

MAKANA

MUNICIPALITY | EASTERN CAPE

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MAKANA MUNICIPALITY
FINAL ANNUAL REPORT
2015– 2016

Prepared by the Makana Municipality

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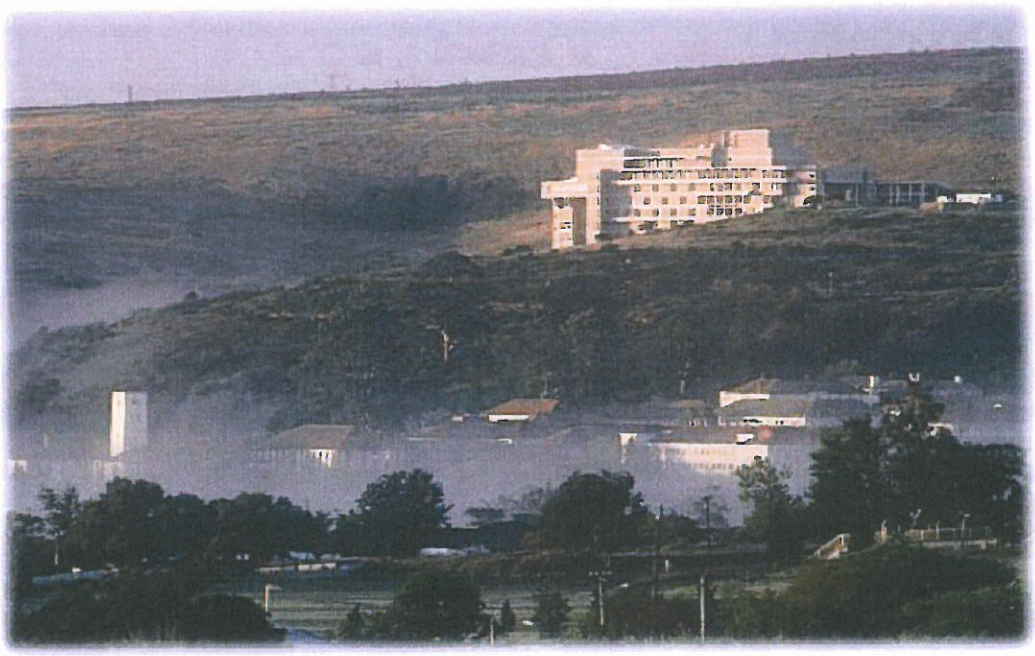
As attached.

ATTACHMENTS

1. Annual Performance Report
2. Annual Financial Statements
3. Auditor General's Opinion
4. Audit Committee's Report

CHAPTER 01

Introduction





COMPONENT A: MAYOR'S FOREWORD

I have great pleasure in introducing the 2015/16 Annual Report of the Makana Municipality which is both a legislative and accountability requirement. In terms of Section 46 of the Local: Municipal Systems Act No. 32 of 200 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No 56 of 2003, the Municipality must prepare an Annual Report for each financial year and the Executive Mayor must table it within seven months after the end of each Financial Year.

The Annual Report is one of the highly reputable tools of government to assess the effectiveness and impact the Municipality is making to the lives of its people. It also gives an opportunity to diagnose and come up with a remedy for the financial affairs of the institution.

The Municipality was placed under administration in the previous financial year and proper political & administrative action was taken to correct the situation and achieve a Qualified Audit opinion from the Auditor-General.

In the year in question, one of the greatest challenges was the adverse financial situation and the Municipality employed a revenue collection service provider to assist with debt collection and data base cleansing.

It is a humbling experience that on behalf of the people of Makana Municipality I present the 2015/16 Annual Report.

I thank you.

Clr. N Gaga
EXECUTIVE MAYOR
MAKANA MUNICIPALITY

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S FOREWORD

The Makana Municipality strived to improve its capacity to better facilitate service delivery during the 2015/16 financial year.

The Council of the Municipality adopted a reviewed Functional Organogram that seeks to respond to the changing service delivery needs of the community of Makana.

The process for adoption of the Integrated Development Plan (IDP) for year under review was preceded by the necessary public participation and community engagement.

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 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. Vigorous steps to enhance the mechanism of validating performance information by the municipal Internal Auditors assisted in monitoring and evaluating the performance of the Municipality.

The Municipality, like other municipalities in the Country, has not been immune to the economic downturn which has placed tremendous strain on many of our citizens at a local government level. However, through its Indigent Subsidy programme, the Municipality strives to assist the struggling residents to meet their commitments in respect of rates and service charges.

On behalf of the Management of Makana Municipality we wish to express our appreciation for the outgoing 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.

Ms R MEIRING
ACTING MUNICIPAL MANAGER

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.

1.3. 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.

1.4. Financial Health Overview

Operating Ratios	
Detail	%
Employee Costs	30,58
Repairs & Maintenance	6,47
Finance charges & Depreciation	8,65

1.5. Organisational Development Overview

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	80 390
Age Structure	

1.2. Municipal Functions, Population and Environmental Overview

1.2.1 Municipal Overview

The Makana Municipality is situated in the western part of the Eastern Cape Province, falling under the Cacadu 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.

1.2.1 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

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

The Municipality has the following policies that are used to govern the rendering of municipal services.

No	Policy title	Directorate	Last review
1	Telephone Use	Corporate and Shared Services	24 June 2016

No	Policy title	Directorate	Last review
2	Use of Municipal halls	Corporate and Shared Services	11 June 2015
3	Report writing	Corporate and Shared Services	11 June 2015
4	Records Management	Corporate and Shared Services	24 June 2016
5	Communication	Corporate and Shared Services	24 June 2016
6	Termination of employment	Corporate and Shared Services	24 June 2016
7	Employee Wellness programme	Corporate and Shared Services	24 June 2016
8	Internship	Corporate and Shared Services	11 June 2015
9	Leave of absence and procedure	Corporate and Shared Services	24 June 2016
10	Overtime and procedure	Corporate and Shared Services	24 June 2016
11	Recruitment and Selection	Corporate and Shared Services	24 June 2016
12	Retention	Corporate and Shared Services	24 June 2016
13	Study Assistance	Corporate and Shared Services	24 June 2016
14	Training and Development	Corporate and Shared Services	24 June 2016
15	Transport allowance	Corporate and Shared Services	24 June 2016
16	Fleet Management	Corporate and Shared Services	24 June 2016
17	Subsistence & Travel	Corporate and Shared Services	24 June 2016
18	Placement, Promotion, Demotion and Transfer Policy	Corporate and Shared Services	24 June 2016
19	Dress Code Policy	Corporate and Shared Services	24 June 2016
20	Municipal Residents Policy	LED and Planning	24 June 2016
21	Land Disposal Policy	LED and Planning	24 June 2016
22	ICT Policy Framework	Municipal Manager's Office	11 June 2015
23	Information & Technology Change Management Policy	Municipal Manager's Office	11 June 2015
24	IT Use Policy	Municipal Manager's Office	11 June 2015
25	Change Control Policy and Procedure	Municipal Manager's Office	24 June 2016
26	Fraud Prevention	Municipal Manager's Office	11 June 2015
27	Performance Management Policy	Municipal Manager's Office	24 June 2016
28	Property Rates	Budget and Treasury	26 May 2016
29	Property Rates by-law	Budget and Treasury	26 May 2016
30	Assistance to the poor & Indigent	Budget and Treasury	26 May 2016

No	Policy title	Directorate	Last review
34	Cash Management and Investment	Budget and Treasury	26 May 2016
35	Funding Reserves	Budget and Treasury	11 June 2015
36	Tariff	Budget and Treasury	26 May 2016
37	Expenditure	Budget and Treasury	24 June 2016
38	Budget	Budget and Treasury	26 May 2016
39	Asset Management	Budget and Treasury	11 June 2015
40	Supply Chain Management	Budget and Treasury	24 June 2016
41	Petty cash	Budget and Treasury	24 June 2016
42	Grant in Aid in Lieu of Rates	Budget and Treasury	26 May 2016
43	Credit Control and Debt Collection	Budget and Treasury	26 May 2016
44	Credit Control and Revenue Management by-law	Budget and Treasury	26 May 2016
45	Provision of Debt Write off – Doubtful debt	Budget and Treasury	26 May 2016
46	Inventory Management	Budget and Treasury	24 June 2016
47	Virement	Budget and Treasury	11 June 2015
48	HIV/AIDS	Mayor's Office	11 June 2015
49	Grants and Donations	Mayor's Office	11 June 2015
50	Capital Projects Management	Engineering & Infrastructure	11 June 2015
51	Speed Humps	Public Safety & Community	11 June 2015

1.6. Auditor-General Report

1.6.1 Auditor-General Report 2014/15.

The Municipality achieved a "Qualified"Audit Opinion for the 2014.15 financial year, which was an improvement from the "Diclaimer" Opinion it had received the previous year.



CHAPTER 02

Component A

Political and Administrative Governance

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 27 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 Mayoral Committee reports also 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) was comprised of eight Councillors, with the specific purpose of providing Council with comments and recommendations on the Annual Report. The MPAC Report was published separately in accordance with Municipal Finance Management Act (MFMA) guidance.

Political Structure

MAYOR
Cllr Nomhle Gaga

SPEAKER
Cllr Yandiswa Vara

CHIEF WHIP
Cllr M Matyumza

MAYORAL COMMITTEE MEMBERS
Cllr M Masoma Chairperson of Finance, Administration, Monitoring and Evaluation Portfolio committee
Cllr P Matyumza Chairperson of Social Services Development Portfolio Committee
Cllr M Matyumza Chairperson of Infrastructure Development Portfolio Committee
Cllr E Louw Chairperson of Local Economic Development Portfolio Committee
Cllr M Khubalo Chairperson of Tourism and Creative Industries Portfolio Committee

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.

Report on convening of Council meetings:		Scheduled sittings	Actual sittings
1	Council	4	4
2	Special Council unscheduled	3	12
3	Mayoral Committee	6	6
4	Special Mayoral Committee unscheduled	0	1
5	Tourism and Cultural Industries	7	7
6	Social Development	7	7
7	Infrastructural Development	7	7
8	Local Economic Development and Planning	7	8
9	Finance, Administration, Monitoring and Evaluation (Finance)	7	7
10	Finance, Administration, Monitoring and Evaluation (Corporate)	7	7
11	Municipal Public Accounts Committee	4	4
12	Local Labour Forum	8	11
13	Audit Committee	5	5

2.2. Administrative Governance

2.2.1 Introduction Administrative Governance

The Acting Municipal Manager, Ms R Meiring, is the Accounting Officer of the Makana Municipality and she is 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



Component B

Intergovernmental Relations

2.3. Inter-Governmental Relations

2.3.1. National Intergovernmental Structures

As an active member of the South African Local Government Association, the Makana Municipality plays an active role when National Planning Proposals are discussed.

2.3.2. Provincial Intergovernmental Structures

The Municipal Manager attends all meetings of the Provincial Munimec 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 theimplementation 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.

Component C

Public Accountability and Participation

2.4. Communication, Participation and Forums

The Makana Municipality convened a series of Mayoral imbizos 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 imbizos (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 (page no 59) which contains further details on Ward Committee structures of the Makana Municipality.

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

Component D

Corporate Governance

2.6. Risk Management

The Makana Municipality has seen the need to address risk management as per MFMA Section 62 (1) (c) (i).
The Audit Committee of Makana was designated as its Risk Management Committee which considers and approves the Risk Implementation Plan of the Municipality.
Below are the top ten risks to the Makana Municipality as identified by Management:

No	Risk Description
1	Poor communication
2	Lack of managing integrated management practices
3	Inability to effectively utilise available resources(Human and Financial)
4	Insufficient revenue collection
5	Inadequate implementation of policies
6	Poor maintenance of infrastructure
7	High unemployment rate
8	Poor labour relations
9	Poor leadership
10	Poor document management

2.7. Anti-Corruption and Fraud

2.7.1. Fraud and Anti-Corruption Strategy

The Makana Municipality had developed and adopted a Fraud Prevention Policy Framework and Fraud Prevention has been included in the KPAs of the Director: Corporate Services. All members of the Bid Committees are required to disclose their interests before every meeting and the membership of all Bid Commitees, is revised annually.. No Councillors are allowed to be part of the Bid Committees.

2.8. Supply Chain Management

The Makana Municipal Council approved a Supply Chain Management 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 has appointed the bid committees to ensure that the supply chain function facilitates fast-tracked service delivery.

2.9. By-Laws

No new by-laws were enacted during the period of review but several of Makana's policies were reviewed.

2.10. Website

During the year under review, the Makana Website was regularly updated as the appointment of an Assistant Media Commications Officer ensured the availability of sufficiently skilled human resources.

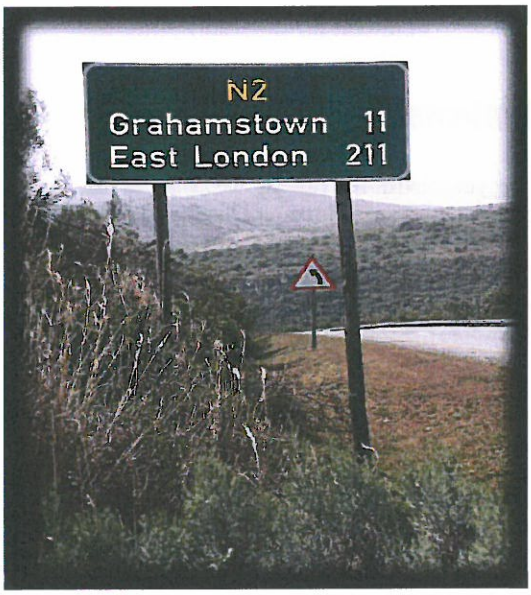
2.11. Public satisfaction on Municipal services

No public satisfaction surveys were conducted during the year in review. However, there is a Complaints Management process which operates from the Technical &Infrastructural Services and the Corporate Services Directorates for complaints related to basic service delivery whilst other general complaints are handled through the Customer Care Officer. The matter would be addressed in the next financial year.








N2
Grahamstown 11
East London 211



CHAPTER 03

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.

Component A

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	2015/16 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	2015/16 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 has met the target of providing households with quality 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. This section presents the Municipality definitions of low and high level access to water services by the population as well as the low and high quality standard of water provision. This understanding of the level and standard should be the justification for setting yearly targets and reporting achievements.

The Makana Municipality achieved Blue Drop Status in the previous financial year and it is the barometer of water quality that gets reported to Council on a regular basis.

The Green Drop status refers to the quality of the effluent that Makana discharged into the environment. The plants at Belmont Valley and Mayfield will receive improved monitoring to ensure that quality of the discharged effluent is improved.

The Municipality currently supplies water from two sources, which are the Fish River and Howieson's poort. Capacity on human resources is still a challenge especially on technical expertise in order for Makana to respond effectively.

Challenges

The Municipality experienced some water outages because of its aging infrastructure but Funding was received to replace the Asbestos piping and there was also assistance from the Amatola Water Service Partnership to increase the capacity of some of Makana's Water Treatment Works.

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. 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.

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	Major challenges and remedial action
Households with access to sanitation services	1%	1986	569	629	100%	Lack of Financial resources- Funding application will be made to the Department of Water Services
Indigent households with access to free basic sanitation services	8064 have benefited.	7930	8000	8604	100%	The number that still needs to register as indigent is unknown. Remedial action: An audit will be undertaken of the rural areas

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

Challenges

Most schools have sanitation infrastructure but there are water pressure problems at a number of schools that are being addressed through a Development Bank of South Africa external loan. 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.

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	Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from solar energy. 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). Medium and low voltage electricity is distributed according to consumer requirements.

Annual performance as per Key performance indicator in Electricity Services						
Indicator	Total number of household 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	169	0	169	250	100%	Funding for electrification of rural area (formalised infill area). All avenues of funding will be investigated.
Indigent households with access to basic electricity services	813	0	300	416	70%	none

3.4. Housing

3.4.1 Introduction to Housing

The Municipality fullfils 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.

As far as Breaking New Ground (BNG) housing is concerned, it is the responsibility of the Eastern Cape Provincial Department of Human Settlements to provide housing, with the Makana Municipality serving as the facilitating agent for the Province. Makana only has the Mayfield Housing Project that is a BNG project.

Makana has a backlog of 13 400 housing units and 1392 sites are serviced for development. The following projects are being actioned i.e. Seven Fountain, Fort Brown, Alicedale, Ethembeni, Mayfield Phase II, Glebe Township, Transit Camp and Newtown. The challenges are rocky sites and bulk sewer concerns at Mayfield Housing Project.

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 still a challenge that requires more input.

Component B

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.

Annual performance as per Key Performance indicator in Road Maintenance						
Indicator	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/ customer reached during the FY	Percentage of achievement during the year	Major challenges and remedial action
Households without access to gravel or graded roads	400	400	2	0	0	Informal Area is not surveyed. Sub strata not suitable for grading..
Road infrastructure requiring upgrade	10%	3	3	800	100%	Lack of finance Staff shortage
Annual performance as per Key Performance indicator in Roads Maintenance						
Planned new road infrastructure actually constructed	2.5 Km	176km	6.0km	600	40%	Insufficient funding
Capital budget reserved for road upgrading and maintenance effectively used.	2,4%	176Km	6	600	40%	Contractors not performing

Component C

Planning and Development

3.7. Local Economic Development (and Tourism)

Brief presentation of LED strategy/plan

The Municipality's LED Strategy was approved in February 2010.

The LED goals that were identified to stimulate economic growth and development in the Municipality are the following:

a) Increase Regional Growth and Development Product by 3.5% per year to match district and the provincial growth rates by 2014
b) Maintain employment at current levels from 2010 to 2011, with the view of increasing trade and service sector employment by 4% from 2012 to 2014
c) Grow the tourism related component of the local economy by 10% by 2014
d) Maintain sustainable levels of capital expenditure on key LED infrastructure from 2010 to 2014
e) Increase the role of formal and informal strategic partnerships in and between the public and private sectors of Makana as a catalyst for growth
f) Reduce income leakage and support SMME activity through increased local procurement and labour force support measures.

These goals were translated in strategies and programmes and projects that are reflected in the 2010/11 IDP and SDBIP. A fully fledged LED Directorate, with the co-operation of all the other directorates in the Municipality is responsible for the implementation on the LED strategy and plan.

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

The LED and Planning Directorate is constituted as follows:

a) **Local Economic Development Section:** responsible for agricultural development, tourism development and promotion; trade and investment promotion and SMME development.

b) **Town Planning Section:** responsible for preparation and approval of Spatial Development Framework and land use management.

c) **Properties and Estates Division:** responsible for the management of municipal properties, including land and estates.

d) **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 LED projects:

PROJECT	BRIEF DESCRIPTION	FUNDING SOLICITED
Egazini memorial site	Funds were secured form the Sarah Baartman District Municipality to construct 12 Mosaic plinths and erect a palisade fencing at the site	R500 000
Tourism capacity building	Funds were secured too improve the capacity of the local tourism operators	R200 000

HIGHLIGHTS AND ACHIEVEMENTS.

a) A spatial Development Framework is currently under review .The draft document has been finalised and is circulating within the internal departments for comments and inputs after which, it would be presented to Council for approval.

b) In partnership with Rhodes University, a proposal for the establishment of an Incubation Centre was submitted to Rhodes University.

e) Egazini Memorial Site: landscaping and fencing of the site was done. The development of mosaic arts was also completed. The application to declare the space as a National Heritage Site was also approved by South African Heritage Resources Agency (SAHRA).

f) Fifty (120) SMMEs were registered with CIPRO (Companies and Intellectual Property Registration Office).

g) A Feasibility Study for the Establishment of an Aloe Processing Plant in Alicedale was approved by Council.

h) Exhibition spaces were allocated to 3 crafters to showcase their products during the National Arts Festival

i) The business plan and implementation framework for the Creative City project were formulated and endorsed by all partners.

j) Fiddlers Green was leased to the National Arts Festival for the management and development of an arts and crafts hub.

k) A Memorandum of Understanding was concluded with SEDA to establish an SMME information centre in Grahamstown

l) In partnership with ABSA 50 entrepreneurs were trained on marketing, tendering, BEE compliance, recording keeping and compilation of a business profile

m) One Thousand (1000) jobs were created through the Community Works Programme.

n) Seventy three(73) farmers were trained

o) Mentorship assistance was secured for three farms namely, Koodovale, Upper Gletwyn and Armistice.

p) The contractor was appointed to develop tunnels at Yarrow Farm and Castle Farm

The Directorate allocated exhibition space to 4 crafters to showcase their products during the National Arts Festival.

3.8. Planning

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

`TYPE	RECEIVED AND PROCESSED	APPROVED
Rezoning	10	5
Subdivision	16	4
Consent Uses	2	2
Township Establishments	1	1

Component D

Community & Social 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	Provision of: Adequate library services for all sectors of the community. 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: • Ensure that the residents have access to up-to-date information through libraries. • Ensure that there are libraries in needy areas. • provide an acceptable standard of service for all. Decrease the illiteracy rate of the Makana community.	
Analysis of function	Statistical information: Quantity of materials circulated	
	• 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
	Total	182,662
	Number of current patrons	
	• 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
	Total	29,271

Challenges	• Securing of land to build Riebeeck East Library. • Children's activities space at Fingo, Riebeeck East and Alicedale Library.
Highlights	• Office space at Hill Street Library for Mobile Librarian and Library Clerk. • Installation of 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.

Component E

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. During the 2015/2016 financial year, the municipal environmental activities continued to be strengthened by local, regional and international partnerships to sustainably utilize natural resources as a contribution to the strategic objective of developing a green economy within the Makana Municipality. The municipality was invited by the European Commission to submit a funding concept document in partnership with the Arusha municipality in Tanzania. The concept document was drafted by the municipality and Umthathi Project, Environmental Learning Research Centre, and the Swedish International Centre for Education for Sustainable Development (SWEDESD). The Urban Supporting Urban Sustainablity Programme still continue in collaboration with the Agricultural unit in the Local Economic Development directorate. An amount of R20 000 was donated by SADEC to the municipality to support this programme.

PROGRAMMES

The implementation of Makana Local Environmental Action Plan (in short LEAP) is a strategic project of the environmental management section through the following activities:

1. **Implementation of the environmental education and training strategy**

This project forms part of, and emanates from the environmental education and training strategy for Makana municipality identified during the Makana Local Environmental Action Plan process (LEAP). The environmental education and training strategy addresses specific education and training needs of a number of stakeholders within the Municipality such as:

- The general public
- Business and industry
- Municipality employees
- Learners in formal education institutions such as schools

- Livestock owners; and
- The agriculture and eco-tourism sector

a) The general public

The community environmental education and awareness programme has been strengthened. Fourteen Community Environmental facilitators from various wards of the Municipality were appointed in the public environmental education pilot project during the 2010/11 financial year. These individuals were ward based and served to assist their ward Councillors, ward committees and the municipality with community environmental education on waste management at a household level. Training of the candidates was provided by Rhodes University Environmental Sustainability Unit and Mr Lawrence Sitsika of the Umsenge Conservation, Environment and Development Consulting. The initial phase of the community mobilization programme largely focus on waste management issues and is constituted by a series of mini projects.

b) Learners in formal education institutions such as schools

The public environmental education and training programme of the municipality is also being implemented at school level in partnership with various local schools. In this regard the municipality is continuing with the support of eight local disadvantaged schools to be part of the eco-schools projects. The eco-schools programme is designed to encourage curriculum-based action for a healthy environment. The municipality observes and participates in several important national and international environmental events such as the Arbor day and used these as vehicle for environmental education and awareness campaign.

c) Municipal employees

The Environmental Education and Training strategy proposes specific education and training interventions, focus areas and programmes notably Municipal employees. For municipal employees, the strategy suggests building capacity for environmental management and sustainable development amongst all employee categories including councilors and ward committees. An pilot project is being undertaken targeting 20 employees of the municipality at the basic level. Over 200 employees based at Parks and Recreation, Water and Sewer and Environmental Health and Cleansing departments have been assessed for the work-based environmental practice programme. A service provider is to assist the municipality with training of these employees and access funding from the Environmental Local Government SETA.

2. Local community engagement and public participation processes

The Makana Environmental Forum held various public gatherings in different venues within the municipality this year for the first time. Meetings have been held at the Multi-purpose Centre in Joza, Recreational hall in the northern townships and at the Municipal Library. Each of these gatherings revolves around a particular theme. Themes covered so far include, informal waste pickers in waste management, greening of Makana, green economic development, water issues etc. The public is also engaged through electronic and print media. Presentations are regularly carried out at Radio Grahamstown on Thursdays. The local newspaper, the Grocott's Mail also provides a free column on its print on Tuesdays called 'Enviro News' wholly dedicated to specific local environmental issues and sometimes global topical matters. One of the recommendations of the pilot project on waste management recently undertaken, was the formation of an Environmental Task Team in each ward. This task team will ensure that environmental issues are discussed and practical measures are taken to resolve community concerns in each ward committee meeting.

3. Identification of funding sources for environmental projects

During the year under review, a number of environmental project proposals have been submitted to funders. These proposals ranged from the National Youth Service funding for community development, the Job Fund for work seekers, biogas energy proposal and a proposal for capacity building (Community of Practice for Environmental Managers). A seed funding was secured from SADECC for community capacity building for the SUS programme. Following these developments, we have recently been invited together with Arusha in Tanzania to submit a joint funding proposal for Local Authorities in Development by the European Commission. If successful, an amount of 700 000 Euros will assist Makana and Arusha in Tanzania to capacitate these two municipalities in improved governance of local eco-systems to develop local economies.

MAIN CHALLENGES

There is a general lack of responsiveness from other spheres of government or institutions. This is particularly in cases of institutional support and funding sources at the disposal of these organizations. Environmental issues are not regarded as a priority by some communities and to a certain extent, political and economic leaders as they are perceived as having no immediate economic benefits. Urban communities have a general apathy towards environment, i.e., they perceive themselves as separate entities from the bigger environment in which they found themselves. This creates a tendency in which the municipality is seen as the sole custodian of all environmental matters in its jurisdiction. The general lack of funding to initiate community environmental projects remains a threat towards the implementation of IDP projects. A further challenge is the insufficient transportation that is available to collect refuse in Makana.

The Proposed remedies are the following, namely: the development of satellite waste collection sites, convening community awareness programmes and establishment of a Makana waste recycling plant. The official dumping site would also be monitored on a regular basis.

3.12. Waste Management (solid)

Strategy and main role player	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 enhances the quality of its environmental resources. The roles and responsibilities in terms of the National Waste Management Strategy for local government include: • 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. Formalising and controlling of scavenging is the responsibility of the permit holder.
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. The Municipality is engaged in community awareness programmes.

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 and 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

Operational Section

This section consists of one (2) Platoon Commanders, six (6) Senior Fire Fighters, twelve (23) Fire Fighters, two (2) Dispatchers. Three (2) Platoon Commanders, One (1) fire fighter and two (2) Dispatcher posts are vacant.

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 minimize the amount of vegetation fires. Emphasis is put on:

1) Analyzing the risk areas.

2) Training the farmers on proper control burnings tactics.
3) Awareness campaigns involving the Fire Protection Associations, Albany Working for Water, Parks Department, and DAFF etc.

Overview:
Includes fire-fighting, fire safety and awareness campaigns

Special Services

Services At Fires:
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, service vehicles, staff and equipment, specialized 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 247 businesses were inspected during the financial year.

Disaster Management Services:

Mission Statement

Makana Municipality, established a Disaster Management Office and employed a Disaster Management Officer in January 2012.

Core Functions

The Mission is to provide for measures to safeguard the physical well – being and safety of 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.

Recruitment and Training of Disaster management Volunteers
Conduct disaster management awareness programs 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.
Advice Council on Disaster Management Legislation.
Prepares disaster management plans to ensure maximum emergency plans for its area

- Ensures that disaster management plans:
- Form an integral part of the IDP
- Anticipate the types of disaster that are likely 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 eg.

- 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, Grocotts 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 164 businesses were inspected 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 163 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 1368 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.

Motor Vehicle Accidents:

The Directorate responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc. A total of 151 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. A total of four (4) Fire Fighters were professionally trained in Fire Fighting at Rural Metro Training Centre in Greytown, KZN through Cacadu District Municipality.

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 3184 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.

Challenges

1. Staff shortages.
2. Lack of fire stations in Riebeeck East, Alicedale and Grahamstown East.
3. Handling of after-hours complaints.
4. Task grading of higher posts within the department is a challenge.
5. No Capital Budget to procure vehicles and equipment.

Achievements

1. Employees of Businesses were trained on fire-fighting techniques through Elementary Fire Fighting courses.

Component F

Health

Following a Parliamentary decision to provincialise the provision of primary health care, all staff and assets were transferred to the Provincial Health Department as this component does not apply to the Makana Municipality.

Component G

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	The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area. The Municipality has a mandate to: • Conduct preventative traffic patrols and enforce traffic legislation • Enforce speed limits • Attend traffic accidents • Enforce parking legislation • Enforce municipal bylaws The key objective of this function is to ensure safe and free flow of traffic within Makana Municipal area.	
Driving Licenses	These services include all driver testing functions. The Municipality has a responsibility to : • 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	These services include all vehicle testing functions. The Municipality has a responsibility to: • Test vehicle • Issue roadworthy certificates The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles
Technical services	This service is responsible for the maintenance of all road markings and road signs
Staff compliment	Traffic 7 officers Licensing and registration 5 Driver testing 2 Vehicle testing 2 Technical 5
New equipment	During the 2015/2016 year we implemented a new parking system as well as an new prosecution system
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

Component H

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 upto a light jet.

Description of activity:	*Inspections* The section head carries out regular inspections of the facility with respect to: - 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 The Department of Civil Aviation also undertakes annual inspections in support of the retention of the category 1 licence. *Administration* Collection of landing fees Challenges 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. Achievements Commendation from DCA for maintaining one of the best category 1 aerodromes in the country.	Twice monthly 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:	The services provided include: 1. Mowing of verges of Grahamstown, Alicedale and Riebeeck East including main entrances, CBD, arterial 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.	196 ha 449 ha 2,5 ha 673 trees 17 1650 ha

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:	The services provided include: 1. Administration of electronic recording system for burials 2. Cemetery maintenance 3. Contract management CHALLENGES Acquisition of land for new Cemetery in Alicedale Funding to maintain Cemeteries. Theft of aterfacts and metal railings ACHIEVEMENTS Extensions to Mayfield, Waainek, including additional service roads for Mayfield. planted a further 100 trees at Mayfield cemetery. Procurement of Contracts for the maintenance of grassed areas: Waainek, Mayfield, Historical, Lavender Valley and Kings Flats cemeteries	± 875 burials annually 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:	The services provided include: 1. The production of ground covers, shrubs and trees. 2. Maintenance of ornamental section for decorations. 3. Production of annuals 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 Dealing with stray animals. Water deliveries in support of Technical Department. ACHIEVEMENTS 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: 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. Millenium Tree Planting Project (Logistical) Challenges • Manpower to monitor and evaluate projects. • Vandalism of sport ground buildings and perimeter fencing. Achievements 1. Completion of new Indoor Sport Centre in Extension 6.	R1,5 -million R11 Milllion R25,000 R10-million R30,000

Component I

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

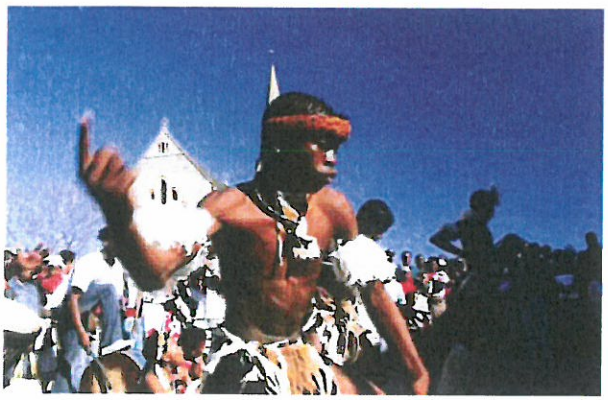
During the year under review the Makana Municipality undertook a review of its organisational structure and developed a Functional Organisational structure with the assistance of the Department of Cooperative Governance and Traditional Affairs and eventually it was finalised for Council Approval.

3.18. Information and Communication (ICT) Services

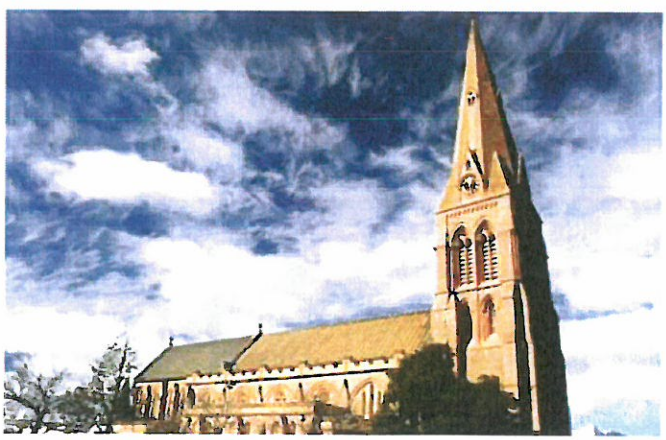
Makana developed a ICT Policy to deal with the Information Technology and Information Systems requirements as well as the protection of both the integrity and correct usage of the IT resources. The establishment of a fully-fledged Information and Technological Services Unit was proceeded with the employment of a IT Manager, a Systems Administrator and two temporary workers. The implications of the initiation of the Municipal Standards and Charts of Accounts (MSCOA) were also addressed with the establishment of a Committee to deal with the matters raised on MSCOA

CHAPTER 04

Organisational Development Performance







Component A

Introduction to the Municipal Personnel

4.1. Employees Totals, Turnover and Vacancies

4.1.1. Municipal Manager and Section 57 Managers

	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	No	1
3	Chief Financial Officer	1	Yes	0
4	Director Local Economic Development	1	Yes	0
5	Director Technical & Infrastructure	1	Yes	0
6	Director Community & Social Services	1	Yes	0
	Total	4		2

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%	No Gap.
	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	4	60%	Two dismissals were experienced at this level
3	Percentage of Section 57 Managers including Municipal Managers who attended at least one skills development training course within the financial year	3	3	100%	No Gap
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	612	0	1%	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	100%	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

Component B

1. 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:

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 Polices

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 Statements of Generally Accepted Accounting Practice, (GAAP) and to the reporting requirements of the Makana LM). This entails the issue of an Annual Report and Financial Statements which is tendered to the Treasury Department is also published for public review. Among accounting policies deemed prudent to implement in order to render a clear account of the standing and financial position of the organisation are the following

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 implemented in the year for Senior Managers as they signed their Performance Agreements. The target to cascade the Performance Management System to lower levels could not be which would include the Managers reporting to the Directors, could also not be performed because the senior level of Management had not signed performance agreements.

4.2.2. Institutional Performance Management System

The Municipality Performance Management Policy Framework was revised during the year under review, but the Council did not approve it 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, three cases of "Injury On Duty" were reported to the Compensation Commission . In the same year the Makana Municipality dismissed five employees for various cases of misconduct.

The services of the Municipal Manager, the Strategic Manager in the Mayor's Office and the Assistant Director: Housing were terminated for various reasons. The Manager: Supply Chain resigned from the service of Council.

Component C

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	• Local Government Law and Administration – 3 Councillors
Staff:	• CPMD – 25 Senior and middle Management Officials

Challenges

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 Technical Services Managers	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

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

Component D

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
2014- 2015	638	329 015 780	109 929 051	30,01%
2015 – 2016	714	437920000	15341208	35,07%

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	Samwumed	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	2015	2016
Salaries	135178101	144119649
Remuneration of Councillors	9458268	9421559

TERMINATION REASON	NUMBER
RETIREMENTS	5
DECEASED	5
RESIGNATIONS	21
MEDICALLY BOARDED	3

APPOINTMENTS 2015/16	
MALES	22
FEMALES	32

CHAPTER 05

Financial viability and Performance







HEALTH OVERVIEW

1. FINANCIAL VIABILITY HIGHLIGHTS

The following highlights were achieved by the municipality regards to financial viability:

Highlight	Description
Successful appointment and implementation of the Debt Collection	Makana has successfully appointed a Debt Collection company (REVCO) in an attempt to improve debt collection rate and implementation of the Revenue Enhancement Strategy. A dedicated task team was established to drive the process and to ensure good reporting and transfer of skill to internal staff.
Funding acquired for the implementation of the National Treasury Reporting framework through Caseware and Abakus system support.	The Financial Municipal Grant (FMG) was used to acquire and implement the NT reporting module on Caseware and also a service provider was appointed to provide Abakus support. The Caseware module was implemented that will ensure timeous financial statements and compliance with applicable laws and regulations in our monthly & quarterly reporting Section 71 & 72 reports. Abakus support is assisting in performing system based day to day functions against manual recording.
Revenue Growth	Debt recovery rate improved to 16% (2013/14 = -4%) despite the difficult economic circumstances and a low tax base.
Cash backing of Grant Funding	During the financial year 14/15 all Grant Funding that was used for operational purpose was cash backed and those related projects were completed.
Approved Debt Collection and Credit Control Policy	Council approved the revised debt collection and credit control f policy which will be implemented from 1 July 2015.
Bank reconciliation	Bank reconciliations were manually performed this financial year and will be submitted monthly as part of the S71 reporting to Council
Critical vacancy filled	The position of Chief Financial Officer (Budget and Treasury) was filled during the 2015/16 financial year

Financial viability highlights

1.2 FINANCIAL VIABILITY CHALLENGES

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

Challenge	Action to address
Market response to the vacancies/advertisements	Poor market response to advertised vacancies make it difficult to recruit competent and skilled personnel, this resulted some finance positions remaining vacant for the period under review.
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 improved in its turnaround period to pay creditors, however, we still experiencing high long outstanding creditors. Eskom and Auditor-General 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 the Financial Recovery Plan to ensure improved financial health and sustainability remains a challenge.

Financial viability challenges

1.3 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 manage ment.**

KPA & indicator	2015/16	2014/15	Comments
Collection Rate – (Gross Debtors Closing Balance + Billed Revenue-Gross Debtors Opening Balance-Bad debts written off)/Billed Revenue x 100	75%	73%	The ratio indicates the municipality's ability to collect its revenue, which implies that the municipality can collect within its budgeted collection estimates.
Current Ratio – (Current Assets/Current Liabilities)	102:1	135:1	This ratio indicates the municipality's ability to meet its monthly expenditure. The ratio of 102:1 is below the norm of 1.5:1. 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
Revenue Growth (%) - (Period under review's Total Revenue –previous period's Total Revenue)/previous periods Total Revenue) x 100	-17%	-16%	This ratio indicates the municipality's ability to grow its own revenue. The revenue growth of 16% (-4% 2013/14) suggests that the municipality has the potential in growing its own revenue which will assist in rendering the services to the community of Makana.

Creditors Payment Period – (Trade Creditors Outstanding/Credit Purchases (Operating and Capital) x 365	311 days	311 days	This ratio indicates the municipality's ability to pay its creditors within the 30days legislated period. The creditors payment of 311 days (92days 2013/14) 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	37%	36%	This indicates that the municipality conforms with norm 25% - 40% considering that its current % is 36% and confirms the compliant proportion of the salaries and wages budget against the total operating expenditure

National KPI's for financial viability and management

1.4 Financial Overview

The table below shows the financial overview of the municipality:

Details	Original budget	Adjustment budget	Actual
	R'000		
Income	421 755	440 537	377 226
***Less:* Expenditure**	(423 158)	(437 000)	(531 982)
Net surplus/(deficit)	(1 403)	3 537	(154 756

Financial overview

1.5 Operating Ratios

The following table contains the operating ratios for the 2015/16 financial year:

Detail	Expected norm	A	% Variance
	(%)		
Employee cost	25-40	3	29%
Repairs & maintenance	8-12	1	6%

Operating ratios

The Makana Municipality shows constant improvement in its financial health and sustainability. This is evident in the outcome of the current ratio of 1.02:1 for 2015/16 compared to 1.35:1 for 2014/15 which did not improve. Makana is currently in the

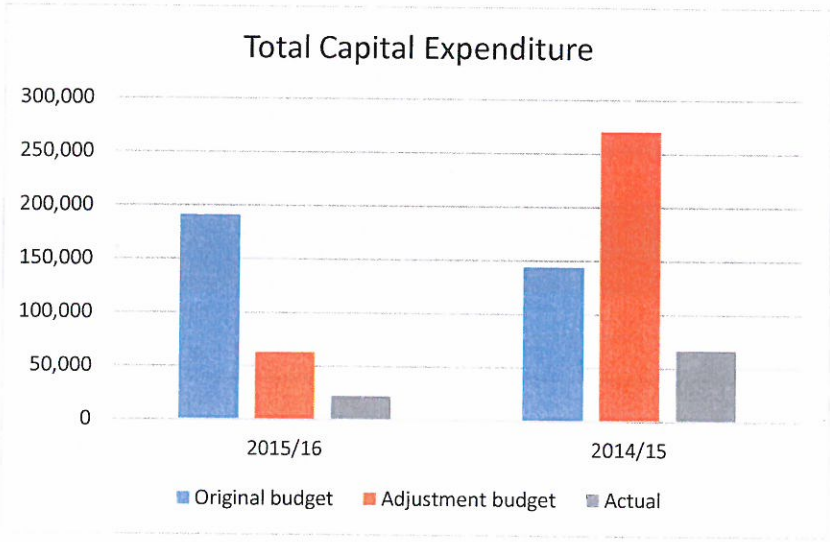
process of implementing its Financial Recovery Plan and review its Revenue Enhancement Strategy to further improve financial health and sustainability.

1.6 TOTAL CAPITAL EXPENDITURE

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

Detail	2015/16	2014/15
	(R'000)	
Original budget	191 187	144 034
Adjustment budget	62 994	**270 535**
Actual Expenditure	22 535	[illegible]
	11,70%	[illegible]
Total capital expenditure		66 723

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 million (R66 722 762 in 2015/16) that represents 16% (25% in 2014/1) 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 in the during August 2015 SBDM on behalf of the municipality as per the memorandum of agreement due to the indirect grant allocation made to them for MIG.

2. AUDITOR-GENERAL REPORT

2.1 AUDITED OUTCOMES

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Status	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified

Audit outcomes

3. 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 and payment of all creditors, councillors and personnel.

3.1 Competitive Bids in Excess of R200 000

a) Bid Committee meetings

The following table details the number of bid committee meetings held for the 2015/16 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication committee
5	5	5

Bid Committee meetings

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

Member	Percentage attendance
Mr. L Ngandi (Chairperson)	100 %
Mr. Johnson Siteto	100%
Mr. M Crouse	100 %
Mr. J Esterhuizen	100 %
Mr. V Wali	95 %

Attendance of members of Bid Specification Committee

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

Member	Percentage attendance
Mr. S Mini (Chairperson)	100%
Mr. E Ganza	95%
Mr. W Welkom	95%
Mr. GK Goliath	95%
Mr. S Tutuse	70%

Attendance of members of Bid Evaluation Committee

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

Member	Percentage attendance
Chief Financial Officer (Chairperson)	
Acting/Director: Engineering & Infrastructure Services	
Director: Community & Safety Services	
Led Directorate: Mr. T Sindani	
Acting Director: Corporate Services	

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 member.

b) Awards made by the Bid Adjudication Committee

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

Bid number	Title of bid	Directorate and section	Successful bidder	Value of bid awarded (R)
03/20115	Provision of Insurance Services	Corporate Services: IT Section	Aon South Africa	R 1 999 104.00
09/2015	Supply and Delivery of High Mast Lights	DEIS: Electricity	Brainwave Projects 1772cc	R 3 400 000.00
10/2015	Multipurpose Centre in Ward 7	PMU Section	Alex Maintenance Electrical	R 11 955 401.17
55/2012	Replacement of Asbestos Pipe	DEIS: Sewer	Makhanda JV	R 5 438 940.00
21/2014	Construction of Vukani Taxi Route	PMU Section	B.R.O. Civils	R15 108 788.30
Regulation 32	Compilation of Annual Financial Statements Regulation 32	Budget and Treasury Office	PWC	R 1 907 616.00
Regulation 32	Assett Management System	Budget and Treasury Office	A2A Kopano	R 592 438.00

Nine 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 bid	Directorate and section	Successful bidder
None			

Awards made by Accounting Officer

d) *Appeals lodged by aggrieved bidders*

There were no appeals lodged by aggrieved bidders on awards made in terms of section 62(1) of the Municipal Systems Act (Act 32 of 2000).

3.2 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 2014 to 30 June 2015:

Month	Total Orders (R)	Local Companies (R)
July 2015	R 588 772.38	R 321 200.00
August 2015	R 775 607.22	R 321 000.00
September 2015	R 993 542.06	R 321 211.00
October 2015	R 211 230.18	R 160 600.00
November 2015	R 240 203.38	R 321 600.00
December 2015	R106 378.68	R 80 300.00
January 2016	R 64 430.96	R 80 300.00
February 2016	R242	R 308 600.00
March 2016	R 1 394 997.42	R 240 900.00
April 2016	R R105 378.68	R95 000
May 2016	R 243 181.43	R 402 200.00
June 2016	R605 162.75	R 561 900.00

Annual	Total Orders (R)	Local Companies (R)
Total	R2 939 906.28	R1 286 887.31
Percentage (%)	43.7	

Awards made to local companies

3.3 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 R2 066 804.06 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	4	R 139 417.62	11%
Goods/Service needed urgently/Emergency	34	R 3 151 448.73	89%
Total	**38**	**R 3 290 866.35**	

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 hiring of toilets at Eluxolweni and water tanks to distribute water to communities. 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.

3.4 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.

3.5 Disposal Management

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.

3.6 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.

3.7 Procurement and Contract Management

We have complied with SCM Regulation 6(3) for the 2014/15 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

3.8 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.

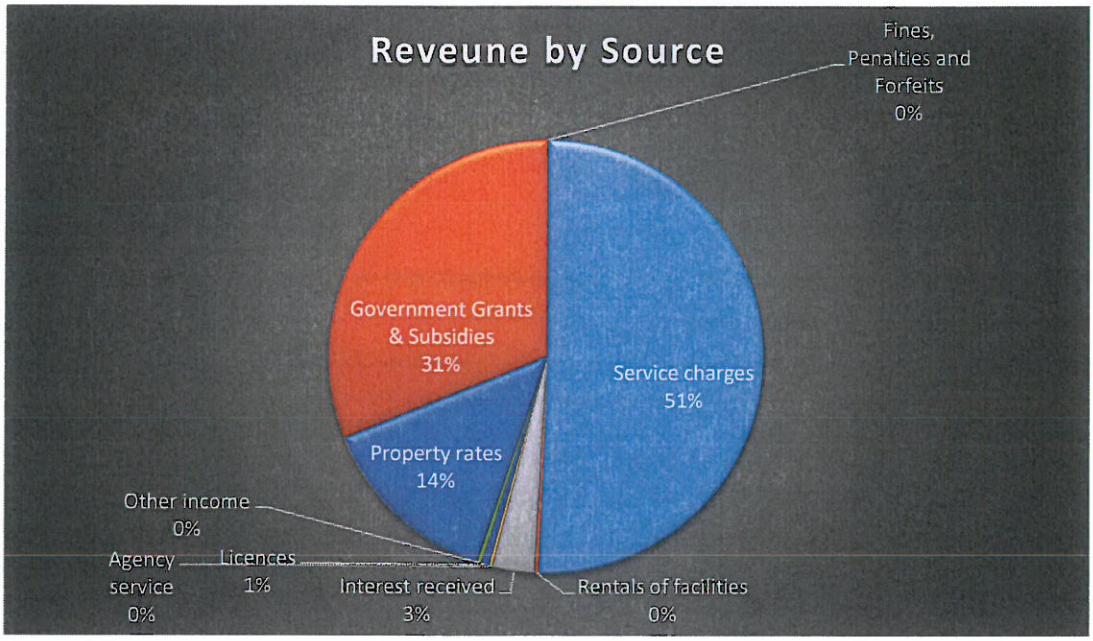
3.9 Procurement and Contract Management – Monitoring of Contracts not done on a Monthly Basis

Contract management is the responsibility of each manager for contracts in his/her functionality area. The challenge is, however, that this will get urgent attention from senior management as additional capacity needs to be created within the SCM unit. I n future the Chief Financial Officer will make recommendations in this regard.

4. FINANCIAL PERFORMANCE

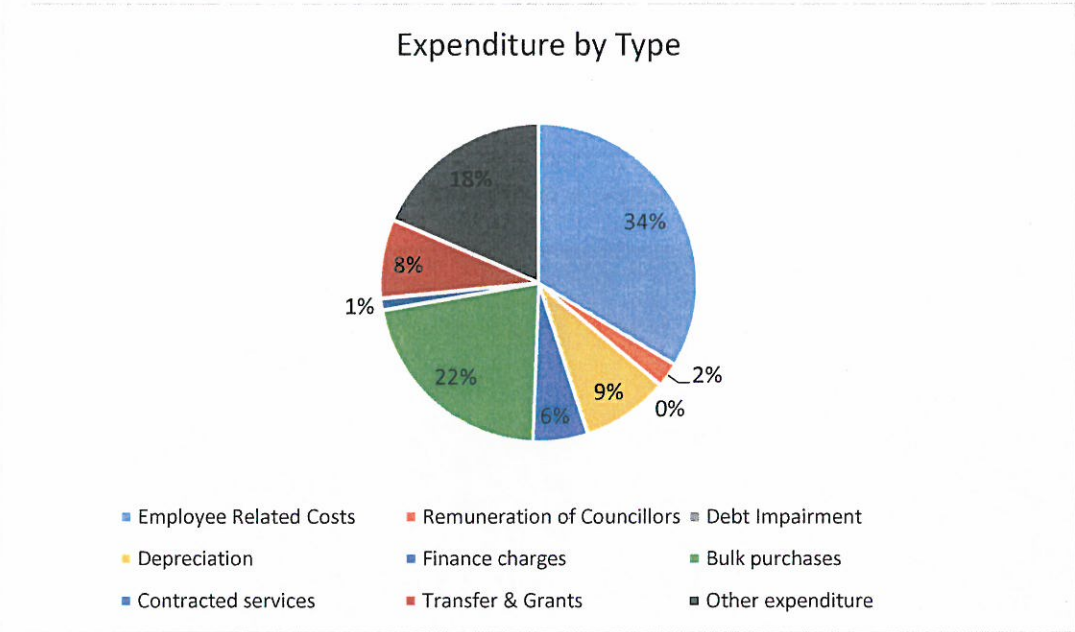
4.1. Revenue by Source

The following graph indicates the various types of revenue items in the municipal budget for 2015/16:



4.2 Expenditure by Type

The following graph indicates the various types of expenditure items in the municipal budget for 2015/16:



Appendices & Attachments

Appendices

Appendix A

APPENDIX A – COUNCILLORS AND COMMITTEE ALLOCATION

ORG	WARD	NAME & SURNAME
ANC	PR	BONANI B
DA	03	BOOYSEN MARCELLE CARMEL
DA	12	FARGHER BRIAN WILLIAM
ANC	PR	**MASOMA N: CHAIRPERSON – INFRASTRUCTURE PORTFOLIO COMMITTEE**
ANC	11	GOJELA MNCEDISI
DA	08	JACKSON BRIAN PETER NEVILLE
ANC	9	KHOLISWA JELA
ANC	14	ENERST LOUW
ANC	10	**WELLS JULY: CHIEF WHIP**
ANC	13	MADINDA MTHUTHUZELI
ANC	PR	**VARA YANDISWA: (SPEAKER)**
DA	PR	MADYO XOLANI
ANC	6	**KHUBALO MALIBONGWE: CHAIRPERSON – TOURISM AND CULTURAL INDUSTRIES PORTFOLIO COMMITTEE**
ANC	PR	**MATYHUMZA MTUTUZELI: CHAIRPERSON – SOCIAL DEVELOPMENT PORTFOLIO COMMITTEE**
DA	04	MAY LENA C
ANC	10	METI NOMATHAMSANQA
ANC	PR	RANCHHOD P
ANC	01	NGOQO NOMHLE JUDITH
ANC	PR	**LOUW T: CHAIRPERSON - LOCAL ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE**
ANC	PR	**GAGA N: EXECUTIVE MAYOR**
COPE	PR	PLAATJIE RUTH

ANC	PR	**NGELEZA T: CHAIRPERSON – FINANCE, ADMINSITRATION, MONITORING & EVALUATION PORTFOLIO COMMITTEE**
DA	PR	REYNOLDS LES
ANC	PR	TYANTSULA NONZAMEKO C.
ANC	05	TAME MONWABISI SOUTHEY
ANC	PR	WELLS JULIA C.

Appendix B

Committee and Committee purposes

PORTFOLIO COMMITTEES	CHAIRPERSONS	COMMITTEE PURPOSE
Social Development Portfolio Committee	Clr. P. Matyumza	To deliberate and decide on the rendering of Community and Social Services
Finance, Administration, Monitoring & Evaluation Portfolio Committee	Clr. N Ngeleza	To deliberate and decide on the rendering of Infrastructural Services.
Infrastructural Development Portfolio Committee	Clr. M. Matyumza	To deliberate and decide on the rendering Infrastructural Services.
Local Economic Development and Planning Portfolio Committee	Clr. E. Louw	To deliberate and decide on the rendering of Local economic development and Town Planning matters.
Tourism & Cultural Industries Portfolio Committee	Clr. M. Khubalo	To deliberate and decide on the rendering of Tourism and Cultural industry service matters
Municipal Public Accounts Committee	Clr M R Nxonxa	To provide oversight over the executive function.

APPENDIX C
(THIRD TIER ADMINSTRATIVE STRUCTURE)

Third Tier Structure	
Directorate	**Manager(Title and name)**
Corporate services	Manager Administration: Mr E Mager
	Manager Human Resources: Mr X Kalashe
	Records Manager: Ms N Xintolo
	Operations Manager: Mr L Ngandi
Finance	Manager Revenue: Mr M Crouse
	Manager Income: Ms D May
	Manager Compliance and Budget: Ms C Mani
	SCM Manager: Ms Z Gxowa
Mayor and MM's Offices	Manager Support Services: Mr E Ganza
	Internal Audit Manager: Mr A Ngcauzela
	IDP/PMS Manager: Mr M Pasiya
	Public Participation Manager: Ms N Santi
	Special Project Unit Manager: Mr S Wali
	Legal Manager: Ms N Mbanjwa
	Risk Manager: Ms N Khosi
Local Economic Development	Tourism Manager: Mr T Sindani
	Agriculture Manager: Ms P Gqweta
	Planning Deputy Director: Mr R Van der Merwe
Public Safety	Environmental Manager: Mr N Nongwe
	Manager Fire Services: Mr W Welkom
	Manager: Cleansing Services: Mr J Esterhuizen
	Assistant Director: Parks: Mr J Budaza
Technical and Infrastructural Services	Manager: Roads Services: Mr S Tutuse
	Director Electricity distribution: Mr M Radu
	Manager Electricity: Mr X Bokwe
	Manager Water Services: Ms N Tshicelela
	Manager: Renewable Energies: Mr M Siteto
	Manager:PMU: Mr S Nomandela

APPENDIX C – FUNCTIONS OF THE MUNICIPALITY

PART B OF SCHEDULE 4	PART B OF SCHEDULE 5
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
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 D – 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. After the induction of Makana's Councillors, the Speaker called for the establishment of ward committees which was done through en electoral process managed by the Independent Electoral Commission. To date Makana has managed to establish committees in all its wards except for Ward 12.

APPENDIX F – WARD INFORMATION

Details of Ward Committee Members

WARD 1- CLR PHONGOLO

INITIALS AND SURNAME
L. Mlambo (Secretary)
K. Maki/Javu
M Ntlanjeni
B Kalani
M Lawu
K Mfihlo
L Skeyi
N Mdoko
S Faliteni
Buyiswa Julayi

WARD 2- CLR METI

INITIALS AND SURNAME
M Mahlahla
M Bambiso
B Mgogoshe
T. Ntlumbini
V Makinana
S September
N Malgas
A Adam(Secretary)
N Mengu
N Mapapu

WARD 3- CLR BOOYSEN

INITIALS AND SURNAME
E Malawana(Secretary)
J Joseph
N Skeyi
B Dauglas
N Yame
N Manyati
N Zwane
N Alexander
J Sias

WARD 4- CLR MAY

INITIALS AND SURNAME
P Andrews(Secretary)
S Prince-Smith
K L Meyer
M Brown
E Hector
E Anderton
K Marney
A Groats

WARD 5- CLR TAME

INITIALS AND SURNAME
L Sokuluta
V Zwayi
T Kondile
L Kula
C Nkatsha
N Mankayi
V Vena(Secretary)
S Yekani
S Plaatjie
N Funani

WARD 6- CLR MASOMA

INITIALS AND SURNAME
T Qinela
S Ndawuni
S Ngxakaza
N Platyi
Z Ponshe
X Notyawe
Z Plaatjie
L Bulani
M Hani
N S Ngoqo

WARD 7- CLR KHUBALO

INITIALS AND SURNAME
V Tata
L Geelbooi
N Vuso
V Sodladla(Secretary)
L Ndzayo
N Mnyaka
M Mdoko
M Twani
V Royi
X Madasi

WARD 8- CLR JACKSON

INITIALS AND SURNAME
B L. Dlukulu
CD Prince
M Salaze
NF Nkayi
T Singatha
M Mvula
L Nxopho(Secretary)
M Sullo
P Mbebe
P Coetzee

WARD 9- CLR JELA

INITIALS AND SURNAME
T Qoko
P Ngoqo
S Mfecane
S Magadaza (Secretary)
M Moya
M Dyasi
M Hoboshe
W Dywili
P Madyo
N Matya

WARD 10- CLR KOLISI

INITIALS AND SURNAME
N Mthathi
M Noyila
G Mapapu
B Mbuqe
N Tsili
Z Cetu (Secretary)
N Ncanywa
N Nyengane
M Gule
M Mlonyeni

WARD 11- CLR GOJELA

INITIALS AND SURNAME
K Kiti
T Mbekela
M Koliti
L Silo
T Nobhongwana

X Losi
Z Choli
X Duma
M Mize
N Njadayi

WARD 13- CLR MADINDA

INITIALS AND SURNAME
T Seyisi
N Xhashimba
Y Manyati
Zukiswa Peter-Lipile
N Mtya(Secretary)
S Goduka
B Bambatho
N Ndolo
X Gwente
N Dawethi

WARD 14- CLR LOUW

INITIALS AND SURNAME
C Nel
P Kewuti
A Nomoyi
C Sias
E Jantjies
V Nesi (Secretary)
B Zembetha
M Antoni
M Bani
T Peku

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

Refer to Audit Committee report which is part of the Attachments.

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTERSHIPS

Name of service provider	Description of service rendered	End date of contract	Contract value
Surego travel	Travel agency services	1 July 2014 to 31 June 2016	R5million
Kyocera	Provision of big volume printers	1 July 2014 to 31 June 2016	R1,2 Million
Tact Pro	Provision of Security for Municipal Buildings	1July 2015 to 31 June 2017	R5 million

Public Private Partnerships entered into during 2015/16- Nil

APPENDIX I – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE

As Makana Municipality does not have a Municipal Entity this appendix is not applicable to it.

APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS.

Refer to Annual Financial statements for further information.

APPENDIX K – REVENUE COLLECTION BY VOTE AND SOURCE.

APPENDIX K(1) – REVENUE COLLECTION BY VOTE

Refer to Annual Financial statements for information.

APPENDIX K(2) – REVENUE COLLECTION BY SOURCE

Refer to Annual Financial statements for information.

APPENDIX L – CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

See Note 25 on page 53 of the Annual Financial statements.

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

PROJECT NAME	FUNDER	BUDGET 2016-17	PROJECT STATUS
Multi-Purpose Sport Centre	MIG	R 5 250 544.02	Construction
Alicedale Sewage upgrade	MIG	R 1 091 787.43	Design and Tender
Construction of High Masts lights in Mayfield	MIG	R 1 297 187.00	Construction
Alicedale Roads & Stormwater Improvements	MIG	R 6 255 838.84	Design and Tender
Multi-Purpose Indoor Sports Centre - Gymnasium	MIG	R 13 000 000.00	Tender
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 N – CAPITAL PROGRAMME BY PROJECT

See Appendix M for further information

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2015/16

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 – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/16

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

APPENDIX P – SERVICE DELIVERY BACKLOGS AT SCHOOLS AND CLINICS

Not applicable as schools and clinics do not fall under Makana Municipality's service delivery mandate.

APPENDIX Q – SERVICE DELIVERY BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION.

Not applicable.

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

Due to the Makana Municipality's financial situation, it 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 2015/16

APPENDIX S – NATIONAL OUTCOMES FOR LOCAL GOVERNMENT

1.3.2 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. OUT COM E	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 communities contributing towards	**PP3**	Vibrant, equitable, sustainable rural communities contributing towards	**Econ Dev**

NAT. OUT COM E	NATIONAL OUTCOMES	PROV. PRIORITY	REVIEWED PROVINCIAL PRIORITIES	CLUSTERS
	food security for all		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 T – REPORTING ON KPA'S AS PER REQUIREMENT OF DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS.

Chapter: Organisational Transformation and Institutional Development –KPA 1

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;	105	0	0	Due to limited resources Makana was unable to fill all vacant posts
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	3	2	60%	The other Managers already have the necessary qualifications
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 Makana Municipality's Performance Management System is effective as all Directors have completed performance agreements and thre Accounting Officer has regular performance reviews with them . The cascading of the PMS System to the lower levels will be addressed in the new year when the Job description review process has been finalised			
6	Level of effectiveness of PMS in the LM – (LM to report)				
8	Percentage of councillors who attended a skill development training within the current 5 year term	27	12	44%	Makana's financial situation impacted negatively on the process

	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
9	Percentage of staff complement with disability	1 staff member	0.1	0.1	Recruitment of disabled staff would be prioritised in the next financial year.
10	Percentage of female employees	50	22	42.6%	
11	Percentage of employees that are aged 35 or younger	127	127	18%	No comment as there is 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.			

Chapter: Basic Service delivery performance highlights (KPA 2)

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	7309	819	200	200	100
2	Percentage of indigent households with access to free basic potable water	819	0	0	Nil	N/A
3	Percentage of clinics with access to potable water	All Clinics in Makana have access to potable water.				
4	Percentage of schools with access to potable water	All Schools in Makana have access to potable water				
5	Percentage of households in formal settlements using buckets	802	1985	0	Makana has applied for funding from the Human Settlements Unit to address the matter.	

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	169	0	250	100	Achieved
2	Percentage of indigent households with access to basic electricity services	813	0	300	70	None
3	Percentage of indigent households with access to free alternative energy sources	The provision of access to free alternative energy will only be attended to in the next financial year as Makana has appointed a Manager: Renewable Energy Sources.				

Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	15495	986	986	986	100
2	Percentage of indigent households with access to free basic sanitation services	8064	7930	2000	1340	67%
3	Percentage of clinics with access to sanitation services	All Makana Clinics have access to sanitation services				
4	Percentage of schools with access to sanitation services	All Makana schools have access to sanitation services				

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	6000 customers	2000	50	50	100 %
2	Percentage of road infrastructure requiring upgrade	40 000 customers	6000	No target set as there was no funding		
3	Percentage of planned new road infrastructure actually constructed	No target set as there was no funding set aside to construct any new roads due to the adverse financial situation of Makana.				
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	No % could be set as Makana did not provide any Capital Budget reserved for road upgrading as there was no funding available for that.				

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	24 541	648(farm houses in rural areas)	24541	24541	100%
2	Existence of waste management plan	The Makana Municipality does not currently have a Waste Sector Plan at the moment but it is working with MISA to access funding for the development of such a plan.				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	30000 customers	2000	100 customers	100	100%
2	Percentage of informal settlements that have been provided with basic services	10 000	16 000	1000	1000	100%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	16679	nil	nil	nil	nil
4	Existence of an effective indigent policy	Makana LM has an indigent policy and has initiated a campaign to register more indigents by using the Ward Committee members, Finance staff and interns.				
5	Existence of an approved SDF	Makana has a Council approved Spatial Development Framework				
6	Existence of Land Use Management System (LUMS)	Makana has a Council approved Land Use Management System that is used in the determination of land use applications.				

CHAPTER: 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 a vibrant LED unit that was approved by Council.		
2	Percentage of LED Budget spent on LED related activities.	80%	2 Million	1,3million used
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%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
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 land redistribution.		
6	Number of SMME that have benefited from a SMME support program	40	40	100%
7	Number of job opportunities created through EPWP	42	42	100%
8	Number of job opportunities created through PPP	N/A	N/A	

Chapter: 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	85788208	28623555	33,37
		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	131970000	144119649	32,91
		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	N/A	99771053	24,93
		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	359692083	283992980	78,97
		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		-1952310	
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 Committee	6 meetings	6 meetings	
10	Submission of AFS after the end of financial year	31 August 2016	31 August 2016	100%

Chapter: 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			
2	% of ward committees that are functional			
3	Existence of an effective system to monitor CDWs	**The CDW**		
4	Existence of an IGR strategy	The Makana LM has anexisting IGR Policy and would be looking at reviving 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, Makana Municipaliy did participate in the District IFGR Forums such as DIMAFO and Muni-Mec.		
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 though 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	13	10	77%
8	Existence of a fraud prevention mechanism	The Makana Local Municipality has a Anti-Corruption and Fraud Prevention that also includes a whistle blower pprotection mechanism. The Internal Audit Unit also conducted a Council Agenda and Council set up a Committee to deal with Fruitless, Wastefull, Irregular and Unauthorised expenditure.		