Total Capital Expenditure

The capital expenditure incurred during the financial year amounts to R22 185 in 2017/18 represents 51, 3% (36% in 2016/17) of the adjusted budget. This under expenditure could be attributed to financial constraints and low cash flow and late start of procurement processes by relevant directorates. Unspent funding will be rolled over during August 2017 by the SBDM on behalf of the municipality as per the memorandum of agreement due to the indirect grant allocation made to them for MIG.

5.7 AUDITOR-GENERAL REPORT

5.7.1 OUTCOMES

AUDITED

Year	2014/15	2015/16	2016/17	2017/18
Status	Qualified	Qualified	Qualified	Not decided

5.8 AUDIT OUTCOMES

5.8.1. SUPPLY CHAIN MANAGEMENT

Supply chain management includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes and bids, keeping of inventory.

5.8.2 COMPETITIVE BIDS IN EXCESS OF R200 000

a) Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2017/18 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication
105	102	102

Bid Committee Meetings

The attendance figures of members of the Bid Specification Committee are as follows:

MEMBERS	PERCENTAGE ATTENDANCE
Mr L. Ngandi (Chairperson)	100%
Mr A. Tsewu	100%
Ms P. Gqweta	100%
Miss N. Tshicilela	100%
Ms N. Appolis	100%

Attendance of Members of Bid Specification Committee

The attendance figures of members of the Bid Evaluation Committee are as follows:

Member	Percentage
Mr. S. Nomandela (Chairperson)	9
Miss. S. Mpendu	1
Mr. M. Radu	8
Mr. M. Crouse	9
Mr. G. Flotman	4
Mr. A. Ndabeni	9
Mrs. Z. Dyaloyi	5
Ms. L. Kepe	4
Mr. T. Sindane	9

Attendance of members of Bid Evaluation Ccommittee

The attendance figures of members of the Bid Adjudication Committee are as follows:

Member	Percentage attendance
Chief Financial Officer (Chairperson)	1
Acting/Director: Engineering & Infrastructure	1
Acting /Director: Community & Safety Services	1
Acting/Led Directorate	9
Acting/ Director: Corporate Services	7
Supply Chain Manager	1

Attendance of Members of Bid Adjudication Committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee as member.

b) Awards Made by the Bid Adjudication Committee

The thirteen highest bids awarded by the Bid Adjudication Committee are as follows:

	Bid number	Title of bid	Successful bidder	Value of bid awarded (R) Based on 9.2% Commission (inclusive of VAT)
1	MLM/2017-18/BTO/012	Debt Collection Services	Revenue Consulting	
2	MLM/2017-18/INFRAA/002	Independent Full Investigation of Waainek Wind Farm Connection Cost to the Makana Network and Determination of Wheeling Charges.	Africoast Energy (Pty) Ltd	394 892.50
3	MLM2017-18/BTO/001	Annual Tenders: Main Store – Stationery	Qhawe Protection Services	Price per various item.
4	MLM/2017-18/BTO/005	Annual Tenders: Main Stores – Refuse Bags	Extra Dimension 1191C T/A Simunye Agencies	Prices per various items.
5	MLM/2017-18/BTO/004	Annual Stores: Main Stores – Toilet Papers	Ayavuya Trading	Prices per various items.
6	MLM/2017-18/BTO/002	Annual Stores: Main Stores – Cartridges	Extra Dimension 1191C T/A Simunye Agencies	Prices per various items
7	MLM/2017-18/BTO/007	Annual Stores: Main Stores – Cleaning Materials	Extra Dimension 1191C T/A Simunye Agencies	Prices per various item
8	MLM/2017-18/BTO/011	Preparation of Annual Financial Statements	A2A Kopano Incorporation	R 2 120 400.00

9	MLM/2016-17/BTO/009	Procurement of Private Property Valuers: GV	Sizanane	R 6 023 236.80
10	MLM/2017-18/BTO/010	Printing and Posting of Municipal Services Debtors	CAB Holdings	Various items per pricing schedule
11	DEVIATION	Consultant for Makana Roads Project.	Engineering Advice Services	R 956 097.12
12	MLM/201617/INFRA004	Alicedale road and Stormwater phase 2	Zedek Trading 580 cc	R8 471 110,35
13	MLM/201617/INFRA009	Waainek Bulk water supply refurbishment electrical works	Zedek Trading 580 cc	R2 326 800,00
14	MLM/201617/INFRA006	Water Sampling Full Sans 241-1:15 Analysis At 30 Sampling Points	Hallowed Ground	R293,539.05
15	MLM/201617/ADMI N001	Appointment of a Municipal Company for Safety and Security of Municipal Assets	KSA Security	R374,566,11 per month
16	Regulation 37 Unsolicited Bid	Application by Power X to Trade Renewable Energy on the Makana Electricity Reticulation Network	Power X	Contract for 20 years, based on profit sharing model per agreement

Thirteen Highest Bids Awarded by Bid Adjudication Committee

c) Awards Made by the Accounting Officer

In terms of paragraph 5(2) (a) of Council's SCM Policy, only the Accounting Officer may award a bid which is in excess of R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The only bid awarded by the Accounting Officer is as follows:

Bid number	Title of	Successful bidder	Value of bid awarded (R)
MLM/2017-18/INFRA/002	Waainek Water Supply – Civil Works	Hlumisa Engineering Services	R13 629 968.58
MLM/2017-18/INFRA/007	Alicedale sewerage upgrade	WK Construction	R 20 494 927,30
MLM/2016-17/INFRA/005	EXTENSION OF INDOOR SPORTS	Alex Maintenance	R12,783,342.12

Awards Made by Accounting Officer

d) Appeals lodged by aggrieved bidders

There was one appeal we received from RAZZ/AMDWALA JV for tender MLM/2017-18/INFRA001 it was dealt with in terms of Section 62 and reported to by the Executive mayor, appeal was resolved by the municipality.

5.8.3 FORMAL WRITTEN PRICE QUOTATIONS BETWEEN R30 000 AND R200 000

a) Awards Made to the companies/enterprises established in the Makana Municipal Area

The following table details the value of all quotations awarded to enterprises and contractors for the period 1 July 2017 to 30 June 2018:

Month	Local Companies	Total Orders (R)
July 2017	R126,165.41	R506,858.81
August 2017	R428,488.62	R652,382.12
September 2017	R200,303.07	R603,344.25
October 2017	R201,353.97	R631,895.35
November 2017	R585,077.30	R1,133,701.27
December 2017	R42,780.35	R532,818.87
January 2018	R5,949.37	R589,794.83
February 2018	R640,210.12	R1,138,204.20
March 2018	R183,042.11	R883,453.60
April 2018	R31,047.80	R976,937.28
May 2018	R483,188.99	R1,016,370.39
June 2018	R466,781.30	R1,685,237.60

Annual	Total Orders (R)	Local Companies (R)
Total	R10,350,998.84	R3,394,388.41
Percentage (%)-		33%

Awards Made to Local Companies

5.8.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R4 080 949.34 were approved by the Accounting Officer.

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value
Sole provider	40	R769 528.09	15%
Goods/Service needed urgently/ Emergency	11	R 2 926 475.36	57%
Other (strip and Quote)	15	R1 403 761.99	28%
Total	66	R 5 099 765.44	

SUMMARY OF DEVIATIONS

Deviations from the normal procurement processes have been monitored closely since the start of the previous financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with. A large number and amount of deviations is caused by goods and services needed urgently as a result of buying of chemicals for water treatment and water tanks to distribute water to communities. Some were urgent procurement due to drought disaster emergency funding to assist with the water shortages. SCM has identified instances where the normal procurement processes can be adhered instead of following the deviation process. These cases have been taken up with the relevant departments and satisfactory co-operation has been received.

5.8.4 LOGISTICS MANAGEMENT

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores in Market Avenue is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person which is in line with the general conditions of a contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

Currently the senior stores clerk is vacant since the senior stores clerk resigned in February 2018. This is one of the critical vacant post at SCM unit which needs urgent attention and Chief Financial Officer needs to make recommendation for the filling of the post as running of stores affects service delivery.

5.8.5 DISPOSAL MANAGEMENT

This is one of the critical vacant post in SCM unit. Currently there is no one in this section, all the work is distributed amongst other SCM officials and asset accountant that is presently employed by the municipality. The Chief Financial Officer needs to give this section urgent attention and make recommendation for the filling of the posts to council.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the national conventional arms control committee;
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- We are complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal policy plan was reviewed and finalised in June 2014 and aims to provide the guidelines for the disposal of all obsolete and damaged assets. Information regarding assets earmarked for disposal has already been collated and the request for approval for disposal will be tabled to Council in the near future.

5.8.6 Performance Management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed, approved and are being implemented. Monthly reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees

5.8.7 PROCUREMENT AND CONTRACT MANAGEMENT

We have complied with SCM Regulation 6(3) for the 2017/18 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

5.8.8 PROCUREMENT AND CONTRACT MANAGEMENT – SUPPLIERS NOT REGISTERED FOR VAT

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate. The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilized. The unit also utilises centralise supplier database for verification of vat and tax matters.

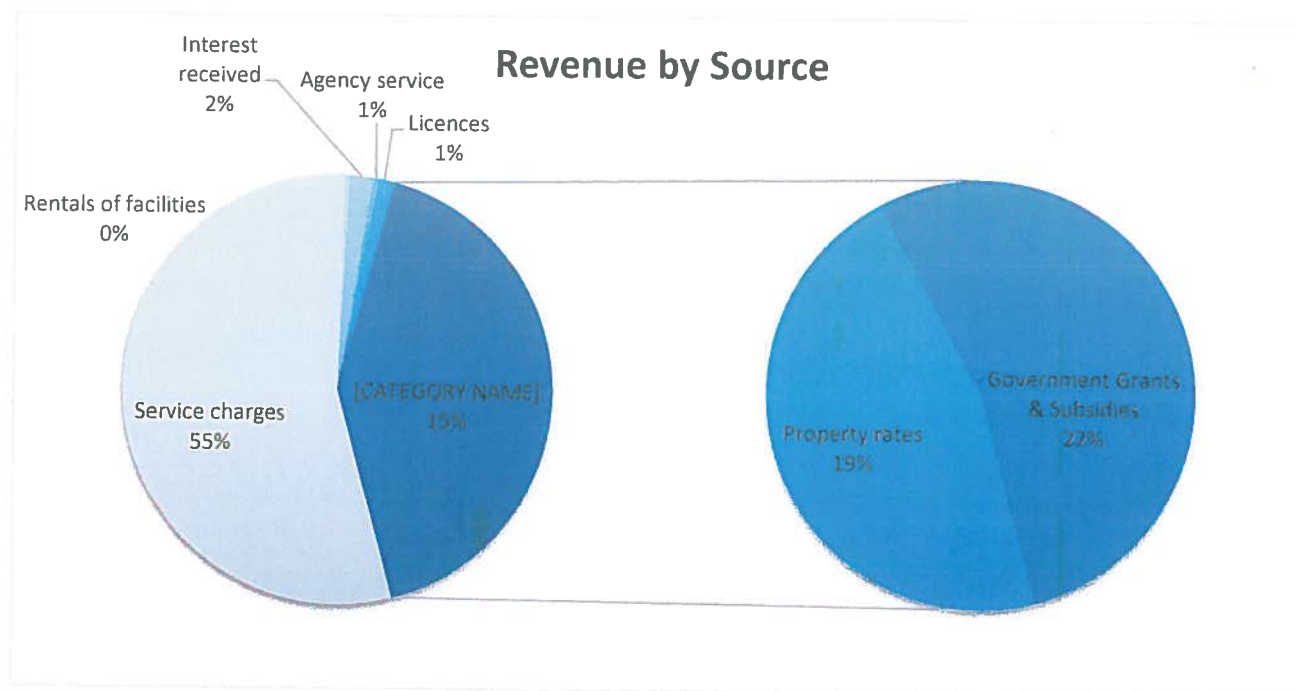
5.8.9 PROCUREMENT AND CONTRACT MANAGEMENT – MONITORING OF CONTRACTS NOT DONE ON A MONTHLY BASIS

Contract management is the responsibility of each manager for contracts in his/her functionality area. There is one official at SCM unit who deals with contracts monitoring and reporting. Additional capacity needs to be created within the SCM Contract management unit. In future the Chief Financial Officer will make recommendations in this regard.

6. FINANCIAL PERFORMANCE

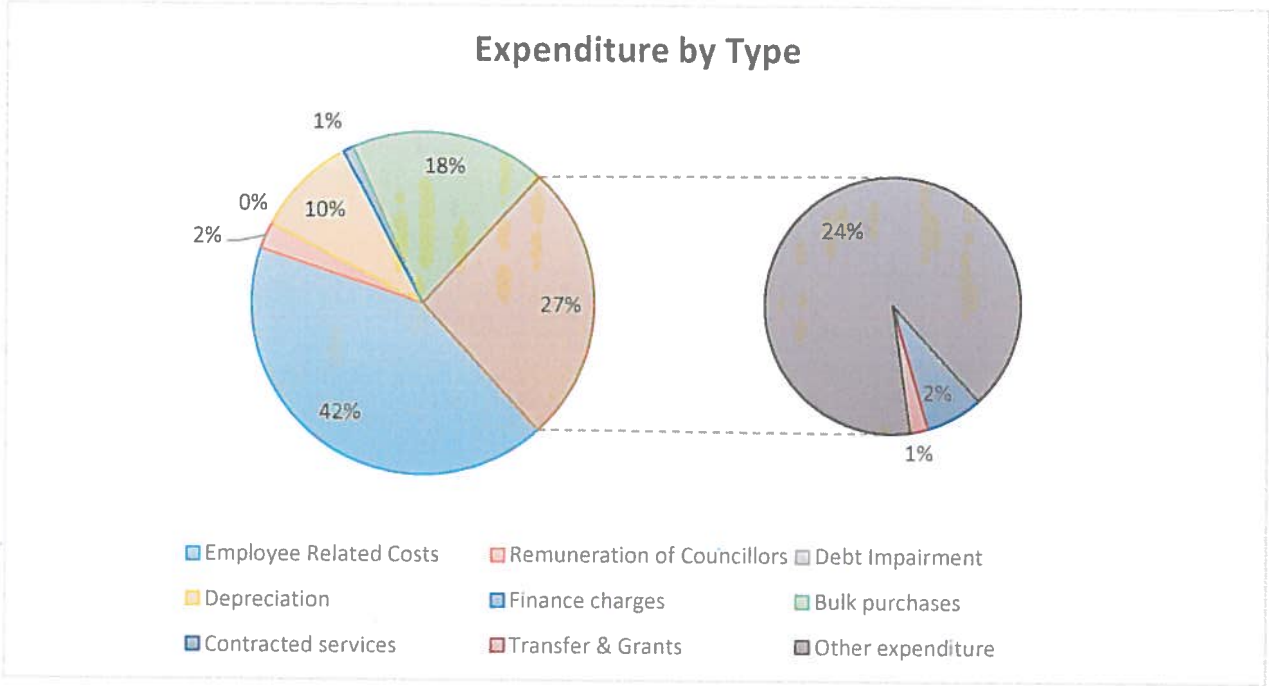
6.1. Revenue by Source

The following graph indicates the various types of revenue items in the municipal budget for 2017/18:



6.2 Expenditure by Type

The following graph indicates the various types of expenditure items in the municipal budget for 2017/18:



APPENDICES & ATTACHMENTS

APPENDIX: A

MUNICIPAL COUNCILLORS

NO.	ORG	WARD	NAME & SURNAME
1	DA	PR	BRUINTJIES THEO FREDLIN
2	DA	PR	CLARK CAROLYNN
3	DA	04	FARGHER BRIAN
4	ANC	03	FATYI MTHUNZI
5	ANC	PR	GAGA NOMHLE, EXECUTIVE MAYOR
6	ANC	06	GAUSHE THEMBISA
7	ANC	11	GOJELA MNCEDISI
8	DA	12	HOLM DARRYN BRIAN
9	DA	08	JACKSON BRIAN
10	ANC	07	KHUBALO MALIBONGWE, CHAIRPERSON: TCI PORTFOLIO
11	ANC	14	LOUW ENERST, CHAIRPERSON: TOURISM PORTFOLIO
12	DA	PR	MADYO XOLANI GLADMAN
13	ANC	PR	MASOMA NOMBULELO, CHAIRPERSON: FAME PORTFOLIO
14	ANC	PR	MATYUMZA MTUTUZELI, CHAIRPERSON: EI PORTFOLIO
15	ANC	PR	MATYUMZA PHUMLA, CHAIRPERSON: PUBLIC SAFETY & SOCIAL SERVICES PORTFOLIO
16	DA	PR	MEYER ALDWORTH JOHN
17	ANC	09	MOYA MFUNDO
18	EFF	PR	MTWA NOMAKHWEZI (Vacancy-Deceased)
19	ANC	05	NASE LUYANDA
20	DA	PR	NHANHA MLINDI ADVENT
21	ANC	01	PIETERS NTOMBEKHAYA MAVIS
22	EFF	PR	QOTOYI MZWANDILE
23	ANC	10	SAKATA LUYANDA
24	ANC	13	SEYISI THEMBAKAZI
25	ANC	PR	SODLADLA SIYABULELA
26	ANC	PR	VARA YANDISWA, SPEAKER
27	ANC	02	XONXA MPHUMZI RUMSELL
15	ANC	PR	MATYUMZA PHUMLA, CHAIRPERSON: PUBLIC SAFETY & SOCIAL SERVICES PORTFOLIO

APPENDIX: B

THIRD TIER STRUCTURE		
NO.	DIRECTORATE	MANAGER(TITLE AND NAME)
1.	Corporate services	Manager Administration: Mr E Mager
2.		Manager Human Resources: Mr X Kalashe
3.		Records Manager: Ms N Xintolo
4.		Operations Manager: Mr L Ngandi
5.	Finance	Manager Revenue: Mr M Crouse
6.		Manager Compliance and Budget: Ms C Mani
7.		SCM Manager: Ms Z Gxowa
8.	Mayor and MM's Offices	Manager Support Services: Mr E Ganza
9.		Internal Audit Manager: Mr A Ngcauzele
10.		IDP/PMS Manager: Mr M Pasiya
11.		Public Participation Manager: Ms N Santi
12.		Special Project Unit Manager: Mr S Wali
13.		Legal Manager: Ms N Mbanjwa
14.		Risk Manager: Mrs N Kosi
15.	Local Economic Development	Tourism Manager: Mr T Sindani
16.		Agriculture Manager: Ms P Gqweta
17.		Planning Deputy Director: Mr R Van der Merwe
18.	Public Safety	Environmental Manager: Mr N Nongwe
19.		Manager Fire Services: Mr W Welkom
20.		Manager: Cleansing Services: Mr J Esterhuizen
21.		Assistant Director: Parks: Mr J Budaza
22.	Technical and Infrastructural Services	Director Electricity distribution: Mr M Radu
23.		Manager Electricity: Mr X Bokwe
24.		Manager: Renewable Energies: Mr M Siteto

APPENDIX: C COMMITTEE AND COMMITTEE PURPOSES

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON	COMMITTEE PURPOSE
1.	Social Development Portfolio Committee	Cllr. P. Matyumza	To deliberate and decide on the rendering of Community and Social Services
2.	Finance, Administration, Monitoring & Evaluation Portfolio Committee	Cllr. M Masoma	To deliberate and decide on the rendering of Finance and Corporate Services.
3.	Infrastructural Development Portfolio Committee	Cllr. M. Matyumza	To deliberate and decide on the rendering Infrastructural Services.
4.	Local Economic Development and Planning Portfolio Committee	Cllr. E. Louw	To deliberate and decide on the rendering of Local economic development and Town Planning matters.
5.	Tourism & Cultural Industries Portfolio Committee	Cllr. M. Khubalo	To deliberate and decide on the rendering of Tourism and Cultural industry service matters
6.	Municipal Public Accounts Committee	Cllr M R Xonxa	To provide oversight over the executive function.

APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

Air Pollution	Amusement Facilities
Building regulations	Billboards and the display of advertisement in public places
Child care facilities	Cemeteries, funeral parlours and crematoria
Electricity and gas reticulation	Cleansing
Fire fighting services	Control of undertaking that sell liquor to the public Noise pollution
Local tourism	Facilities for the accommodation, care and burial of animals
Municipal Airports	Fencing and fences
Municipal planning	
Municipal health services	Licensing and control of undertakings that sell food to the public
Municipal public transport (Not applicable)	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Local amenities
	Local sport facilities
Stormwater management systems in built-up areas	Markets
Trading regulations	Municipal abattoirs (Not Applicable)
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Municipal parks and recreation
	Municipal roads
	Noise pollution
	Pounds
	Public places
	Refuse removal, refuse dumps and solid waste disposal
	Street trading
	Street lighting Local amenities
	Traffic and parking

APPENDIX E– WARD REPORTING

REPORT ON ESTABLISHMENT AND ACTIVITIES OF THE WARD COMMITTEES UNDER THE OFFICE OF THE SPEAKER

The constitution of the country places an obligation on all local municipalities to establish ward committees immediately after the local government election. The primary function of the ward committee is to be a formal communication channel between the community and the council.

The Speaker called for the establishment of ward committees which was done through an electoral process managed by the Independent Electoral Commission. To date Makana has managed to establish Ward Committees in all 14 wards.

APPENDIX F – WARD INFORMATION

Details of Ward Committee Members			
WARD 1- CLR N PIETERS		WARD 2- CLR R XONXA	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• T.J. Ralo		• F. Saam(SECRETARY)
2.	• Z.C. Twani		• M. Melithafa
3.	• M. Botha		• N.N. C.Ntshudu
4.	• T.P. Janse Van Rensburg		• T. Mgoduka
5.	• B.B. Bill		• T. Yili
6.	• L.L. Basi		• A. Qhude
7.	• L. Skeyi		• N. Ntshobodi
8.	• Zibongile Ralo		• M.M. Mjekula
9.	• Thembani Zidepa(SECRETARY)		• N Adams
10			• D.D. Hashe
WARD 3- CLR M FATYI		WARD 4- CLR B FARGHER	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• N.E. Alexander	1.	• N.E.Alexander
2.	• N. Gxoyiya	2.	• N.Gxoyiya
3.	• J. Sphere	3.	• J.Sphere
4.	• G. Mapapu	4.	• G.Mapapu
5.	• N. Skeyi	5.	• N.Skeyi
6.	• X. Nobebe	6.	• X.Nobebe
7.	• N Budaza(SECRETARY)	7.	• N Budaza(SECRETARY)
8.	• V.Z. Nquru	8.	• V.Z.Nquru
9.	• T. Rawana	9.	• T.Rawana
10	• N. Bavuma	10	• N.Bavuma
WARD 5- CLR L NASE		WARD 6- CLR T GAUSHE	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• G. Mene	1.	• Z.Ponoshe
2.	• N. J. Stof	2.	• Anne Richards
3.	• S. Tom	3.	• L. Bulani
4.	• K. Mpangiso	4.	• M.Mongo
5.	• B. Gawula	5.	• S.Ngcani
6.	• B. Makasi(Secretary)	6.	• S.Vulindlu
7.	• L. Balani	7.	• N.E.Mazamisa(SECRETARY)
8.	• X. Papu	8.	• S.Ngxakaza
9.	• A. Matiwana	9.	• M Hani
10.	• N. Madinda	10	• N S Ngoqo

WARD 7- CLR M KHUBALO		WARD 8- CLR B JACKSON	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• N Gingqini(Secretary)	1.	• C. Prince
2.	• N. Onceya	2.	• K. Brown
3.	• N. Mzizi	3.	• K. Moodley
4.	• N. Thandani	4.	• P. Cimi
5.	• M. Ncopho	5.	• Z. Frans
6.	• Bangani	6.	• M.W. Salaze
7.	• Onceya	7.	• Gabavana
8.	• M. Twani	8.	• D. Palm
9.	• S. Soxujwa		
10.	• M. Malgas		
WARD 9- CLR M MOYA		WARD 10- CLR L SAKATA	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• M.Mbunge	1.	• Portia Vuso(SECRETARY)
2.	• J.Mene(Secretary)	2.	• Nomonde Ncanywa
3.	• P.Ngoqo	3.	• Siphokazin Libi
4.	• V.Sodladla	4.	• Thandiswa Kwenxe
5.	• B.Mnyobe	5.	• Viwe Magqabi
6.	• N.Papu	6.	• Noxolo Ngubo
7.	• N.Tyelbooi	7.	• N. Tsili
8.	• S.Mtwa	8.	• Zola Bodla
9.	• X.Bikitsha	9.	• Babalwa Theodore T.Mbuqe
10.	• M.Sam	10.	• Ntombizanele Gotyana
WARD 11- CLR M GOJELA		WARD 12- CLR DB HOLM	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• S. Mdoko	1.	• Lwazi Kamana
2.	• S. Dondashe	2.	• Tendamudzimu Tshiwawa
3.	• N. Prince	3.	• Mokgoba Tiego Thotse
4.	• N. Krantz	4.	• Fungiwe Enkosi Sinayo Ntwana
5.	• P. Gedana	5.	• Aviwe Lukhanyo Bezu
6.	• S. Ntshoko	6.	• Mlandu Solomon Mtsweni
7.	• N. Salman	7.	• Mandilakhe Valela
8.	• V. Tsipa	8.	• Mahlodi Mathabatha
9.	• L. Adam	9.	• Aviwe Khanya May
		10.	• Nokuzola Sthembile Cumbane
WARD 13- CLR T SEYISI		WARD 14- CLR E LOUW	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• B. Bambatho	1.	• V. Nesi(Secretary)
2.	• N. Xashimba	2.	• P. Kewuti
3.	• X. Silumko	3.	• N. Kalani
4.	• N. Ndolo	4.	• R. Kayster
5.	• W. Matina(Secretary)	5.	• Y. Beyi

6.	• D. Mxube	6.	• N. Mahe
7.	• N. Sandi	7.	• G. Hendricks
8.	• S. Thwani	8.	• M. Antoni
9.	• N. Joja	9.	• M Bani
10.	• Y. Manyathi	10.	• T. Peku

STATUS REPORT ON PUBLIC PARTICIPATION (COUNCILLORS AND WARD COMMITTEES)

The Makana Municipality has fully functional ward committees. The ward committees are holding meetings monthly.

The meetings are held according to the “Back to Basics” concept and meetings are held monthly, as follows:

1. Area meetings (Ward Committee member)
2. Ward general meetings (Councillor as a Chairperson)
3. Ward committee meetings (Councillor as a Chairperson)

Ward Committee reports are submitted to the office of the Speaker every month from all the wards with attendance register which is used as a proof that the Ward Committee meeting sat and that is also used as proof for the payment of the stipend. Ward general meetings: most of the wards do not hold their general meetings. The reports are submitted to the Council as an item quarterly.

WARD BASED PLANNING:

Ward Based Planning has been done in all wards and priorities have also been developed for each ward and are reflecting in the IDP.

MASIPHATHISANE:

Masiphathisane/ War Rooms have been established in all the wards in Makana Municipality. The challenge is however that only one ward (ward 2) has a functioning war room where they hold meetings and attend to the problems raised in the meetings.

MAYORAL IMBIZO'S:

In the 2017/2018 financial year there were 8 Mayoral Imbizos' held in different areas. Ward committees assisted in the preparations for these Mayoral Imbizo's and also during the meetings.

STAKEHOLDERS:

Makana Municipality has a database of its stakeholders and meet bi-monthly with them.

WOMEN'S CAUCUS:

A Women's caucus has been established and is fully functional.

WOMEN'S FORUM:

A Women's Forum has been established and would be launched in the next financial year.

PETITIONS:

A Petitions committee has been established and is chaired by the Speaker. All the petitions are handled by the office of the Speaker. Speaker receives all the petitions and hand them to the Petitions Committee.

Community Development Workers

The municipality provides transport for CDW's to attend their Regional Round Tables and sometimes also to the Provincial Round Table. CDW's have been allocated an office at the municipal offices. The Provincial office has been requested to assist them with the necessary tools of trade.

EPWP EXECUTIVE SUMMARY

The EPWP is a programme championed by the Executive Mayor's Office; it seeks to reduce unemployment through the implementation temporary jobs with a view to transfer skills and financial empowerment to its recipients. The programme was designed for poverty and income relief. In the 2013/14 financial year the programme had an allocation of R1000 000 and implemented 3 projects. In 2014/15 Makana it has implemented three projects with a budget allocation of R 1 007 000. In 2015/16 Makana Municipality has an allocation of R 1 002 000. In 2016/17 Makana Municipality has been allocated R 100 000. The EPWP is funded by the Department of Public Works. It is co-ordinated by Mr Afika Adam, situated in The Executive Mayor's Office. The CWP Programme is managed in the LED office.

HIGHLIGHTS

The EPWP Office has managed to employ 130 participants for poverty alleviation through income relief. Each ward is requested to submit 10 names as participants. The approach used is a rotational contractual employment based approach. The Projects such as Makana Clean Campaign; River Beds Project and HIV/AIDS Peer educators have added value in many communities assisting the society by making the City Clean and speeding up work in the clinics. They have an impact to many people's lives because skills are being transferred to them through training. The office encourages labour intensive jobs to achieve more Full Time Equivalent Jobs (FTE's). At the end of the financial year we would have achieved the target of work opportunities of creating 300 Work Opportunities (WO). The EPWP programme is vast working with different spheres of government like DSRAC; DRDAR; DET; DEAT and SocDev. All these departments we have managed to have integrated programmes together with them as the municipality. The Libraries in Makana being renovated working together DSRAC. The Farming equipment for Rural Farmers in relations with DRDAR. The Cleaning Team allocated at the Department of Education in collaboration with the

municipality. The project of Infill Sites had an impact with funding from DEAT. The Social Development programme of Community Foot Soldiers has contributed to the statistics of employment in the City.

CHALLENGES

The late payment of the participants from the Finance Department makes the participants panic and lose patients. There is still a problem with the communication of Government Development Projects as some projects become active without the knowledge of the Municipality.

APPENDIX G – RECOMMENDATIONS AND REPORT OF THE MUNICIPAL AUDIT COMMITTEE.

MAKANA AUDIT COMMITTEE RESOLUTIONS 2017/ 2018

ACTION SHEET

No	Date of resolution	Resolution	Action by	Deadline
AC 1.	20/07/2017	<p>The Audit Committee Resolved:</p> <p>That the Audit Committee has to sit before the reports are tabled to council because it plays an oversight</p> <p>That the committee should sit and discuss with the Acting MM and the and be part of the overtime discussions as it will serve a better purpose</p> <p>That Legal Compliance Manager- has to comply with both legally and compliance.</p>	<p>Internal Audit</p> <p>AMM</p> <p>AMM</p>	Next AC meeting
2.	20/07/2017	<p>The Audit Committee Recommended:</p> <p>The municipality should look into municipal Financial Viability</p> <p>The municipality should negotiate with other creditors for them not to charge interest.</p>	CFO	Next AC meeting
3.	20/07/2017	<p>The Audit Committee Recommended:</p> <p>The municipality needs to make sure that meter readings are done properly and are accurate and make a plan on how it is going to deal with the issue of disconnection.</p>	CFO	Next AC meeting
4.	20/07/2017	<p>The Audit Committee Recommended:</p> <p>That the ward committees should be assisting the municipality in terms of the</p>	CFO	Next AC meeting

		indigent.		
5.	28/08/2017	<p>The Audit Committee Recommended:</p> <p>All comments on AFS from AC, IA and treasury be forwarded to Finance and amendments be made on AFS</p> <p>One AC member to meet with finance before the submission to AG to make sure that amendments are made on AFS</p>	CFO	
6.	28/08/2017	All comments on Annual Report and Annual performance be submitted to IDP Manger and Manager support Services		
5.	14/12/2017	<p>The Audit Committee Recommended:</p> <p>THAT the minutes of 20 July 2017 be not confirmed.</p> <p>That the municipality should revisit the recording tape and the person responsible from the Municipal support should rewrite the minutes accordingly and when ready be brought for confirmation before 31st December 2017 to the Chairperson.</p> <p>THAT those who were present at the previous meeting assist in the formulation of the minutes.</p> <p>THAT the review made by the Audit Committee be included in the report as a reflection of their work.</p> <p>THAT the recording tapes be revisited as there were quite a number of deliberations around the annual financial statements.</p>	MM	Next AC meeting

		<p>THAT the Chairperson revisit her iCloud documents since her laptop was stolen and forward the information to the Council.</p>		
6.	14/12/2017	<p>The Audit Committee Resolved:</p> <p>THAT MM include the audit action plan on monthly basis for the purpose of monitoring and evaluation.</p> <p>THAT MM to review the Risk Management position as the Risk Manager was not visible or responsive to matters at hand, if for some reason she's not capacitated.</p>	MM	Next AC meeting
7.	14/12/2017	<p>The committee Resolved:</p> <p>THAT the report on Risk Management be withdrawn since it was never discussed in the management meeting.</p>	MM	Next AC meeting
8.	14/12/2017	<p>The Audit Committee Resolved:</p> <p>THAT a report on legal matters be a standing item to all SMT agendas for meetings. It will then form part of the audit action plan.</p> <p>THAT cases that the municipality has won be reflected as well in the report.</p> <p>THAT a policy on litigations be developed in order for the institution to be guided accordingly.</p>	MM	Next AC meeting
09.	14/12/2017	<p>The committee Recommended:</p> <p>THAT the Third Quarter performance information cannot be audited whilst quarter two was never audited due to the non-submission by Managers</p>	MM	Next AC meeting
10.	28/05/2018	<p>MANAGEMENT ACCOUNTS</p> <p>Report on mSCOA</p>	CFO	Next AC meeting

		<p>The Committee RESOLVED:</p> <p>THAT a report on mSCOA be submitted to the next audit committee meeting</p>		
11.	28/05/2018	<p><u>IDP/PMS (PERFORMANCE MANAGEMENT SYSTEM AND QUARTELY PERFORMANCE) REPORT</u></p> <p>The Committee RESOLVED:</p> <p>THAT Institutional Framework on Performance Management System to be forwarded to the Audit Committee.</p> <p>THAT the IDP/PMS Manager to correct the miscalculation on the KPA's</p> <p>THAT the Quarter III Performance Management System and Quarterly Performance Report was not Audited</p>	MM	Next AC meeting
12.	28/05/2018	<p><u>RISK MANAGEMENT REPORT</u></p> <p>The Committee RESOLVED:</p> <p>THAT the item on Risk Management be deferred to the next AC meeting as the committee noted lots of outstanding issues.</p>	MM	Next AC meeting
16.	28/05/2018	<p><u>LEGAL MATTERS REPORT</u></p> <p>The Committee RESOLVED:</p> <p>THAT the item on Legal Matters be deferred to the next AC meeting</p>	MM	Next AC meeting
17.	28/05/2018	<p><u>IT MATTERS REPORT</u></p> <p>The Committee RESOLVED:</p> <p>THAT item on IT Matters be deferred to the next AC meeting</p>	MM	Next AC meeting

18.	28/05/2018	<p><u>INTERNAL AUDIT REPORTS</u></p> <p>The Committee RESOLVED:</p> <p>THAT the following Internal Audit reports be deferred to the next AC meeting:</p> <ul style="list-style-type: none"> • Leave Management Audit • Risk Management Review • Audit Action Plan validation • Restriction of Internal Audit Services • Due Diligence – REVCO Contract 	MM	Next AC meeting
19.	28/05/2018	<p>The Audit Committee RECOMMENDED:</p> <p>THAT in future all the information on SCM be consolidated and be submitted to the AC.</p> <p>THAT the employees be placed in areas where they are most needed.</p> <p>THAT the COAF from the AG office form part of the report and be submitted (records management)</p> <p>THAT an action plan on how the debtors will pay to be compiled and be submitted to assist the audit committee to see the progress.</p> <p>THAT regarding the missing column in the age analysis template, a breakdown of debts older than a year be indicated.</p>	CFO	Next AC meeting

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTERSHIPS

Name of service provider	Description of service rendered	End date of contract	Contract value
Mawela travel	Travel agency services	31 June 2019	R5 million
Aleo X	Provision of high volume printers	June 2019	R1,2 Million
KSA Security Services	Provision of Security for Municipal Buildings	June 2019	R5 million
Revco	Debt Collection	February 2019	8% Commission of collections
KSA Security Company	Rendering of alarm security services	June 2019	R824 000

Public Private Partnerships entered into during 2016/17- Nil

APPENDIX I(2) – REVENUE COLLECTION BY SOURCE

Refer to Annual Financial statements for information.

APPENDIX J – CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

See relevant Note of the Annual Financial statements.

APPENDIX K – CAPITAL EXPENDITURE – NEW & UPGRADE AND RENEWAL PROGRAMMES

PROJECT NAME	FUNDER	BUDGET 2017-18	PROJECT STATUS
Multi-Purpose Sport Centre	MIG	R 5 250 544.02	Construction
Alicedale Sewage upgrade	MIG	R 1 091 787.43	Construction
Construction of High Masts lights in Mayfield	MIG	R 1 297 187.00	Construction
Alicedale Roads & Stormwater Improvements	MIG	R 6 255 838.84	Completed
Multi-Purpose Indoor Sports Centre – Gymnasium	MIG	R 13 000 000.00	Completed
Waainek Bulk Water Supply Refurbishment	MIG	R 1 939 000.00	Design and Tender
Alicedale Roads and Stormwater Improvements Transrivier and Mandela Park Phase 2	MIG	R 4 525 138.80	Design and Tender
Alicedale Waste Water Treatment works	MIG	R 114 103.44	Design and Tender
Construction of Football Facilities: Foley's Ground	MIG	R 1 000 000.00	Design and Tender
TOTALS		R 34 473 599.53	

APPENDIX L – CAPITAL PROGRAMME BY PROJECT

See Appendix M for further information

APPENDIX M – CAPITAL PROGRAMME BY PROJECT 2017/18

See Appendix M for further information

APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2017/18

Not applicable as Makana's financial distress led to a situation where no internal funds were available for Capital Projects during the year.

APPENDIX O – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The Makana Municipality only made a Grant out to the Makana Tourism Agency which assists with the development of Tourism in the area. No other loans or grants were made to any legal person or entity in 2017/18.

The Municipality has a loan from the Development Bank of SA that it is paying back as the funds were used for service delivery improvement projects that were executed in the past.

**APPENDIX P – DECLARATIONS OF RETURNS NOT MADE IN DUE TIME IN TERMS
OF S71 OF MFMA**

None

APPENDIX Q – NATIONAL OUTCOMES FOR LOCAL GOVERNMENT**REVISED PROVINCIAL STRATEGIC FRAMEWORK**

Developments at both national and provincial level warranted a need to review the Eastern Cape Strategic priorities in order to respond to the policy environment and alignment to the National Outcomes as outlined below.

NAT. OUTCOME	NATIONAL OUTCOMES	PROV. PRIORITY	REVIEWED PROVINCIAL PRIORITIES	CLUSTERS
NO1	Quality basic education	PP4	Quality basic education, skilled and capable workforce to support an inclusive growth path	Social ; Govt. & Admin
NO2	A long and healthy life for all SA	PP5	A long and healthy life for all people of the province.	Social
NO3	All people in SA are and feel safe	PP6	All people in the Province are and feel safe	Security
NO4	Decent employment through inclusive economic growth	PP1	Decent employment through inclusive economic growth with environmental assets and natural resources that is well protected and continually enhanced.	Econ Dev
NO5	Skilled and capable workforce to support an inclusive growth path	PP4	Quality basic education, skilled and capable workforce to support an inclusive growth path	
NO6	An efficient, competitive and responsive economic infrastructure network	PP2	An efficient, competitive and responsive economic infrastructure network	Econ Dev
NO7	Vibrant, equitable, sustainable rural	PP3	Vibrant, equitable, sustainable rural communities contributing	Econ Dev

	communities contributing towards food security for all		towards food security for all	
NO8	Sustainable human settlements and improved quality of household life	PP8	Sustainable, cohesive, caring communities and human settlement for improved quality of households.	Social & Econ Dev & Govt & Admin Security
NO9	Responsive, accountable, effective and efficient Local Government Systems	PP7	An efficient, effective and developmental oriented public service, an empowered, fair and inclusive citizenship with responsive, accountable, effective and efficient Local Government system	Govt & Admin
NO10	Protect and enhance our environmental assets and a better world		N/A	N/A
NO11	Create a better SA, a better Africa and a better world		N/A	N/A
NO12	An efficient, effective and a Development Oriented Public Service and an empowered, fair and inclusive citizenship.	PP7	An efficient, effective and developmental oriented public service; an empowered, fair and inclusive citizenship with responsive, accountable, effective and efficient Local Government system	Govt & Admin

APPENDIX R – REPORTING ON KPA'S AS PER REQUIREMENT OF DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS.
ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT -KPA

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator Name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	12	12	100%	No gaps-.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	2	0	0	Both post would be filled in the next financial year.
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0	0	0	Due to financial constraints no Training was attended by Makana's Section 57 Employees.
4	Percentage of Managers in Technical Services with a professional qualification	7	7	100%	
5	Level of PMS effectiveness in the DM – (DM to report)	The Performance Management System is operational at Senior Management Level in Makana and the Accounting Officer convened quarterly performance reviews with the Section 57 Employees. The challenge is the cascading of the System to the other staff levels, by the Corporate Services Unit.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
8	Percentage of				Makana's

	councillors who attended a skill development training within the current 5 year term	27	12	44%	financial situation impacted negatively on the process
9	Percentage of staff complement with disability	1 staff member	1 staff member	0.1%	Recruitment of disabled staff would be prioritised in the next financial year.
10	Percentage of female employees	42.6	42.6%	42.6%	
11	Percentage of employees that are aged 35 or younger	127	127	18%	No Gap
12	Adoption and implementation of a District Wide/ Local Performance Management System	Makana Local Municipality had approved a Performance Management System that is applied for Senior Managers and would be cascaded to lower level staff at the next financial year.			

APPENDIX S – DISCLOSURE OF FINANCIAL INTERESTS.

Senior Officials/Councillor	Entity Name	Transactions with Municipality
Clr S Sodladla	Member of Uthuthu C.C.	N/A
Clr M Nhanha	Shares in Sisekela Consulting and Directorship in La Ropa V and the Shed.	N/A
Clr Y Vara	None	N/A
Clr N Masoma	None	N/A
Clr E Louw	None	N/A
Clr M Matyumza	Family Trust	None
Clr T Bruintjies	None	N/A
Clr P Matyumza	Member of Co-operative (initial stage)	N/A
Clr N Pieters	None	N/A
Clr N Xonxa	Mhala Dev Trust Member and interest in Ray's Butchery	None
Clr L Sakata	None	N/A
Clr T Seyisi	None	N/A
Clr T J Gaushe	None	N/A
Clr K Malibongwe	Member of Rising Hope Co-operative	N/A
Clr M Gojela	Director at Thinago Trading Co.	N/A
Clr M Moya	None	N/A
Clr B Fargher	Director at Whiteley Accountants	N/A
Clr B Jackson	None	N/A
Clr C Clark	Interest in Mooimeisies Trust	N/A
Clr A J Meyer	Director at Alsan Rezia PTY LTD	N/A
Clr D B Holm	None	N/A
Clr N Gaga	None	N/A
Clr N Masoma	None	N/A
Clr L Nase	Interest in Nase Trading Enterprises	N/A
Clr X Madyo	None	N/A
Officials		
Mr D Mlenzana(Acting MM)	None	N/A
Ms N Siwhahla (CFO)	None	N/A
Ms R Meiring (Director: LED)	None	N/A
Mr L Ngandi	None	N/A
Mr E Ganza	None	N/A
Mr E Mager	None	N/A
Mr G Goliath	None	N/A
Mr M Siteto	None	N/A
Mr M Radu	None	N/A

APPENDIX T – REVENUE COLLECTION BY VOTE AND SOURCE.

APPENDIX T (1) – REVENUE COLLECTION BY VOTE

Refer to Annual Financial statements for information.

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

Refer To Chapter On Basic Service Delivery Performance.

MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK – KPA 3

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	Makana has established LED unit that was approved by Council.		
2	Percentage of LED Budget spent on LED related activities.	100%	100	100%
3	Existence of LED strategy	Makana LM has a detailed LED Strategy , approved by Council		
4	Number of LED stakeholder forum meetings held	4	4	100%
5	Plans to stimulate second economy	The Plan to stimulate the second economy is contained in the District wide LED Strategy (SEEDS) and focuses on the introduction of Agri-villages and land redistribution.		
6	Number of SMME that have benefited from a SMME support program	20	20	100%
7	Number of job opportunities created through EPWP	42	42	100%
8	Number of job opportunities created through PPP	N/A	N/A	

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	Refer to AFS		
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	Refer to AFS		
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	Refer to AFS		
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	Refer to AFS		
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	Refer to AFS		
6	Percentage of MIG budget appropriately spent	R27 MILLION	R19 MILLION	70,37%
7	Percentage of MSIG budget appropriately spent	94	94	100%
8	AG Audit opinion	QUALIFIED		
9	Functionality of the Audit	4 meetings	4 meetings	100%

	Committee			
10	Submission of AFS after the end of financial year	31 August 2018	31 August 2018	100%

GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	12	12	100%
2	% of ward committees that are functional	12	12	100%
3	Existence of an effective system to monitor CDWs	The Community Development Works programme is functional in Makana with 10 CDWs being employed through the programme. They support the community and refer cases to the relevant Government Departments.		
4	Existence of an IGR strategy	The Makana LM has an existing IGR Strategy and revived its internal IGR Forum which would be used to create greater Government cohesion in the area.		
5	Effective of IGR structural meetings	During the financial year in question, The IGR Forum of Makana Municipality convened three meetings which were well attended by all the Government Departments and relevant stakeholders..		
6	Existence of an effective communication strategy	The Makana Municipality has a Communication Strategy and a Communication Unit that deals with the process. During the year under review, the Makana Municipality participated in the District Communicators. To improve communication during times where Water outages are experienced, the Rhodes University partnered with the Makana Municipality through the development of Mobi-Sam which is a sms-delivery system utilised to send sms messages to a the residents of a particular area which would be experiencing a break in service delivery.		
7	Number of mayoral imbizos conducted	8	8	100%
8	Existence of a fraud prevention mechanism	The Makana Local Municipality has a Anti-Corruption and Fraud Prevention Plan that also includes a whistle blower protection mechanism. The Internal Audit Unit also conducted a Council some		

		<p>preliminary investigations where requested.</p> <p>Council set up a Committee to deal with Fruitless, Wasteful, Irregular and Unauthorised expenditure.</p>
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