

# MAKANA LOCAL MUNICIPALITY



**MAKANA**  
MUNICIPALITY | EASTERN CAPE  
*...a great place to be*

Makana Municipality strive to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy

## **3<sup>rd</sup> DRAFT ANNUAL REPORT 2024-2025**

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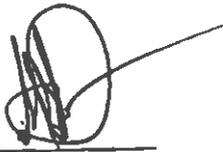
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### ii) ACRONYMS AND ABBREVIATIONS:

<b>IDP</b>	Integrated Development Plan
<b>LM</b>	Local Municipality
<b>STATS SA</b>	Statistic South Africa
<b>EPWP</b>	Extended Public Works Programme
<b>AFS</b>	Annual Financial Statements
<b>MSA</b>	Municipal systems act 32 of 2000
<b>IGR</b>	Inter-Governmental Relations
<b>MOU</b>	Memorandum of understanding
<b>MISA</b>	Municipal Infrastructure Support Agent
<b>FAME</b>	Finance, Administration, Monitoring & Evaluation
<b>GRAP</b>	General Recognised Accounting Practice
<b>MUNI-MEC</b>	An intergovernmental body that meets quarterly to analyse the state of local government and is made up of the MEC'S, the municipal mayors and municipal managers
<b>MIG</b>	Municipal Infrastructure Grant
<b>NERSA</b>	National Energy Regulator of South Africa
<b>COGTA</b>	Corporative Governance & Traditional Affairs
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>SBDM</b>	Sarah Baartman District Municipality
<b>HR</b>	Human Resources
<b>IT</b>	Information technology
<b>SDF</b>	Spatial Development Framework
<b>CWP</b>	Community Worker's Programme
<b>MFMA</b>	Municipal Finance Management Act
<b>LED</b>	Local Economic Development
<b>PMS</b>	Performance Management System
<b>SMME</b>	Small, Medium & Micro Enterprise

**This document has been prepared for public consumption for the 2024-2025  
Financial Year.**

**Signed:**



**MR. M.P. KATE  
MUNICIPAL MANAGER**

**ON THIS DAY 11 OF FEBRUARY 2026**



**MS. Y. VARA  
EXECUTIVE MAYOR**

**ON THIS DAY 11 OF FEBRUARY 2026**

### **III) EXECUTIVE MAYOR FOREWORD**

*In 2022, the Council adopted a five-year Integrated Development Plan for its term of office, with 6 development priorities to ensure the need to meet the requirements of our rapidly changing and growing Municipality. These development priorities are encapsulating in our drive for "great place to be" and are also aligned to the Provincial Growth and Development Strategy and the National Development Plan. It seeks to strives to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all and also to create an enabling environment for growth; development; employment and job creation; enhancing the quality of life of our residents; maintaining good corporate governance; and sound financial management.*

*Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Makana as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook a number of processes to achieve this goal, including establishing ward committees; issuing quarterly newsletters and communicating via social media and online platforms such as the municipal website; Speaker and Mayor holding consultative meetings with a wide range of stakeholders. Accountability is enforced through performance contracts signed by the Senior Management and is monitored by the Municipal Manager and Council through quarterly performance reports that are validated by the Audit Committee.*

*Makana population has grown to an estimated 97 815 persons as per a report by the Census 2022 which is 19% growth compared to 2016. Households have increased to an estimated 24 800 which is 10.7% increase compared to the same period as the population growth. Out of the economically active population, there are 17 500 that are unemployed, or when expressed as a percentage, an unemployment rate of 44.2%. Up to here all the statistics are measured at the place of residence. (Global insight 2022)*

*The growth in population goes hand in hand with various challenges, particularly the ongoing demand for housing development.*

*Municipality is focusing on upgrading infill areas which are situated in serviced areas, There are about 178 units that are approved for infill areas housing development, for these projects the consultant has been appointed and designs are complete.*

*The Annual Report for 2024/25 provides detail on various infrastructure projects and social development being undertaken to facilitate the envisioned accelerated growth and safe environment. These projects are only possible through strategic partnerships with other spheres of government and the community of Makana, without which we cannot address the challenges that we face.*

*I remain grateful to Council, the Speaker, the Mayoral Committee, and the Municipal Manager, all of whom continue to guide our staff, resources, and operations to make Makana a great place to be.*



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**MS. Y. VARA**  
**EXECUTIVE MAYOR**

#### **IV) MUNICIPAL MANAGER OVERVIEW**

*Makana Municipality is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000.*

*Makana LM is one of the 7 LM under Sarah Baartman District Municipality in the Eastern Cape, classified as B category municipality. Approximately 63% of residents are indigent. It comprised of Consists of 3 urban areas Makhanda, Alicedale and Riebeeck East which are primary urban areas and other 3 service area such as Fort Brown, Seven Fountains, Salem and many farm areas surrounding these areas. Makana Local Municipality covers 4 376 km<sup>2</sup> in areal extent and shares borders with Raymond Mhlaba (North), Ndlambe (SE), Ngqushwa (NE) and Sunday's River Valley (W) and consist of 14 wards.*

*In presenting the 2024/25 Annual Report we affirm that Makana Municipality has made tremendous strides towards achieving its vision of "great place to be", guided by the values of transparency, excellence, responsiveness, accountability, accessibility and integrity, supported by the following strategic objectives:*

- To ensure good governance and compliance.*
- To ensure financial sustainability to meet the statutory requirements.*
- To ensure an efficient and effective organisation supported by a competent and skilled workforce.*
- To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services.*
- To plan, promote investment and facilitate economic growth; and*
- To facilitate, support and promote social and community development.*

*Makana received a disclaimer opinion from the Auditor General for the 2024/25 financial year. This is our seventh (7<sup>th</sup>) consecutive audit opinion. This bears testament of challenges of good governance and sound financial management we are facing.*

*In 2024-25 financial year the Municipality has faced many challenges on financially sound management activities, these include material differences between budget and actual amounts. Makana Local Municipality considered the variance between final budget and the actual amounts that is above 10% or above the norm/standard to be material variance. Those variances are explained in detail in annual report's annual financial statement as an annexure.*

*The Municipality in terms of its overall performance against Service Delivery Budget and Implementation plan has regressed its overall performance compared to previous financial year 2023-24, which was 55% against 51.47% 2024-25 financial year. That is not significant improvement compared to 90% planned for year under review. This performance was categorised by poor planning, delays in supply chain management result in not meeting targets and shortfalls in the budget.*



**MR P.M.-KATE**  
**MUNICIPAL MANAGER**

## CHAPTER ONE: MUNICIPAL OVERVIEW

### 1.1 Municipal Profile

Makana Local Municipality (Makana) is a category B Municipality approximately halfway between East London and Port Elizabeth that forms part of the seven local municipalities of the Sarah Baartman (formerly Cacadu) District Municipality in the Eastern Cape Province.

#### Vision

Making Makana Local Municipality a "Great place to be" by 2030

**Vision Statement**  
"Makana Municipality strives to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all".

Makana's area is bordered in the North-East by Amathole District Municipality, North-West by Blue Crane Route Local Municipality, in the South by Ndlambe Local Municipality and in the South-West by the Sundays River Valley Local Municipality, with the cities of Port Elizabeth 120km to the West and East London 180 km East. In 2011 the Municipality was delimited into fourteen wards.

Makana Municipality's commitment to developing a "**Great Place to be**" is driven with specific emphasis of translating the Municipality's strategies into an Implementable Action Plan. The Municipality is committed in ensuring that it achieves its Developmental Priorities for the term.

#### 1.1.2 Core Values

##### Core Value Figure



### 1.1.3 Demographics and Socio-Economic Profile

The following Statistical Overview Report aims to quantify the economic, demographic and socio-economic environment of Makana Local Municipality in context of its neighbouring regions, the district, the province and South Africa. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age and gender is vital in the face of growing pressure on food, energy, water, jobs and social support on the country's citizens. An understanding of how the total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level. The first section of the Statistical Overview Report will aim to disentangle the changes in the Makana Local Municipality demographics in context of other locals of the region, the districts, the Province and South Africa.

The second section will provide insights into the economic environment of Makana Local Municipality in relation to the other local municipality in the region, the district, the province and South Africa's performance. The changing economic environment subsequently influences the ability of the economy to create jobs. This section will therefore also include analysis on the employment and subsequent income dynamics of Makana Local Municipality.

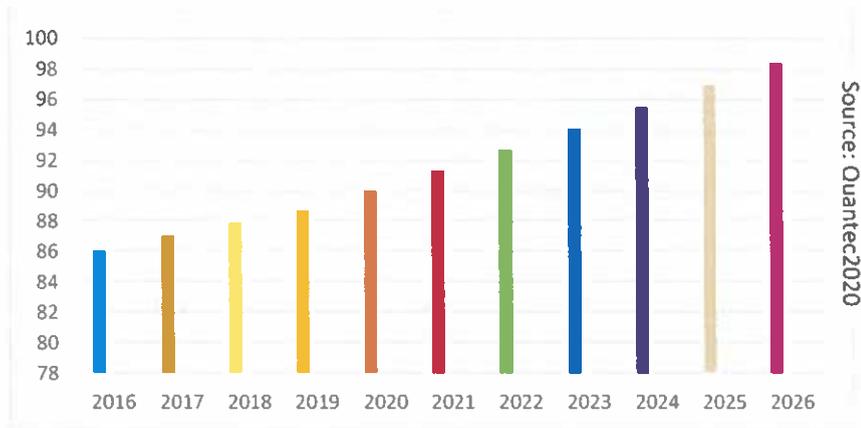
#### 1.1.3.1. Demographic Profile

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the +Makana Local Municipality and all its neighbouring regions, Sarah Baartman District Municipality, Eastern Cape Province and South Africa as a whole.

**Total Population:** Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. This chapter is of paramount importance as it informs all the municipal planning.

The municipal area is 4 375.6km<sup>2</sup> with a population span of 20.9 people per km<sup>2</sup> and 24 968 households (a household is considered a group of people living together or a single person who lives alone). A population is the number of individuals who live within a specific area. The growth rate of the municipality is greater to that of the district between 2016 and 2019, at 0.26%.

The figure below depicts the actual population numbers up until 2019 as well as a forecasted value for the subsequent years.



The number of households in Makana is expected to rise to at least 26 323 households by 2026, with an average annual growth rate of 0.52%. Makana's household growth rate is higher than that of the district (Sarah Baartman District) municipality (0.37%).

**Makana Households 2016-2026**



Household Size 2016 - 2026	2016	2020	2026
Makana	3.85	3.85	3.85
Sarah Baartman	3.63	3.62	3.61

## Dependency Ratio

The dependency ratio is the ratio of dependents (people younger than 15 and older than 65). The working population age is 15-65. The higher the ratio, the more financial burden there is on the working age population to support those who are not economically active.

Dependency Ratio 2016-2026	2016	2020	2026
Makana	46.4	46.8	46.8
Sarah Baartman	54.4	54.6	54.7

In 2020 the Makana Municipality had an estimated dependency ratio of 46.75% meaning that there are about 47 dependencies for every 100 people of working age. The dependency ratio is expected to increase to 46.77% by 2026. The dependency ratio in Makana is lower compared to that of Sarah Baartman District.

## Conclusion

The Makana Municipality had an average population growth of 0.39% and a household growth of 0.52%. Household sizes are therefore increasing. This has implications for the demand of housing, as well as the types of housing that will be demanded in the future.

### 1.1.3.1. Population projections

Based on the present age-gender structure and the present fertility, mortality, and migration rates, Makana's population is projected to grow at an average annual rate of 1.2% from 97 815 in 2022 to 102 593 in 2026.

**Table 2.** Population projections - Makana, Sarah Baartman, eastern cape, and national total, 2022-2026 [numbers percentage]

Year	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of District	Makana as % of Province	Makana as % of National
2022	97,815	543,000	7,470,000	61,100,000	17.0%	1.23%	0.15%
2023	98,988	549,000	7,550,000	61,900,000	17.0%	1.23%	0.15%
2024	100,175	556,000	7,630,000	62,700,000	16.9%	1.24%	0.15%
2025	101,377	563,000	7,710,000	63,500,000	17.0%	1.24%	0.15%
2026	102,593	570,000	7,780,000	64,300,000	17.0%	1.24%	0.15%
<b>AVERAGE ANNUAL GROWTH</b>							
2022-2026	1.17%	1.21%	1.02%	1.29%			

The population projection of Makana Local Municipality shows an estimated average annual growth rate of 1.2% between 2022 and 2026. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.2%, 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the Makana Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Makana's projected growth rate.

## **1.2 CRIME**

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

### **1.2.1 IHS COMPOSITE CRIME INDEX**

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e., violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime to apply a weight to each category.

#### **1.2.1.2 IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA LOCAL MUNICIPALITY, 2011/2012-2021/2022 [INDEX VALUE]**

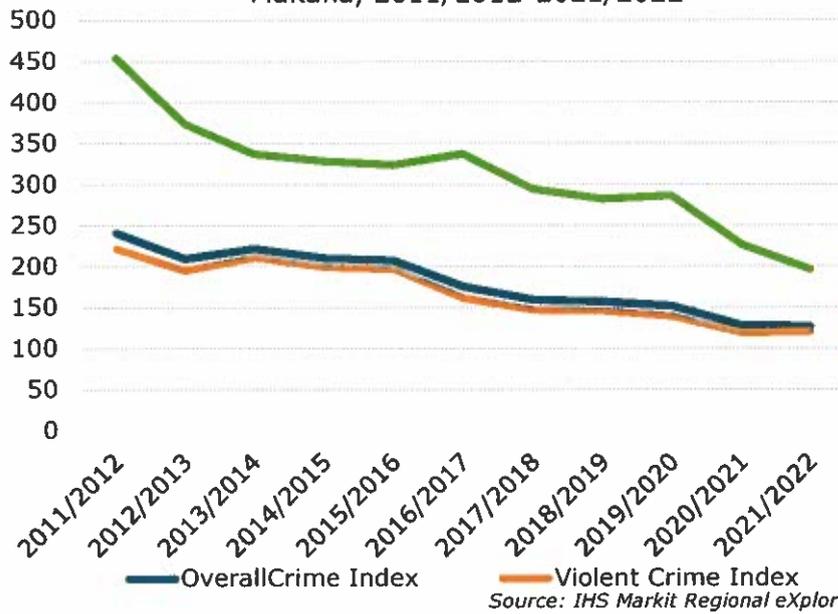
### **IHS COMPOSITE CRIME INDEX**

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### **Overall crime Index:**

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time or comparing the crime levels across regions.

**Overall, Violent and Property Crime Index  
Makana, 2011/2012-2021/2022**



For the period 2011/2012 to 2021/2022 overall crime has decrease at an average annual rate of 6.22% within the Makana Local Municipality. Violent crime decreased by 5.91% since 2011/2012, while property crimes decreased by 8.05% between the 2011/2012 and 2021/2022 financial years.

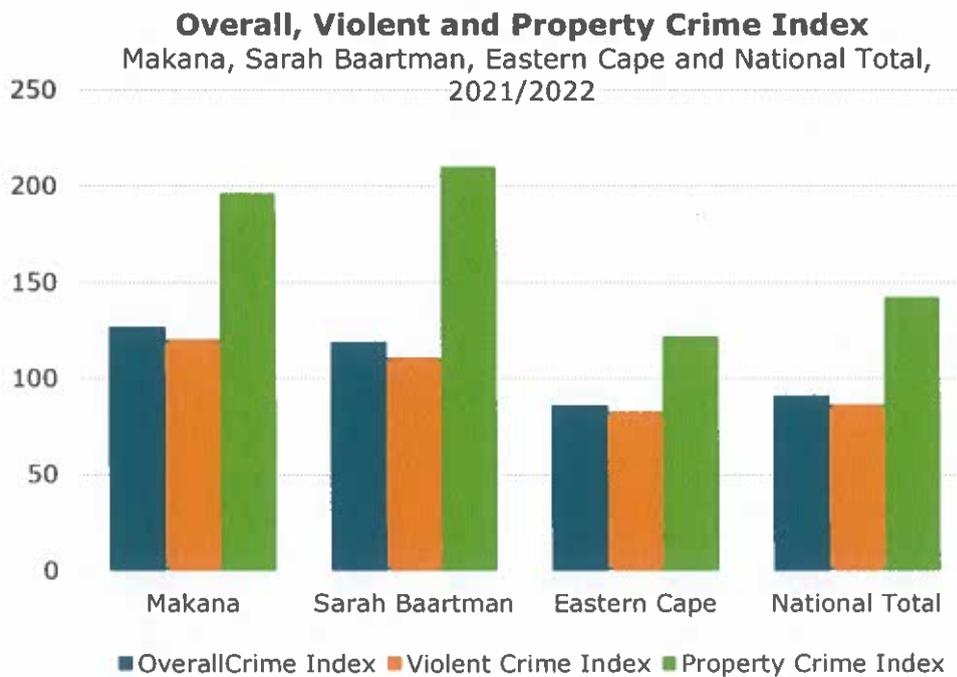
**OVERALL CRIME INDEX - MAKANA LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN,  
2011/2012-2021/2022 [INDEX VALUE]**

	Makana	Dr Beyers Naude	Blue Crane Route	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2011/2012	241.03	125.05	143.58	181.04	174.38	142.46	176.76
2012/2013	209.78	131.39	138.20	176.40	175.49	123.87	159.70
2013/2014	221.84	116.71	145.60	172.83	168.85	123.41	148.39
2014/2015	210.28	122.42	135.71	181.44	172.91	119.97	143.65
2015/2016	207.28	132.97	131.13	171.30	156.29	124.26	128.34
2016/2017	175.66	127.48	135.64	170.25	133.21	127.09	127.86
2017/2018	159.29	119.99	121.86	157.95	133.40	120.25	136.92
2018/2019	157.29	121.85	125.33	169.33	155.99	121.35	138.32
2019/2020	151.70	124.91	129.43	147.26	158.54	117.34	111.10
2020/2021	127.86	111.88	97.03	128.51	139.73	89.54	86.38
2021/2022	126.82	117.43	116.77	131.13	156.44	94.89	103.46
<b>Average Annual growth</b>							
2011/12-2021/22	-6.22%	-0.63%	-2.05%	-3.17%	-1.08%	-3.98%	-5.22%

*Source: IHS Markit Regional eXplorer version 2257*

In 2021/2022, the Sundays River Valley Local Municipality has the highest overall crime rate of the sub-regions within the overall Sarah Baartman District Municipality with an index value of 156. Ndlambe Local Municipality has the second highest overall crime index at 131, with Makana Local Municipality having the third highest overall crime index of 127. All the crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. Kou-Kamma Local Municipality has the second lowest overall crime index of 104 and the Kouga Local Municipality has the lowest overall crime rate of 94.9. Crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. The region that decreased the most in overall crime since 2011/2012 was Makana Local Municipality with an average annual decrease of 6.2% followed by Kou-Kamma Local Municipality with an average annual decrease of 5.2%.

**IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2021/2022 [INDEX VALUE]**



Source: IHS Markit Regional eXplorer version 2257

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

## CHAPTER TWO: MUNICIPAL GOVERNANCE:

In the quest to realise Makana Municipality's vision of "A Great Place to be", it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

Makana Municipality is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 118 of 1998) as a Municipality with a Mayoral Executive System combined with a Ward Participatory System. Section 2(b) of the Municipal Systems Act states that a Municipality is constituted by its Political Structures, Administration and Community

The Municipality is a Category B Municipality (local municipality) with an Executive Mayoral Committee System combined with a Ward Participatory System, as defined under Chapter 1 of the Local Government: Municipal Structures Act No. 117 of 1998. The Political and Administrative seat is situated in Makhanda.

### 2.1. POLITICAL GOVERNANCE

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Makana Municipal Council governs the local government affairs of the local community on its own initiative.

The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the Municipal Manager are defined and adhered to accordingly.

#### 2.1.1. The Outline of Makana's Political Structure



The Executive Mayor, assisted by the Mayoral Committee heads the political executive arm of the Municipality. The Executive Mayor is at the center of the system of governance since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility.

The key element of the executive model is that the executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation.

Although she is accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in close conjunction with the Mayoral Committee.

The Municipal Council which comprises 27 Councillors, 14 of whom are Ward Councillors and 13 of whom are Proportional Representative (PR) Councillors. The Speaker is the Chairperson of the Municipal Council. There is an Executive Mayor and Executive Mayoral Committee; and Portfolio Committees who provide oversight on directorial operations.

#### 2.1.2.1 FULL-TIME OFFICER BEARERS-

REF NO	DESIGNATION	FUNCTION
01	<b>Council Speaker Cllr Mthuthuzeli Matyumza</b>	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> <li>▪ Presides over the Council meetings.</li> <li>▪ Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).</li> <li>▪ Must ensure that the Council meets at least quarterly.</li> <li>▪ Must maintain order during meetings.</li> <li>▪ Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and</li> <li>▪ Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.</li> </ul>

02	<b>Executive Mayor Cllr Yandiswa Vara</b>	<p>The Executive Mayor represents the public and is the chief political principal of the municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> <li>▪ Identify the needs of the Municipality.</li> <li>▪ Review and evaluate those needs in order of priority.</li> <li>▪ Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, considering any applicable national and provincial development plans; and</li> <li>▪ Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.</li> </ul>
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#### 2.1.2.2 FULL-TIME OFFICE BEARERS:

REF NO	DESIGNATION	NAME
01	<b>Council Speaker</b>	<ul style="list-style-type: none"> <li>▪ <b>Cllr M Matyumza</b></li> </ul>
02	<b>Executive Mayor</b>	<ul style="list-style-type: none"> <li>▪ <b>Cllr Y Vara</b></li> </ul>

#### 2.1.3. Council and Councilors.

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

It focuses on legislation, decision-making, oversight, and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the Municipal Manager and other staff members where applicable.

Makana Municipal Council consists of 14 ward councilors and 13 proportionally elected councilors. Political parties are represented through elected councilors from the ANC (14), DA (5), and EFF (2), MCF (5), IND (1)

#### 2.1.4. Political Decision Making

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the way Council takes decisions. A quorum of all Councilors must be present to take any decision and most of the votes cast results in a legal decision.

The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

- The passing of policies and by-laws
- The approval of IDP and budgets
- The imposition of rates and other taxes, levies and duties
- The raising of loans and
- Appointment of section 54 and 57 employees

Time Meeting Month	09:00 Council	10:00 EMT	10:00 MPAC	10:00 Aesth Comm.	09:00 Employ & Train	09:00 OHS	09:00 LLF	09:00 Risk Comm	09:00 Social Develo	Infrastru Develop	09:00 LED Sub Comm	09:00 LED	09:00 Finance	09:00 Corp & Shared	11:00 Mayoral	14:00 Library	09:00 BSC	11:00 Audit Comm	10:00 IGR	Period	
Items Closing July	14/7/23							05/7/23							30/6/23						1st Quarter
July meeting	31/7/23 OC	04/7/23	21/7/23	17/7/23	19/7/23	20/7/23		13/7/23			27/7/23				11/7/23		13/7/23	20/7/23	18/7/23		
Items Closing August	18/8/23								04/8/23	04/8/23		11/8/23	11/8/23	10/8/23							
August Meeting	30/8/23		18/8/23				01/8/23		16/8/23	17/8/23		22/8/23	24/8/23	23/8/23	01/9/23	31/8/23	29/8/23	25/8/23			
Items Closing Sept																					
Sept Meeting			21/9/23		05/9/23		13/9/23		06/9/23						20/9/23		12/9/23				
Items Closing Oct	13/10/23								31/10/23												
Oct. Meeting	31/10/23 OC	4/10/23	24/10/23	25/10/23	18/10/23	5/10/23	1/10/23	11/10/23			26/10/23						12/10/23	19/10/23	17/10/23		2nd Quarter
Items Closing Nov.									27/11/23	27/11/23		14/11/23	21/11/23	15/11/23			16/11/23	28/11/23			
Nov. Meeting			22/11/23						08/11/23	09/11/23		14/11/23	21/11/23	15/11/23	25/12/23		23/11/23	28/11/23			
Items Closing Dec.																					
Dec. Meeting			13/12/23												05/12/23		12/12/23				
Item Closing January 2024	19/01/24							10/01/24													
January Meeting	31/01/24 OC			23/01/23	26/01/24		30/01/24	18/01/24			01/01/24						12/01/24	25/01/24	24/01/24		
Item Closing February	16/02/24								02/02/24	02/02/24		09/02/24	09/02/24	02/02/24							
February Meeting	28/02/24	07/2/24	22/02/24						13/02/24	14/02/24		20/02/24	27/02/24	15/02/24			23/02/24	16/02/24			
Item Closing March	16/03/24														02/03/24						
March Meeting	27/03/24		20/03/24												13/03/24		12/03/24				
Items Closing April	13/04/24																				
April Meeting	25/04/24 OC	15/04/24	18/04/24																		
Items Closing May	18/05/24																				
May Meeting	31/05/24		22/05/24				02/05/24	03/06/24	15/05/24	16/05/24		17/05/24	23/05/24	21/05/24	01/06/24	31/05/24	14/05/24				
Item Closing June	11/06/24																				
June Meeting	20/06/24		18/06/24					11/06/24							19/06/24		13/06/24				

### 2.1.5 Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions. The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

The Committee assists in harnessing the common understanding between political and administrative components before the IDP reports are considered at the council meeting. It also makes recommendations to the IDP Representative Forum

#### 2.1.5.1 MAYORAL COMMITTEE BEARERS- FROM DECEMBER

REF NO.	COUNCILLOR	PORTFOLIO
01	Cllr T. Vayo	Chairperson Social Services Development
02	Cllr M.R. Xonxa	Chairperson Financial Administration, Monitoring & Evaluation – Corporate Services
03	Cllr Z.A Hoyi	Chairperson Financial Administration, Monitoring & Evaluation – Finance
04	Cllr G.B. Mene	Chairperson Engineering & Infrastructure Development:
05	Cllr M. Nkwentsha	Local Economic Development and Planning

#### 2.1.6 Portfolio Committees

Five (5) Section 80 committees are established, namely: PSSS, FAME, BTO, EIS and LED to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor. They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them.

The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councilors and form part of the Mayoral Committee.

#### 2.1.7 Municipal Public Accounts Committee (MPAC)

Section 79 committees are permanent committees appointed to advise the municipal Council. The council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). No members from the political executive arm are a member of the MPAC.

The committee met on four (4) occasions during the year under review to deal with Annual and Oversight Report of 2023/24 Annual Report as well as considering matters relating to unauthorized, irregular, fruitless, and wasteful expenditure.

#### 2.1.7.1 MPAC MEMEBRS:

REF NO	NAME	CAPACITY	POLITICAL PARTY
01	Cllr M. Booysen	Chairperson	EFF
02	Cllr V Jezi	Member	ANC
03	Cllr S. Zono	Member	ANC
04	Cllr L Sizani	Member	DA
05	Cllr Z. Mantla	Member	MCF

#### 2.1.8 Audit Committee

In compliance with Section 166(2) of the MFMA, Council has an Audit and Risk Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- Internal control.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting and information.
- Annual financial statements
- Performance management.
- Governance
- Compliance with MFMA, DoRA and other applicable legislation.
- Issues raised by the Auditor-General and Internal Audit, and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit and Risk Committee Terms of Reference are reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit and Risk Committee meets on a quarterly basis and details regarding their recommendations to Council can be found in the Internal Audit reports.

##### 2.1.8.1. Members of the Audit and Performance Committee

Ref No.	Name	Capacity
01	Prof W. Plaatjies	Chairperson
02	Ms. Mahlakahlaka	Member
03	Mr. Manthe	Member

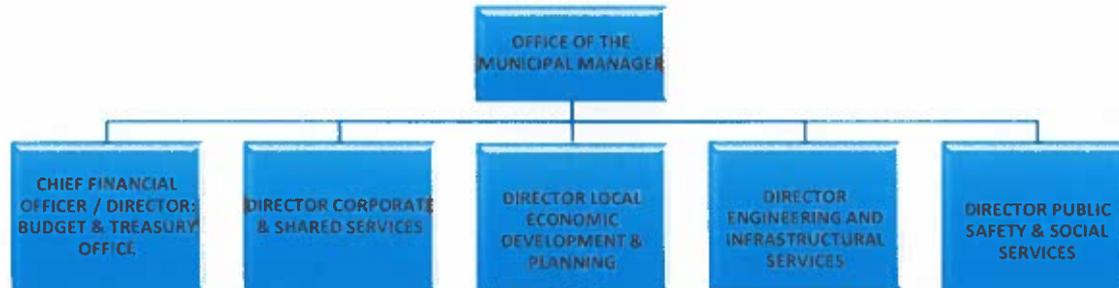
## 2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Accounting Officer of the Municipality and the head of Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities.

He is assisted by his Senior Management Team (SMT), which comprises of the Directors of the five directorates established in the organogram as indicated in the chart below. There are also six (6) divisional managers reporting directly to the Municipal Manager. The SMT meet at least twice on monthly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

The Municipal Manager provides direction and support to all officials under his leadership. Committees exist in ensuring smooth operation both within the institution and to the communities we serve, such committees as the Management Committee that constitutes of the Municipal Manager and his Directors as well as the Extended Management Committee which constitutes of the Municipal Manager, Directors and Operational Managers.

### 2.2.1 Organogram



The municipality undertook a comprehensive organisational development exercise for the entire institution. The objective was the alignment of the current and future organisational needs.

Workshops were conducted with both senior managers and middle managers to discuss and consider current and emerging issues and how these might apply at Makana local municipality. Individual meetings were then held with all managers to gain their personal insight into service levels, resourcing, performance, structure and sustainability.

### **Senior Management of the Municipality**

- Municipal Manager: **Mr Pumelelo Kate**
- Chief Financial Officer: **Ms Nomfundo Ntsangani**
- Director Corporate and Shared Services: **Mr Xolela Kalashe**
- Director Engineering and Infrastructure: **Mr Mzomhle Radu (Acting)**
- Director Public Safety and Community Services: **Ms Ntombesizwe Notyeke**
- Director Local Economic Development and Planning: **Ms Natasha. Koahla**

## **2.3 INTERGOVERNMENTAL RELATIONS**

An intergovernmental Relations Forum exists under the guidance of the Executive Mayor. The purpose of the forum is to coordinate the planning of projects and the implementation of programmes emanating from the IDP processes.

The meetings of the IGR Forum are chaired by the Executive Mayor and convened on a quarterly basis with all local Government Departments being represented by Senior-Decision Makers. The impact of COVID19 pandemic introduced virtual meetings to continue with servicing the community of Makana by discussing issues concerning service delivery and compliance.

### **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 Muni-MEC and similar structures with all resolutions taken at that level being worked into the Makana Council agenda. The value of this interaction is in ensuring that the needs of the local community are considered when the implementation of Government Projects are 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 Sarah Baartman District Municipal Managers Forum. This ensures that information related to new initiatives in the district is effectively relayed to the Makana Municipality's Senior Management.

## **2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.4.1 STAKEHOLDER INPUT AND COMMUNITY BASED PLANNING**

The IDP is about determining the stakeholder and community needs and priorities which need to be addressed to contribute to the improvement of the quality of life of residents within the municipal area. As is required by law, public participation meetings were held within the municipal space to go through community needs and priorities, to refine, add and remove those that are no longer a priority.

### **2.4.2 WARD PUBLIC MEETINGS**

Community meetings are held per ward-by-Ward Councillors and their committees at least once per quarter. Notices to the public/ residents are distributed at least two days in advance for the communities to prepare for such meetings.

The municipality also makes use of the local Radio, and Virtual Newspaper to inform the public as well as social media e.g., WhatsApp groups and MobiSAM. This helps to get the message to the people on time so they can plan their questions and make necessary arrangements to attend.

As is required by law, there were IDP revision / budget process review meetings held in 2022-2023 financial year. Public participation meetings with regards to Community development priorities were held in March 2023 and the public was also consulted in May for the approval of the municipal budget and Integrated Development Plan of the municipality.

#### **2.4.4.1 WARD COMMITTEES**

Ward committees form an essential part of the public participation process, and these structures are particularly useful to ensure a relationship between Councilors and ward residents. It provides the opportunity to discuss local matters that concern the residents in that ward. Ward committees play an important role in this regard as they advise on the projects the community would like to have implemented in their wards.

These ward projects further strengthen the relationship between the Municipality and the communities due to the direct impact that the ward committees can make on development projects in their wards.

The purpose of ward committees:

- To act as an advisory committee to the Ward Councillor and Council.
- To ensure two-way communication to and from the community.
- To identify ward specific needs and to refer same to the administration and Council for attention.

- To actively partake in the annual IDP ward based public meetings.
- To assist the Ward Councillor in identifying ward projects and ward capital projects
- To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- To discuss ward related Council agenda items and to make inputs regarding same if necessary.

The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to hold regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker's Office. The functionality of the ward committees is monitored and reported on to the Council on a quarterly basis.

#### 2.4.4.1 IDP/ Budget Roadshows:

**Table: IDP BUDGET ROADSHOWS:**

WARD	AREA	VENUE	DATE	TIME	STATUS
1	RIEBEECK EAST	ALFRED KOTA DIKE HALL	07.05.24	10:00	SUCCESS
02; 03 05; 06 09; 11	A, B, C, D, BLOCKS, EXT 1, 2, 3, EXT 10, MNANDI, EXT 3; EXT 08, TRANSIT CAMP, EXT 9, PA, EXT 6, BLOCK D, EXT 4, EXT 5, EXT 7, LINGELIHLE, ETHEMBENI, KHAYELITSHA, 26 SITES	INDOOR SPORT CENTRE	07.05.24	17:00	POSTPONED
03; 04	PHAPHAMANI, PHOLA PARK, SUN CITY, GHOAST TOWN, ZOLANI; GRAEME COLLEGE, ST AIDENS, SCOTT'S FARM, ALBANY ROAD, KINGSWOOD, ANDREW HEMRO, VERGENOEG,	RECREATION HALL	08.05.24	17:00	SUCCESS
13	SALEM	SALEM CLUB HALL	09.05.24	10:00	SUCCESS
08 12	SUNNYSIDE, FORT ENGLAND AREA, CBD, RHODES UNIVERSITY, SOMMERSET STREET	CITY HALL	15.05.24		SUCCESS
14	ALICEDALE	TOWNHALL	16.05.24		SUCCESS
02; 03 05; 06 09; 11	A,B,C,D, BLOCKS EXT 1,2,3; EXT 10, MNANDI, EXT 3; EXT 08, TRANSIT CAMP, EXT 9, ENKANINI; PA, EXT 4 & 6; PTN OF BLOCK	INDOOR SPORT CENTRE	16.05.24		SUCCESS

	D AND EXT 5; EXT 7, LINGELIHLE, ETHEMBENI, KHAYELITSHA, 26 SITES				
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### MAYORAL IMBIZO

DATE	WARD	VENUE	TIME
05/11/2024	01	COMMUNITY HALL	10:00
06/11/2024	02,03,05,06,09,11	INDOOR SPORT CENTRE	16H00
07/11/2024	07,09,10,13	FOLEYS GROUND	16H00
12/11/2024	13	YANDELL	10:00
12/11/2024	14	COMMUNITY HALL (SEVEN-FOUNTAINS)	14:00
13/11/2024	03, 04	RECREATION	16H00
14/11/2024	08, 12	CITY HALL	16:00

These meetings help with the planning of projects for the following financial year budgeting. These sessions provide an opportunity for municipality to interact with the communities to get feedback and recommendations for the next financial year.

## 2.5 CORPORATE GOVERNANCE

### 2.5.1 Internal Audit and Risk Committee:

The current Audit and Risk Committee was appointed by Council in August 2021 effective from the 01 August 2021 to serve for a period of three years. The Chairperson of the committee was reappointed and there were three new members that were appointed of which one resigned. The committee holds its quarterly meetings and performs its function in terms of the Makana Municipality Audit and Risk Committee Charter approved by Council and Performance Management System Framework which are reviewed annually before the start of each financial year.

#### Other parties in attendance are:

**Makana Municipality:** The Municipal Manager, Director of Budget & Treasury / Chief Financial officer, Director of LED & Planning, Director Engineering & Infrastructural Services, Director of Corporate Services and Director Public Safety and Community Services.

**Managers:** Internal Audit; IDP/PMS Managers and the MPAC Chairperson act as ex-officio.

**External Parties:** Provincial Treasury; Provincial CoGTA and Auditor-General representatives.

### 2.5.2 Internal Audit Unit:

The Municipality has an in-house Internal Audit Unit in place that is in the office of the Municipal Manager, headed by an Internal Audit Manager. The staff component consists of Internal Audit Manager, 1x Senior Internal Auditor appointed and 1x Internal Auditor. The Internal Audit Unit also having 2 vacant positions for Internal Auditors. Risk based and statutory audits as required by section 165 of the Municipal Finance Management Act are performed each year including Ad – Hoc requests from time to time.

### 2.5.3 Risk Management:

A risk management framework is in existence and there is a risk-based audit plan. Risk management is not fully embedded in the culture and internal control processes of the municipality. There is a fully functional Risk Management Committee that has an independent Committee Chairperson. Annual Risk Assessment workshops are held where a development and review of the strategic risk register is done. Quarter risk reviews and monitoring is in place and reports produced on the implementation of corrective action are prepared quarterly.

### Summary of Strategic Institutional Risks

No	Risk Description	Mitigation actions to be taken
1.	<b>No financial sustainability (not a going concern)</b>	<p>1. i) Ensuring disconnections are managed effectively.</p> <p>2.i) Monthly meter reading is implemented.</p> <p>ii) Conduct variance meter report before billing is done.</p> <p>iii) Replacement of faulty meters and installation of meters where there is none.</p> <p>3. i) Conduct roadshows to inform the public about the financial position of the municipality. ii) Timely attendance of complaints by Technical Services. iii) Community services to collect refuse as scheduled 4.i) Put set timeframes for renewal of indigent applications ii) Improve on awareness campaigns to consumers</p> <p>5.i) Disposal of our obsolete assets to generate cash -</p> <p>ii) Reduce expenditure on salaries, fuel, telephone, and other controllable expenditure. iii) Cash flow management to address service delivery challenges</p>

2.	<b>Inadequate water supply</b>	1 & 2. (i) Development of WSDP with O&M plan. ii) Implement and monitor the WSDP and O&M plans. 3. Installation and monitoring of CCTV surveillance. 4. Develop a Multi-year budgeting in line with the SDBIP 6. Isolation of plants from loadshedding schedule to ensure better supply of water. 7. Enhance selection process to ensure that the best service provider is selected.
3	<b>Ageing road and storm water infrastructure</b>	1, 2 and 4. (i) Development of roads and storm water master plan. (ii) Implement and monitor roads and stormwater master plan. 3.i) Develop a Multi-year budgeting in line with the SDBIP ii) sourcing of funding from government sectors. iii) sourcing funding from sponsors
4	<b>Unstable and poor reliability of supply of electricity</b>	1 & 2. (i) Development of Electricity master with O&M plan. (ii) Implement and monitor the electricity master and O&M plans. 3. Installation and monitoring of CCTV surveillance. 4. Develop a Multi-year budgeting in line with the SDBIP
5.	<b>Inability to effectively manage solid waste</b>	1. a-c) i) Re-allocation of equitable share adequately for waste management. ii) implement the Developed waste management tariffs for landfill sites. iii) procurement of waste management fleet with the Lobbied funding from Dept of economic development and environmental affairs and development of material recovery facility/drop off centre. d) i) employment of more personnel to cleansing ii) Filling of critical positions. 2. Increase frequency of awareness campaigns to weekly. 3. i) Annual Review of by-laws. ii) Create and Appoint peace officers for waste management by-laws to conduct monitoring and enforcement. 5. Review refuse bills for residents that have flats.
6.	<b>Ineffective strategic management planning processes</b>	1. a) Development of Directorate operation SDBIP Scorecard 2 Cascading of PMS to all management levels.3. Timeous conduct regularly performance review through management review monthly and quarterly evaluations
7.	<b>Noncompliance with laws and statutory regulations</b>	Institutionalise Compliance Management. Conduct quarterly reviews on the alignment of IDP, Budget and SDBIP for all levels of management.
8.	<b>Inadequate implementation of ict governance framework</b>	1.i) Procurement of effective SAN /NAS storage servers ii) Procurement of external hard drives for senior and middle managers to backup data. 2. Procurement of specialised network monitoring software and infiltration of network data on municipal servers. 3. Procurement of specialised log management tools to view system logs centrally.4. Appointment of a service provider on an SLA basis to manage and support the municipality's physical network infrastructure of the municipality. 5. Procurement of effective back up hardware and software.

9.	<b>Poor execution of capital projects</b>	<p><b>PROJECT MANAGER</b></p> <p>1. Ensure Proper planning for all projects. 2. Proper Identification of SMME packages. 3. Reporting all fraudulent activities 4. Prepare realistic project cashflow. 5. and 6. Set Realistic programs. 7. Submission of monthly and quarterly reports by the Manager.</p> <p><b>B. FINANCE</b></p> <p>1. Convene workshops for training on SCM procedures for SCM staff and Bid committee members. 2. Training of BSC members on tender specifications. 3. Training of the BEC members on tender evaluation. 4. Appoint competent secretariat staff. 5. Conduct War rooms for objection AND LITIGATIONS with SBDM. Need planning checklist.</p>
10.	<b>Business continuity compromised</b>	<p>Review the Disaster Recovery Plan. Installation of the VPN solution Use Alicedale office as a disaster recovery site. Server capacity be increased. Space requirements and centralised records management system. A singular system that encompasses all records (GRC system). Backups done on a regular basis.</p> <p>Create an offsite storage space. Appointment of an experienced ICT Manager. Appointment of ICT security officer to Safe-guard manual records.</p>
11.	<b>Inadequate implementation of spatial planning and land use management</b>	<p>1. a) Capacitate the existing building inspector and controller to be the peace officers to effectively deal with illegal buildings. b) develop building control by-law. 2. Provision of adequate basic infrastructure (conduct (technical studies to ascertain the required levels of basic infrastructure) 3. Mobilise funding</p>
12	<b>Sewer spillages and inadequate wastewater treatment plants</b>	<p>1 &amp; 2. (i) Development of WSDP with O&amp;M plan. (ii) Implement and monitor the WSDP and O&amp;M plans. 3. Installation and monitoring of CCTV surveillance. 4. Develop a Multi-year budgeting in line with the SDBIP 6. Upgrading the infrastructure 7. Close monitoring of the refurbishment project and submit monthly reports</p>
13	<b>Inadequate management of municipal public amenities</b>	<p>1. Review public amenities management and maintenance plan. 2. i) Review the allocation of equitable shares to cater for public amenities. ii) Procurement for repairs and replacement. 3. Appointment of security personnel to guard and monitor the amenities. 4. Upgrade the insurance cover.</p>

#### 2.5.4 Fraud and Anti-Corruption Strategy:

The Makana Municipality developed and adopted a Fraud Prevention Framework, and Fraud Prevention has been included in the KPAs of the Directors. During the year of review, the Municipality assigned this function to the Risk manager and attempts were made to operationalise fraud-reporting. An independent Fraud reporting Hotline has been established and operational and

a Fraud Whistle Blower Policy was formulated to protect whistle blowers. Quarterly fraud report is submitted.

#### **2.5.5 Dedicated Fraud hotline numbers: 046 001 0012 and 087 809 4100:**

All legitimate matters are reported to this number for further investigation. Furthermore, in accordance with the Protected Disclosure Act 26 of 2000, Makana Municipality provides assurance to all staff members, the public, suppliers, and other stakeholders related to the municipality, that they will be protected from any victimisation arising from any legitimate matters reported through any of the reporting channels provided.

#### **2.5.7 Information Communication and Technology**

Information Communication & Technology (ICT) section is responsible for the following functions: Planning, Network, Data, Security and Support.

**Makana Municipality's ICT Environment supports about 150 users. The municipality has the following offices namely:**

I. Corporate Services	Admin/ HR City Hall/ High Street
II. Financial Viability	Finance Building High Street
III. Infrastructure Services	Engineering Building High Street
IV. Alicedale Office	
V. Riebeeck East Office	
VI. Electricity	
VII. Asset Management	Stores Breytenbach Road
VIII. Land and Estate Housing	Sonny Street/ Joza
IX. Parks Recreational	Parks
X. Traffic Services	Knight Street
XI. Fire Services	Knight Street
XII. Cleansing	Knight Street
XIII. Environmental Services	Knight Street
XIV. Internal Audit	Knight Street
XV. Strategic Planning & Monitoring	Knight Street
XVI. Local Economic Development	High Street
XVII. Legal	City Hall/ High Street
XVIII. Records Management	City Hall/ High Street

### **2.5.8 Status report on public participation (councillors and ward committees)**

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

The meetings are held according to the "Back to Basics" concept and meetings as follows:

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

Ward Committee reports are submitted to the office of the Speaker every month from all the wards with attendance registers used as a proof that the Ward Committee meeting that took place and that is also used as proof for the payment of the stipends to Ward Committee members.

**Ward General Meetings:** most of the wards do not hold their general meetings. The reports are submitted to the Council as an item quarterly.

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

**MASIPHATHISANE:** In Makana municipality Masiphathisane/ War Rooms have been established in all the wards of the municipality but are inactive. The challenge is however that only one ward (ward 2) has a functioning war room where they hold meetings and attend to the problems raised in the meetings.

**STAKEHOLDERS:** Makana Municipality has a database of its stakeholders and meet bi-monthly with them to discuss community concerns and progress on community projects.

**WOMEN'S CAUCUS:** A Women's caucus has been established and is not fully active.

**WOMEN'S FORUM:** A Women's Forum has been established and would be launched in the next financial year.

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

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

## CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

### 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process.

Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organization.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management.

The idea of a government that is accountable is important to meet the needs of Makana Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources.
- Ensure accountable public administration.
- Be transparent by providing information.
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report was made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players".

Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, inter alia, reflects the linkage between the IDP, the Budget and the SDBIP.

### **3.1.2 Legislative requirements**

In terms of section 46(1) (a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality's performance and any service provider's performance during the financial year. The APR must furthermore indicate the development and service delivery priorities, and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance.

### **3.1.3 The IDP and the Budget**

The Municipal Systems Act requires that the Municipality's Integrated Development Plan be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the municipality.

### **3.1.4 Service Delivery and Budget Implementation Plan (SDBIP)**

The organisational performance is evaluated by means of a Municipal Scorecard (Top Layer SDBIP) at organisational level through the Service Delivery and Budget Implementation Plan (SDBIP) quarterly performance reports.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the Municipality is implemented. It also allocates responsibility to Departments to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned.
- The budget must address the strategic priorities.
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The Municipal Scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council/Senior Management and provide an overall picture of performance for the

Municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

One-year detailed plan, but should include a three-year capital plan, the necessary components include:

- Monthly projections of revenue to be collected for each source; this component is reported through section 71 monthly by the Budget and Treasury Office.
- Expected revenue to be collected NOT billed; this component is reported through section 71 monthly by the Budget and Treasury Office.
- Monthly projections of expenditure (operating and capital) and revenue for each vote; this component is reported through section 71 monthly by the Budget and Treasury Office.
- Quarterly projections of service delivery targets and performance indicators for nonfinancial measurable performance objectives; this component is reported to Council quarterly

#### **3.1.5.3 Amendment of the Top-Layer SDBIP**

SDBIP is developed to improve on performance planning, implementation, measurement and reporting, the institution implemented the following actions. IDP and Budget for 2023/24 financial year were approved by Council on the 25<sup>th</sup> of May 2024 subsequently to that, SDBIP was approved on 28<sup>th</sup> June 2023 and adjusted on the 28<sup>th</sup> of February 2024. after consideration and approval of adjusted 2022/23 MTREF budget to reaffirm by Council in committing to achieve its service delivery targets as well as address the Internal audit and AG findings.

#### **3.1.6 Organisational Performance**

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The Annual Performance Report (APR) highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

### **3.1.7 Performance Management Policy Framework**

The Municipality adopted a Performance Management (PM) Policy Framework. The Policy was reviewed and approved by the Council April 2024. The PM Policy articulates the Municipality's objectives to promote accountability and the overall strategy of the Municipality.

Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regard to performance management. Each municipality must develop a performance management system (PMS) to enhance service delivery inputs to maximise outputs to the community.

The MSA emphasises the amplified role of the Council in performance management. Legislative enactments which govern performance management in municipalities are found in various documents.

As outlined in Section 40 of the MSA, Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

### **3.1.8 Actual performance (2023-2024)**

The Municipality utilises an automotive system on which KPI owners update actual performance on a quarterly basis. KPI owners report on the results of the KPI by documenting the following information on the Performance Management system.

The actual result in terms of the set target:

- A performance comments.
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.
- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results update and provide it to performance management unit for evaluation and the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

### **3.1.9 Monitoring of the SDBIP**

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of section of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance

Management Act to assess the performance of the Municipality during the first half of the financial year.

- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to the Council for information.

### 3.1.10 Individual performance

Individual performance is implemented at senior management only and its coordination is done in the office of the municipal manager. In the 2020-21 financial year Council resolved that cascading of the PMS would be managed and coordinated in Corporate & Shared Services department under the Organizational Development unit.

### 3.1.11 Municipal Manager and Directors Accountable to the Municipal Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance-based agreements with all section 57 employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

**The performance agreements for the section 57 appointments for the 2023-24 financial year were signed as follows:**

- Municipal Manager – 31 July 2023
- Chief Financial Officer – 31 July 2023
- Director: Public Safety and Community Services – 31 July 2023
- Director: LED and Planning – 31 July 2023
- Director: Engineering & Infrastructure Services – Vacant
- Director: Corporate & Shared Services – 31 July 2023

## 3.2 OVERALL PERFORMANCE RESULT FOR SDBIP 2023/2024 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality’s actual performance against the planned targets as derived from the Municipality’s IDP. Since the Municipality has 6 Development priorities with the inclusive of Human Settlement under Basis service delivery and infrastructure development. An overview of the overall Municipality’s actual performance linked to the National KPA’s not yet available as they link with finalisation Annual Financial Statement

COLOR CODE	STATUS	DESCRIPTION
N/A	KPI Information not Available yet	KPIs with no targets linked to finalisation Annual Financial Statement

G	KPI Fully Effective	Actual meets Target (Actual/Target = 100%)
G2	KPI Performance Significantly Above Expectations	100.001% <= Actual/Target <= 149.999%
B	KPI Outstanding Performance	150.000% <= Actual/Target
R	KPI Unacceptable Performance	0% <= Actual/Target <= 74.999%
O	Performance Not Fully Effective-(Partially)	75.000% <= Actual/Target <= 99.999%

There were 62 Key Performance Indicator (KPI) in the Adjusted Service Delivery Budget Implementation Plan for 2022-23 Financial year. For this Annual Performance report 62 Key Performance Indicators has been reviewed. For the year under review 36 KPI (58%) were achieved, 7 KPI (11%) were not fully met (partially achieved) and KPI 26 (41%) were unacceptable performance.

#### 5.1 Overall performance Key Performance Area (KPA)

KPA	NO KPI	ACHIEVED	PARTIALLY	OVER	2022-23	2023-24
Basic Service and Infrastructure Development	9	0	1	0	33%	0 %
Community and Social Cohesion	10	7	3	2	63%	70%
Local Economic development and Planning	14	11	0	1	44%	78%
Institutional Capacity and Organisational Development	10	6	1	0	58%	60%
Financial Viability and Management	10	8	1	2	88%	80%
Good Governance & Public Participation	9	2	1	0	45%	22%
<b>TOTAL</b>	<b>62</b>	<b>34</b>	<b>7</b>	<b>5</b>	<b>54%</b>	<b>55%</b>

#### 3.2.2 Audit of Performance Information

The Auditor General's Office concluded their audit during November 2023, no Audit Opinion was expressed on Performance information 2023/24. The main issues attributed to the finding in performance information is related to Reliability *of reported performance information*.

AUDIT OPINION	2020/21	2021/2022	2022/23	2023-24	2024-25
Unqualified opinion without matters (Clean Audit)					
Unqualified opinion with emphasis of matter or other matters					
Qualified opinion	X	X	No opinion expressed	No opinion expressed	
Adverse opinion					
Disclaimer					X

### 3.3 BASIC SERVICE DELIVERY

Water, Sanitation, Roads, Electricity (Electricity in the former Makhanda East area and certain rural areas is supplied by Eskom, whilst the former Makhanda West and parts of Alicedale are supplied by the Municipality), wastewater and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Makana inhabitants which is a mandate of the municipality. Other services such as Libraries, Traffic Control and Environmental Management has service level agreements with sector provincial departments. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements.

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 marketing 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.

#### 3.3.1 WATER AND 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 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.

### 3.3.1.1 Water Provision

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 the funding of some water capital projects through Municipality Infrastructure Grant. The Municipality has the responsibility of implementing water services projects and maintenance thereof. Water deliveries are made by trucks to rural areas on request by the Community and Social Services Directorate.

Description	2024/25 Actual No of Households
Water: (above min level)	
Piped water inside dwelling	
Piped water inside yard (but not in dwelling)	
Using public tap (standpipes)	
Other water supply (within 200m)	
Minimum Service Level and Above sub-total	
Minimum Service Level and Above Percentage	

Description	Actual no of Households for 2023-24	2024-25 Actual Household No.
Water: (below min level)		
Using public tap (more than 200m from dwelling)		
Other water supply (more than 200m from dwelling)		
No water supply		
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
<b>Total number of households</b>		

### 3.3.1.2 Water Supply

The Municipality provided its households with sufficient water except for some 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 standpipes. Makana is currently providing the basic level of services as per the RDP standards but most of our households have individual house connections. The Municipality currently supplies water from two sources, which are the Fish River and Howieson's Poort Dams.

### 3.3.1.3 Challenges

The Municipality is still struggling with its aging infrastructure and low capacity of water treatment plant due to increase of demand of water. Internally human resources capacity was also affected due to resignation of Manager for Water and Sanitation in 2017/18 year however, the manager was appointed in the 2019-20 financial year.

### 3.3.2 Wastewater (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 since 2004 Makana Municipality has been acting as both Water Services Authority and Water Service provider.

The Department of Corporate Governance and Traditional Affairs is responsible for funding of some sanitation capital projects through MIG. The Municipality has a responsibility of implementing sanitation projects and maintenance thereof.

<b>Level and standard of services</b>	The municipality has not met the target of providing households with basic sanitation services for informal settlements. It is currently providing the basic level of services as per the RDP standards. The sewer infrastructure is very old and makes use of asbestos pipes which are no longer manufactured in South Africa. This results in continuous sewer blockages and overflows. The main wastewater treatment plant is currently overloaded. There is a lack of capacity on human resources, especially on technical expertise in-order for the Municipality to respond effectively on issues of operations and maintenance. This is still a challenge.
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Annual Performance as per Key Performance Indicator in Sanitation Services					
Indicator	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of Households/customer reached during the Financial Year	Percentage of achievement during the year
Households with access to sanitation services	1%	1986	569	629	Above 100%
Indigent households with access to free basic sanitation services	8064 have benefited.	7930	8000	8604	Above 100%

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

### 3.3.2.1 Challenges

Lack of financial resources, funding application will be made to the Department of Water Services. Most schools have sanitation infrastructure but there are water pressure problems at several schools that are being addressed.

Makana is also challenged with increasing pressure on its wastewater treatment leading to works overflow i.e., Belmont Valley which is near full capacity. The Wastewater Treatment Works (WWTW) is a 5.4MI biological filter plant currently being operated at an average inflow of between 7 and 8MI/d. The plant is servicing the entire CBD and Western side and 60% of the Eastern side, Mayfield WWTW has a stated existing hydraulic capacity of 2.5 MI/day and currently treats flows from the areas known as Mayfield, Makanaskop, Kings Flats, Transit Camp and Extensions 6 and 7.

### 3.3.3 Electricity

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATOR IN ELECTICITY SERVICES						
Indicator	Total number of households or customers expected to benefit	Estimated backlogs (Actual numbers)	Target set for the financial year under review (actual numbers)	Number of households or customers reached during the financial year	Percentage of achievement during the year	Major challenges and remedial action
Households with access to electricity services	245	0	169	81	%	Funding for electrification of rural area (formalised infill area). All avenues of funding will be investigated.
Indigent households with access to basic electricity services		0	300	416	70%	None

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.

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

The Electricity Department sought funding from the Department of Minerals & Energy (DME) under the Integrated National Electrification Programme Grant (INEP), for upgrade and refurbishment of various Makana 11kv Mini-Substations. There was also a successful construction of a 66KV Overhead line refurbishment in Makhanda.

### 3.3.3.2 Challenges and remedial action

The major challenge was the absence of resources such as the vehicles and material. A further challenge was the absence of training measures for staff due to a lack of funds. In addition, the inadequate maintenance of infrastructure was a major problem. More funding would be sourced from external parties to address the challenges in the next financial year.

### 3.3.3.3 Road and Storm water

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

- The Provincial Road Construction Unit presently constructing a surfaced road between Makhanda and Alicedale. The road is situated partially within Makana and Sundays River jurisdiction.
- 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.
- 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.
- 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 each side of Makhanda 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.		
<b>Annual Performance as per Key Performance indicator in Road Maintenance</b>			
Indicator	Total number of household/ customers expected to benefit	Estimated backlogs (Actual numbers)	Major challenges and remedial action
Households without access to gravel or graded roads	350	350	Funding was a major challenge and for the next financial year a Business Plan will be developed to address this matter
Road infrastructure requiring upgrade	80%	153 kilometres	Lack of finance Shortage of material
<b>Annual performance as per Key Performance indicator in Roads Maintenance</b>			
Planned new road. infrastructure constructed	2.5 Km	176km	Insufficient funding
Capital budget reserved for road upgrading and maintenance effectively used.	2,4%	176Km	Insufficient funding

### 3.3.4 Free Basic Services and Indigent Support

The Makana Municipality provides free basic services to registered indigent residents and has a policy for indigent support that is implemented by the Finance Department.

The registration of more Indigents is a project that has been receiving attention to increase the number of beneficiaries.

### 3.4 PUBLIC SAFETY AND COMMUNITY SERVICES

#### 3.4.1 Library Services

Reporting Level	Detail	Total 2024-25
<b>Overview</b>	The provision of accessible community facilities to an acceptable standard for all people in Makana Municipality.	
<b>Description of activity</b>	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: <ul style="list-style-type: none"> <li>• Ensure that the residents have access to up-to-date information through libraries.</li> <li>• Ensure that there are libraries in needy areas.</li> <li>• Ensure that there is an acceptable standard of service for all.</li> <li>• Decrease the illiteracy rate of the Makana community.</li> </ul>	
<b>Analysis of function</b>	Statistical information: Quantity of materials circulated. <ul style="list-style-type: none"> <li>• Main Library (Hill Street)</li> <li>• Community Library</li> <li>• Duna Library</li> <li>• Fingo Library</li> <li>• Alicedale Library</li> <li>• Riebeeck East Library</li> <li>• Ext 9</li> </ul> <b>Total</b>	54,600 32,300 23,300 40,957 10,095 11,016 10,394 <b>182,662</b>
	Number of current patrons <ul style="list-style-type: none"> <li>• Main Library (Hill Street)</li> <li>• Community Library (Currie Street)</li> <li>• Duna Library</li> <li>• Fingo Library</li> <li>• Alicedale Library</li> <li>• Riebeeck East Library</li> <li>• Ext 9</li> </ul> <b>Total</b>	15,164 4,335 7,325 1,187 913 347 --- <b>29,271</b>
<b>Challenge</b>	<ul style="list-style-type: none"> <li>• Children's activities space at Fingo, Riebeeck East and Alicedale Library.</li> </ul>	
<b>Highlights</b>	<ul style="list-style-type: none"> <li>• Provision of office space at Hill Street Library for Mobile Library and Library Clerk.</li> <li>• Installation of a library detector system and CCTV camera at Duna, Fingo and Community Libraries.</li> </ul> Providing public access to internet at Fingo and Hill Street libraries using "Connect with Sarah Baartman" vibrant literacy and audio projects in all libraries.	

### **3.4.2 Environmental Management**

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. The municipal environmental awareness activities continued to be strengthened by a collaboration with the Eastern Cape's Department of Environment and Economic Development Good Green Deeds which create community awareness and engagements.

#### **3.4.2.1 Activities**

**Environmental education and awareness:** Department Environmental Affairs has seconded an official to coordinate all Environmental education and awareness program. Environmental Awareness campaigns are being created in schools throughout the municipal area of jurisdiction, planting of trees and donations of waste receptacles. Some of the schools included primary schools and high schools in Makhanda, Riebeeck East, Alicedale and Seven fountains' areas.

In addition, door to door awareness campaigns were conducted in collaborations with ward councillors, educational material was distributed and placed in libraries, clinic and police stations.

#### **EPWP THUMA MINA GREEN GOOD DEEDS PROGRAM:**

The community environmental education and awareness programme was strengthened by the appointment of twenty youth to assist with cleaning at the illegal dumping sites. These individuals were from various wards of the municipality. This programme was sponsored by the Department of Environment and Economic Development in the Eastern Cape. DEA, SALGA and Sarah Baartman District Municipal together with Makana LM embarked on the review of the waste by-laws and they are currently in a draft format, however SBDM has review Municipal Health By-laws. Several workshops were held with the group to familiarise them with municipal waste by-laws.

#### **Municipal Assisted Initiatives:**

Department of Economic Development and Environmental Affairs (DEDEA) has introduced Good Green Deeds program to assist the municipality with environmental management programs, including awareness and education program, door to door campaigns and schools outreach program. A total of 22 youth was appointed for the program.

The Municipality has also partner with Environmental NGO and was assisted with 14 young people in waste management in Makhanda area.

**Waste pickers at the landfill site:**

The recycling at the landfill site has been formalised through the appointed services, the program is currently will be monitored under the services provider's watch.

**Adopt – A- River Project:**

This initiative was a project was on hold during this financial year due to redirection of funds for EPWP which was focusing on waste management, the project will be reinstated in the next financial year as the river are once again polluted.

**Makana Municipal Invasive Action Plan:**

A **Makana Alien & Invasive Action Plan** is in place, in accordance with the terms of the Alien & Invasive Species Regulations of 2014 and the National Environmental Management: Biodiversity Act (2006), which states "all Organs of State are meant to have developed Alien Species Control Plans for areas under their jurisdiction by October 2016".

In the case of Makana municipality this regulation affects all land that is private or owned by other organs of state and would include *inter alia commonage* areas, street verges, green open spaces etc. The plan has been submitted to Council for approval in February 2017. The plan also incorporated actions underway and future such as Working for Water's activities. The plan due for review during this current financial year in collaboration with Department of Water and Sanitation.

**Environmental Risk Register:**

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

**3.4.2.2 Main challenges**

The general lack of funding to initiate community environmental projects remains a threat towards the implementation of projects. To mitigate this risk, the environmental management section continues to apply for funding from other state departments or in the form of EPWP projects.

External stakeholders should be brought in to assist the municipality to discharge its environmental mandate and be provided with various kinds of rewards such as rates rebates etc. This could be the case with environmental stewardship programmes by business and NGO entities.

The function of Environmental Health Services was recalled by the District Municipality in the financial year 2021/22. In terms of the Municipal Structures Act, Section 84 (1) (i) Municipal Health Services is the function of the District Municipality. The unit is responsible for ensuring businesses, including restaurants, comply with applicable health standards to ensure clients are not at risk of picking up diseases. Currently Municipal Health Services are performed by SBDM and monthly reports to Makana Local Municipality are submitted quarterly.

#### 3.4.3.1 Waste Management (Solid)

<p><b>Strategy and main role player</b></p>	<p>The overall objective of waste management is to reduce the generation of waste; reduce the environmental impact of all forms of waste to ensure the health of the people of Makana. The Municipality's waste management system enhances the quality of its environmental resources.</p> <p>The roles and responsibilities in terms of the National Waste Management Strategy for local government include:</p> <ul style="list-style-type: none"> <li>• Waste minimisation: Local Government must implement and enforce appropriate national waste minimisation initiatives and promote the development of voluntary partnerships with industry.</li> <li>• Recycling: Local Government is to establish recycling centres and/or facilitate community initiatives.</li> <li>• Waste collection and transportation: Local Government is to improve service delivery.</li> <li>• 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.</li> </ul> <p>Formalising and controlling of scavenging are the responsibility of the permit holder.</p>
<p><b>Level and standard of services</b></p>	<p>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.</p>

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 (farmhouses) Rural areas	0	22500	97%	Illegal dumping is a major challenge in Makana.

### 3.4.3.2 Fire and Rescue Services

Function Public Safety Sub-Function: Fire & Rescue Section	
Reporting Level	Detail
<b>Overview:</b>	Includes firefighting, fire safety and awareness campaigns. The municipality has signed a corporate agreement with Sarah Baartman District Municipality to perform the functions on agency basis as well as with the other six (6) LMs in Sarah Baartman district.
<b>Mission statement</b>	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 firefighting, emergency, rescue and fire safety service within the framework of the resources available.

#### 3.4.3.2.1 Core Functions

Core Functions (As per the Fire Brigade Services Act 99 of 1987), the municipal core function is:

- 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)

#### **3.4.3.2.2 Administration Section**

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

#### **3.4.3.2.3 Operational Section**

This section consists of four (4) Platoon Commanders, six (6) Senior Fire Fighters, twenty six (26) Fire Fighters, and four (4) Dispatchers. The following posts have been filled: Two (2) Fire fighters one (1) Senior Fire Fighter and three (3) Fire Fighter posts, are still vacant.

The operational section implements the practical aspects relating to firefighting 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.

#### **3.4.3.2.4 Fire Prevention**

Businesses are inspected to ensure that they comply with the fire safety regulations. A total of eighty-seven (87) businesses were inspected during the financial year 2023-24

#### **3.4.3.2.5 Activity**

##### **Reduction of Vegetation Fires:**

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

- Analysing the risk areas
- Training the farmers on proper fire control/ burning tactics
- Awareness campaigns involving the Fire Protection Association, Albany Working for Water, Parks Department and DAFF etc.
- Includes firefighting, fire safety and awareness campaigns.

#### **3.4.4 Mission Statement**

The municipality's mission is to provide measures to safeguard the physical wellbeing and safety of the environment and property, to ensure the implementation of an integrated and

coordinated approach to disaster management across all spheres of government, involving all relevant stakeholders.

#### **3.4.4.1 Core Functions:**

- Recruitment and training of disaster management volunteers
- Conduct disaster management awareness program at schools, farmers associations and for the general community.
- Inform the above-mentioned groups of possible disaster areas, dangers associated with it and how to deal with disaster situations.
- Advise council on disaster management legislation.
- Prepare disaster management plans to ensure maximum emergency plans for its area.
- Ensure disaster management plans are in place.
- Form an integral part of the municipal IDP.
- Anticipate the types of disaster that are likely to occur and their possible effects.
- Provide prevention and initiation strategies.
- Establish 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) and 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.

#### **3.4.4.2 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. It is headed by the Disaster Management Officer only and reporting to the Manager: Fire Services.

#### **3.4.4.3 Operational Section:**

This section consists of one Disaster Management Officer, but the position has been vacant since October 2017. Sarah Baartman District Municipality's Disaster Centre is assisting the municipality with Disaster Management activities. It implements the practical aspects relating to fire fighting in conjunction with the fire department since fires are classified as potential disasters and other emergency incidents e.g.

- Floods/Fire Victims – To conduct damage assessment to flooded/fire damaged areas, arrange temporary housing units to those who 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 e.g. 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 incidents/ 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 Municipality are planned in accordance with the Safety, as well as Sports and Recreational Events Act no 02 of 2010 to protect participants, spectators and property.
- To conduct awareness campaigns to the targeted groups making them aware of potential disasters and how to deal with them when they do occur.
- Dissemination of weather warnings to the community at large via community radio stations, Grocott's and social networks.
- The Office forms part of the Provincial Project Management Steering Committee Meetings, monitoring the DMRG (Disaster Management Risk Grant) allocated to Municipalities and Sector Departments to repair the damaged infrastructure after disaster occurrences.

#### **3.4.4.4 Building Plans:**

Building plans are scrutinized to ensure that they comply with Fire Safety Regulations. A total of forty-three (43) building plans were scrutinised during the year under review.

#### **3.4.4.5 Flammable liquids:**

Flammable liquid inspections are carried out on businesses that deal with flammable liquids. The annual tariff charges also make provision that all businesses dealing in the sale, manufacture, handling or storage of flammable liquids or gases, this business 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 sixty-two (62) flammable liquid inspections were conducted.

#### **3.4.4.6 Fire Hydrants:**

Fire Hydrants inspections are done regularly to ensure that they are clean, clearly marked and in operation. A total of three hundred and thirty-five (335) fire hydrant inspections were conducted.

#### **3.4.4.7 Motor Vehicle Accidents:**

The Directorate responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc. A total of twelve (12) accidents were attended to during the 2023/24 financial year.

#### **3.4.4.8 Training and Awareness:**

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.

##### **3.4.4.8.1 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 four hundred and ninety-five (495) 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.

### 3.4.4.8.2 School Awareness Programme:

The department continued with our School Awareness Programme to make the students/ scholars aware of the dangers of fires and what to do in case of a fire. A total of seven (7) schools and three hundred and seventy-five (375) teachers / scholars were reached during the financial year 2023/24.

#### Challenges Progress/ Update

Fire station in Riebeeck-East	Sarah Baartman procured a vehicle for Riebeeck-East. The vehicle was delivered and handed over on the 27 <sup>th</sup> October 2023. The Satellite Fire Station is operational. Two (2) fire fighters still to be appointed.
No fire station in Grahamstown-East	No Capital Budget for the 2023/24 financial year, due to the financial situation of the Municipality.
Handling of after-hours complaints.	Corporate Services held a meeting to discuss the possibility of establishing a Customer Care Centre within the Municipality to deal with after-hours complaints. Not finalized yet.
Shortage of Staff	Vacant Posts still need to be filled. Motivations were submitted to HR.

### 3.4.5 Safety and Security

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

#### 3.4.5.1 Traffic and Law Enforcement

Reporting Level	Detail
<b>Overview:</b>	Includes Traffic, Licensing, Roadworthy and Technical Services
<b>Description of activities Traffic Law Enforcement</b>	<p>The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area.</p> <p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> <li>• Conduct preventative traffic patrols and enforce traffic legislation.</li> <li>• Enforce speed limits.</li> <li>• Attend traffic accidents.</li> <li>• Enforce parking legislation.</li> <li>• Enforce municipal bylaws.</li> </ul> <p>The key objective of this function is to ensure safe and free flow of traffic within Makana Municipal area.</p>

Reporting Level	Detail
<b>Driving Licenses</b>	<p>These services include all driver testing functions.</p> <p>The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> <li>• Test applicants and issue learner licenses</li> <li>• Test applicants and issue driving licenses.</li> <li>• Renew card driving licenses.</li> <li>• Renew and issue Professional driving licenses.</li> </ul> <p>The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.</p>
<b>Roadworthy Testing</b>	<p>These services include all vehicle testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> <li>• Test vehicle</li> <li>• Issue roadworthy certificates</li> </ul> <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>
<b>Technical services</b>	<p>This service is responsible for the maintenance of all road markings and road signs</p>
<b>Challenges</b>	<p>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. The department has filled most critical vacancies that have been vacant for years.</p>

### 3.4.6 Parks; Sport and Recreation

Function: Horticulture and auxiliary services sub-function: Aerodrome		
<b>Overview:</b>	Makana and the surrounding municipalities are fortunate to have at their disposal a category 1 licensed aerodrome with an all-weather runway and navigation lights that needs maintenance to accommodate up to a light jet aircraft.	
<b>Description of activity:</b>	<p style="text-align: center;"><b>Inspections</b></p> <p><b>The section:</b> The Department of Civil Aviation also undertakes annual inspections in support of the retention of the category 1 licence.</p>	<b>Quarterly</b>
	<b>Administration</b>	<b>Annually</b>

	<p><b>Collection of landing fees:</b> The lease contract will be expiring with the flying club toward the end of the next financial year.</p> <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• The airfield is currently not fully operational due to various challenges relating to fencing, overgrown weeds, runway with potholes and no runway lights.</li> <li>• The continued deterioration of the main tarred runway due to lack of maintains is still a main challenge</li> </ul>	
	<p><b>Achievements</b></p> <p>Mowing of the airfield was done twice during 21/22 financial year and not much was achieved in terms of fencing, runway road, lights during this period under review, the plan is to attend to the maintenance of the airfield in the next financial.</p>	
<b>Overview:</b>	This sub-function includes several sections including maintenance of grass verges and public open space, planted layouts, street trees and weed control.	
<b>Description of Activity</b>	<p>The services provided include:</p> <ul style="list-style-type: none"> <li>• Moving of verges in Makhanda, Alicedale and Riebeeck East including main entrances, CBD, material roads, suburban roads and council facilities.</li> <li>• Moving of public open spaces with tractor drawn implements</li> <li>• Maintenance of gardens and planted layouts within the city.</li> <li>• Maintenance of street trees including tree planting and the maintenance of streets under power lines as well as the removal of trees where required.</li> <li>• Manual tree stump removals</li> <li>• Weed control that includes the eradication of weeds and annual grass on roads, gutters and storm water channels.</li> </ul>	<p>196ha</p> <p>449ha</p> <p>2.5 ha</p> <p>673 trees</p> <p>17 1650 ha</p>
<b>Function: Horticulture and auxiliary services sub-function: Cemeteries</b>		
<b>Overview:</b>	This sub-function includes the maintenance of cemeteries in Makhanda, Alicedale and Riebeeck East.	
	<p>The services provide include:</p> <ul style="list-style-type: none"> <li>• Administration of electronic recording system for burials</li> <li>• Cemetery maintenance</li> <li>• Contract management</li> </ul>	<p>+857 – 1023 burials annually</p>
<b>Description of activity</b>	<p>Challenges:</p> <p>Acquisition of land for new cemetery in Alicedale and Makhanda. Funding to maintain cemeteries. Vandalism/ theft of artefacts/ fencing, caretaker's house and metal railings, burial records not properly updated.</p>	

<b>Achievement</b>	<ul style="list-style-type: none"><li>• Extensions to Mayfield airspace</li><li>• Maintenance of service roads to Mayfield</li><li>• Procurement of contracts for the maintenance of grass areas: Waainek, Mayfield, Historical. Lavender Valley and Kings Flats cemeteries.</li></ul> Formalisation of parks equipment tender for long term supply
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<b>Function: Horticulture and auxiliary services sub-Function: Nursery</b>	
<b>Overview:</b>	Provision of nursery to produce greening material for the Municipality.
<b>Description of activity:</b>	<p>The services provided include:</p> <ul style="list-style-type: none"> <li>• The production of ground covers, shrubs and trees.</li> <li>• Maintenance of ornamental section for decorations.</li> <li>• Production of manuals for street displays</li> </ul> <p><b>CHALLENGES:</b> Old equipment such chain saws, weed eaters, lawn mowers to deal with maintenance of grass and trees in town and the surrounding area. Limited budget for the operation of the municipal nursery</p> <p><b>ACHIEVEMENTS:</b> Procurement of 4x weed eaters and 2x chain saw. Planting of aloe plants on 7 x illegal dumping spots to discourage illegal dumping. Trimming and cutting of dangerous trees in seven fountains and Alicedale (in progress) and assisting electricity department with cutting trees affecting electric power lines</p>

### 3.5 LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Local Economic Development is an approach towards economic development which allows and encourages Local government to work together with local communities to achieve sustainable economic growth and development for creation of socio-economic development initiatives to address poverty, unemployment and inequality.

The Local Economic Development is guided by LED Strategy as a framework for identifying the available resources that municipality have in order to improve the quality of life for local communities, increasing incomes, promoting rural and urban tourism, enhancing SMME development in order to create sustainable growth opportunities through maximizing its resources. The Makana LED department is charged with a mandate of promoting tourism and heritage, agricultural development, SMME development, Business Licencing, and Trade and Investment. Through these responsibilities the Department has a mandate to review its outdated LED Strategy, amongst of many reasons this encourages the department to evaluate the objectives outlined the strategy are still in line with the resources that were identified, also create an opportunity for the department to develop other sector plans such as Agricultural sector plan and SMME development Policy.

Therefore, the focus of this fiscal year 2024/25 is for the department to review its strategy and communication to key stakeholder departments have been sent to request financial and non-financial support. On the 2023/24 a vacant funded position was advertised for Agricultural Officer, but no personnel were formally appointed, this creates a delay for the department to speed up with the agricultural activities such as commonage development plans. In terms of staff retention, the department depends only to the Manager for Tourism, Heritage, SMME, Trade and Investment, the LED Clerk and Two Business licensing clerks. The role of Local Economic Development and Planning in municipalities is to unlock economic opportunities through support and providing a spatial environment that stimulates economic growth. The priority of the Department has been to develop policies and expansion plans that give strategic guidance to develop the local economy of Makhanda.

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#### **SPATIAL PLANNING & LAND USE:**

The Makana SDF is overdue for review, as a statutory requirement in terms of MSA (Act 32 of 2000) and SPLUMA (act 16 of 2013) a municipality must have an SDF which is aligned to a municipal IDP. Due to financial constraints, the municipality has been unable to undertake the review process before the end of the prior planned 5 years (November 2019 to November 2024). The Municipality has requested financial support for the SDF review from the Sarah Baartman District Municipality, and the Municipality is waiting for a positive response.

The Directorate has other programmes in place and at planning stage which form part of the Departmental scorecard. The focus for year 2023/24 was to introduce measure to speed processing of building plans and development applications and programs directed at narrowing gaps in property law enforcement and regulating development. The purpose for such programs is to ensure Makhanda becomes a city that creates an enabling environment for local economic development to thrive as a start.

For the implementation of these plans the Municipality will have to ensure a full staff component with the competency required for land development and control. This requires a review of the departmental organogram to ensure prioritisation of strategic positions in the directorate. Additionally, the Municipality would need to conclude the job evaluation processes as the planning

department has been challenged with staff retention based on non-competing salary scales with other municipalities in the same classification as Makana.

**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 spatial planning, Settlement Planning and Land Use Management.
- c) **Building Inspectorate Section:** Regulating development in terms of National Building Regulations and Standards Act 103 of 1977.
- d) **Land and Estates Section:** responsible for the management of Municipal immovable assets.

The staff component of LED Directorate will be fully populated with qualified and experienced staff once the remaining vacancies have been filled (budget remains a challenge). During the year under review the municipality solicited funding to implement the following Agricultural and Tourism projects:

**3.5.2 Highlights and Achievements.**

- Businesses registered on CIPC in conjunction with Entrepreneurs Unlimited Incubator (continued partnership and capacitation of Businesses).
- About 13 SMMEs have benefited from subcontract opportunities since the promulgation of the revised Preferential Procurement Regulations.
- SMMEs in construction were trained on compliance and tendering processes.
- Business licensing division has registered more than 250 formal and informal trading shops.

**3.5.3 Spatial Planning and Land Use Section:**

- The Municipality has renewed its membership with the District Planning Tribunal
- Town Planning and Building Control vacancies have been filled.
- Land has been unlocked for Human Settlement projects (Enkanini and Ethembeni).

**3.5.4 Job Creation**

Job creation opportunities will be from different Infrastructure development Projects of water and sanitation interventions, upgrading and rehabilitation of Roads, EPWP and Community Development works Program.

NAME OF PROJECT	NUMBER OF LABOURERS	FUNDER	PROJECT STATUS
Replacement of ageing asbestos pipes in Phase 3A & 3B (Makhanda)	30	MIG	Construction
Refurbishment of Waainek W T Works cathodic projection		MIG	Completed
Refurbishment Belmont Valley Wastewater Treatment Works	30	MIG	Construction
Makana Way	24	MIG	Construction
Oval stadium, lavender valley refurbishment	19	MIG	Construction
Upgrade of Ncame Street	30	MIG	Completed
Community Works Program	898	COGTA	Ongoing
Expanded Public Works Program	172	Public Works	Ongoing
<b>TOTAL</b>			

## CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 MUNICIPAL WORKFORCE

The Makana Local Municipality currently has 30 different functions, based on the Municipal Systems Act, No 32 of 2000 and Act 117 of 1998.

#### 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	Yes	0
2	Director Corporate Services	1	Yes	0
3	Chief Financial Officer	1	Yes	0
4	Director Local Economic Development	1	Yes	0
5	Director Technical & Infrastructure	1	No	1
6	Director Public Safety	1	Yes	0
<b>Total</b>		<b>6</b>	<b>5</b>	<b>0</b>

**4.1.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT INDICATORS**

	<b>Indicator Name</b>	<b>Total Number of People (planned for) During the Year Under Review</b>	<b>Achievement Level during the Year Under Review</b>	<b>Achievement Percentage During the Year Under Review</b>	<b>Comments on the Gap</b>
<b>1</b>	Vacancy rate for all approved and budgeted posts	25	25	100%	None
	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	4	60%	One resignation and a suspension were experienced at this level
<b>3</b>	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
<b>4</b>	Percentage of Managers in Technical Services with a professional qualification	6	6	100%	No Gap
<b>5</b>	Percentage of staff that have undergone a skills audit (including competency profiles) within the current five-year term	619	0	0%	Process will be addressed as one of the outcomes of the Organisational development process of the Municipality.

7	Percentage of councillors who attended skills development training within the current five-year term	27	4	20%	Training was hampered by a severe lack of funds.
8	Percentage of staff complement with disability	1	1	100%	N/A
9	Percentage of female employees	131	131	100%	No Gap
	Percentage of employees that are aged 35 or younger	57	44	77%	N/A

## 4.2 MANAGING THE MUNICIPAL WORKFORCE

### 4.2.1 Human Resources Unit:

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 municipality.
- develop and implement HRM strategies, policies and plans aligned to the strategy of the organisation that enable the organisation to achieve its objectives,
- Facilitate employee benefits, skills development, recruitment & selection, employee wellness, occupational health & safety and employee relations.
- 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.

### 4.2.2 Compliance with Health and Safety Legislation

The Makana LM has adopted a policy for the Occupational, Health and Safety. The position of the Occupational, Health and Safety Officer has been approved in the organogram with the aim of ensuring 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. Makana municipality has appointed a Health and Safety officer ....

#### **4.2.3 Capacitating the Municipal Workforce**

A Work Skill Plan is revised annually by the Skill Development Facilitator. The plan is approved by the Council with a specific budget and an implementation report is submitted to LGSETA on or before the 30<sup>th</sup> of March, to recover the funds spent on implementing the plan.

The Makana Local Municipality 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 are 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.

In further support of its major transformation outcomes, Makana Local Municipality 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 issuing and updating of Makana Local Municipality 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.

As per the Skills Development Act 97 of 1998 Makana Municipality has a responsibility to encourage the unemployed to enter labour market through learnership programme. This also applies to internal staff for the advancement of career growth, for personal growth and upward mobility within the institutional departments. Interns - the program of the unemployed graduated to gather work experience in the workplace. 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.

#### 4.2.3.1 Skills Development & Training

Municipality has a challenge of lack internal capacity and scarcity funding as result lot of training could not take place. The following training programmes were undertaken regarding staff development:

Details	Training Undertaken
Councillors	Training on local labour terms of reference
Staff:	<ul style="list-style-type: none"> <li>▪ Occupational health and safety training course- 10 Officials serving as Safety representatives.</li> <li>▪ Training in water and wastewater treatment. - Learnership for 29 Makana Employees</li> </ul>

#### Staff Registered with Professional Bodies

Technical Services	Total Numbers of Managers & Officials	Total Number of Registered with Professional Accredited Body	Total Number of Pending Registrations Confirmation with the Accredited Professional Body	Total Number Not Registered with Accredited Professional Body
Water	1	1	0	0
Electricity	3	2	0	1
Technical	4	2	0	2
Town Planning	2	1	0	1
Project Management Unit	1	0	0	1
Internal Audit	3	3	0	0

#### 4.3.2.3 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
616	223	170	226

#### 4.2.4 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. After that 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.

#### **4.2.5 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.

#### 4.2.6 INJURIES, SICKNESSES AND SUSPENSIONS:

During the year under review, 5 cases of "Injury on Duty" were reported to the Compensation Commission.

#### Comment on Suspensions and Cases of Misconduct:

In the same year, the Makana Municipality dismissed two employees for various cases of misconduct.

#### 4.2.7 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-employee's relations.

#### 4.2.8. 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 provide incentives for such skills.

#### 4.2.9 MANAGING WORKFORCE

##### 4.2.9.1 OFFICE OF THE MUNICIPAL MANAGER:

EMPLOYEES: PLANNING(IDP/PMS), LEGAL, RISK, IA, ICT, PMU ETC.			
Job Level	Ending 3 June 2024		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	1	0	1
7-9			
10-12	4	0	4

13-15			
16-18	2	0	2
19-20			
<b>TOTAL</b>	7	0	7

**4.2.9.2 OFFICE OF EXECUTIVE MAYOR/ SPEAKER:**

<b>EMPLOYEES:</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
0-3			
4-6	2	0	2
7-9	2	0	2
10-12	8	3	5
13-15			
16-18	2	1	1
19-20	1	1	0
<b>TOTAL</b>	15	5	10

**SUMMARY EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER**

<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
<b>Municipal Manager's Office</b>	14	10	4
<b>Internal Audit</b>	4	3	1
<b>IDP and PMS</b>	5	3	2
<b>Legal</b>	2	2	0
<b>Risk Management</b>	2	1	0
<b>PMU</b>	5	5	0
<b>TOTAL</b>	32	24	7

**4.2.9.3 LOCAL ECONOMIC DEVELOPMENT:**

<b>EMPLOYEES: AGRICULTURE</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
0-3			
4-6			
7-9			
10-12	2	2	0
13-15			
16-18			
19-20			
<b>TOTAL</b>	2	2	

**EMPLOYEES: SMME**

Job Level	Ending 30 June 2024		
	Number of posts	Posts filled	Vacancies
0-3	1	1	0
4-6	1	1	0
7-9			
10-12			
13-15			
16-18	1	1	0
19-20			
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>0</b>
SUMMARY EMPLOYEES: LED			
Job Level	Ending 30 June 2024		
	Number of posts	Posts filled	Vacancies
Agriculture			
SMME, Trade & Investment	1	1	0
Tourism & Heritage	1	0	1
Planning & Estate	9	7	2
<b>TOTAL</b>	<b>11</b>	<b>8</b>	<b>3</b>

#### 4.2.9.4 COMMUNITY & SOCIAL SERVICES:

EMPLOYEES: FIRE			
Job Level	Ending 30 June 2024		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	1	1	0
7-9	39	29	10
10-12	1	1	0
13-15	1	1	0
16-18	1	1	0
19-20			
<b>TOTAL</b>	<b>43</b>	<b>34</b>	<b>10</b>

#### 4.2.9.5 BUDGET AND TREASURY

EMPLOYEES: SUPPLY CHAIN			
Job Level	Ending 30 June 2024		
	Number of posts	Posts filled	Vacancies
0-3			
4-6	7	5	2
7-9	3	3	0
10-12	3	0	3
13-15	1	0	1
16-18			
19-20			
<b>TOTAL</b>	<b>14</b>	<b>8</b>	<b>6</b>

<b>EMPLOYEES: SUPPLY CHAIN</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
<b>SUMMARY EMPLOYEES: BTO</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
<b>Compliance &amp; Reporting</b>	3	1	2
<b>Expenditure</b>	6	6	0
<b>Supply Chain</b>	14	8	6
<b>Revenue &amp; Data Control</b>	39	32	7
<b>TOTAL</b>	59	47	15

#### 4.2.9.6 CORPORATE AND SHARED SERVICES:

<b>EMPLOYEES: ADMINISTRATION</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
<b>0-3</b>	2	1	1
<b>4-6</b>	12	8	4
<b>7-9</b>	17	11	6
<b>10-12</b>	1	1	0
<b>13-15</b>			
<b>16-18</b>	1	1	0
<b>19-20</b>			
<b>TOTAL</b>	32	22	11
<b>EMPLOYEES: HUMAN RESOURCES</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
<b>0-3</b>			
<b>4-6</b>	1	1	0
<b>7-9</b>	2	2	0
<b>10-12</b>	6	5	1
<b>13-15</b>	1	1	0
<b>16-18</b>			
<b>19-20</b>			
<b>TOTAL</b>	10	10	0
<b>EMPLOYEES: RECORDS</b>			
<b>Job Level</b>	<b>Ending 30 June 2024</b>		
	<b>Number of posts</b>	<b>Posts filled</b>	<b>Vacancies</b>
<b>0-3</b>			
<b>4-6</b>	4	4	0
<b>7-9</b>	1	1	0
<b>10-12</b>			
<b>13-15</b>	1	1	0
<b>16-18</b>			

19-20			
TOTAL	6	6	0

#### 4.2.9.10 EMPLOYEE EXPENDITURE:

Financial Year	Total number of Staff	Total Audited Operating Expenditure	Personnel Expenditure (Salary Related)	Percentage of Expenditure
2021-2022		656 176 577	214 975 574	33%
2022-23				
2023-24				
2024-25				

#### 4.2.9.2 List of Pension and Medical Aid Schemes 2023-24:

Names of pension fund	Number of Staff	Name of Medical Aids	Number of Staff
Cape Joint Pension Fund	01	Bonitas	71
Cape Joint Retirement	285	LA Health	55
SALA Pension Fund	97	SAMWU Med	84
SAMWU Provident Fund	145	Key Health	31
		Hosmed	04

#### 4.2.9.3 Employee Related Cost:

Related Cost	2020-21	2021-22	2023-24	204-25
Salaries	217 141 964	214 975 574		
Remuneration of Councillors	R11 398 481	11 204 692		

#### 4.2.10 Terminations:

REASON	2019-20	2021-22	2022-2023	2023-24	2024-25
RETIREMENTS	A combined total of 20 people left the institution during the 2019/20 financial year.	12	17	16	
DECEASED		17	7	4	
RESIGNATIONS		03	4	11	
MEDICALLY BOARDED		00	2	3	
CONTRACT EXPIRY		01		2	
DISMISSAL		04	1	1	

## CHAPTER FIVE: FINANCIAL VIABILITY AND PERFORMANCE:

### 5.1 Financial Viability Highlights

The steady progress made is evidenced by a better cash coverage ratio was slightly reversed by the economic impact of the COVID19 pandemic as the municipality's built-up reserves had to be released to cover the reduced collection rate. The municipality still, however, had an increased ability to contribute towards paying Eskom account and long outstanding debt which led reduction in arrear creditors of the municipality. The municipality has also improved its financial management by ensuring Grant funding is ring-fenced and not used in the ordinary course of business.

The financial performance of the municipality has been forecasted with marginal deviation to the operational budget when comparing actual results to the budget. The review of municipal organogram and job description is another initiative that will bring accountability and ensure that departmental managers' ability to plan, perform & implement internal controls. There remains a budget shortfall to adequately cover the impairment of debtors & was partially rectified in 2022/23 Adjustments Budget together with achieving a funded budget.

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

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

### 5.2 Financial Viability Challenges

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

#### Challenges

- Maintain a sound financial position in the context of the national and international economic climate.
- Long outstanding creditors
- Revenue enhancement
- High volume of litigations
- Limited revenue base
- Financial recovery plan
- Filling of critical positions

### **5.3 National Key Performance Indicators- Municipal Financial Viability and Management (ratios)**

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

Financial Viability and Management Ratio	2021-22	2022-23	2023-24	2024-25	Remarks
Liquidity Ratio (Current Ratio) - this ratio indicates the extent to which current assets can be used to settle short-term liabilities. If current assets do not exceed current liabilities, it means a liquidity problem i.e., insufficient cash to meet financial obligations. The norm is 1.5 - 2:1.	0.24	0.40			The ratio suggests that the municipality would be unable to pay all its current or short-term obligations when they fall due.  This highlights serious financial challenges and a risk cover to enable continued operations at desired levels.
Cash Coverage Ratio - indicates the municipality's ability to meet at least its monthly fixed operating commitments without collecting any revenue during that month. The norm should not be less than 1 - 3 months.	0.10	2months			The ratio indicates that the municipality's result is within the norm. The municipality is at moderate risk in the event of financial setbacks to meet its obligations to provide for basic services.
Creditors Payment Period – this indicates the average number of days taken to pay trade creditors. The norm is 30 days.	230 days	48 days			The ratio indicates that the municipality is not adequately managing its working capital and that effective controls are not fully in place to ensure prompt payments.
Contracted Services as a % of Total Operating Expenditure – measures the extent to which municipal resources are committed towards contracted services. The norm is 2% - 5%	6%	4%			The ratio result is within the norm. Outsourcing decision should be weighed against ability to attract skills, as increased ratio would be an indication of reliance on contractors and inability to build capacity.

Financial Viability and Management Ratio	2021-22	2022-23	2023-24	2024-25	Remarks
Irregular, Fruitless and Wasteful and Unauthorised Expenditure to Total Expenditure – this ratio measures the extent of irregular, fruitless and wasteful and unauthorised expenditure to total expenditure. The norm is 0%.	23%	22%			<p>The norm of this ratio should be kept at 0%, the result is an indication that cases are not investigated and acted upon.</p> <p>The municipality has started to advertise old legacy contracts to reduce irregular expenditure and this should manifest itself in the 2023/2024 financial year, where irregular is anticipated to decrease.</p>
Capital Expenditure Budget Implementation Indicator – measures the actual to budgeted capital expenditure that has been spent by the municipality. The norm range is between 95% - 100%.	56%	48%			<p>The norm of this ratio is 95% and performance below is an indication that there are discrepancies in planning and budgeting, also capacity challenges to implement projects and as well as supply chain management process failures.</p> <p>Corrective measures have been put in place in that the current year expenditure, and expenditure on Capital Grants has drastically improved in the current year.</p>
Percentage of Property, Plant and Equipment, Intangible Asset and Investment Property Impaired – indicates the loss in future economic benefits or service potential of an asset over and above the systematic recognition of depreciation. The norm is 0%.	0.3%	0%			<p>The performance result of this ratio is in line with the acceptable norm, and therefore an indication that the municipality has not lost any future economic benefits/service potential through assets impaired.</p>

Financial Viability and Management Ratio	2021-22	2022-23	2023-24	2024-25	Remarks
Repairs and Maintenance to Property, Plant and Equipment and Investment Property – measures the level of repairs and maintenance to ensure adequate repairs and maintenance to prevent breakdowns and interruptions to services delivery. The norm is 8%.	0.8%				

#### 5.4 Financial Overview

Financial year	2022-2023			2023-24		
Detail	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	Actual Budget
Income	R695 026	R725 979	R653 627			
Less Expenditure	R626 484	R639 052	R679 838			
Net surplus	R68 452	R86 927	R26 211			

#### 5.5 Operating Ratios:

Financial year	2022-2023			2024-2025		
Detail	Expected Norm	Actual	%Variance	Expected Norm	Actual	% Variance
Employee cost	40%	29,34%	-10,66%			
Repairs & maintenance	8%-12%					

#### 5.6 Total Capital Expenditure

DETAILS	2019/20	2020-21	2021-2022	2022-2023	2024-25
<b>R'000</b>					
Original budget	R39 069	R43 047	R49 227	R47 279	
Adjustment budget	R86 164	R67 859	R77 740	R54 529	
Actual Expenditure	R61 824	R57 778	R43 260	R26 284	

**5.7 Auditor General Report**

**5.7.1 Audit Outcomes**

AUDIT OPINION	2020-21	2021-22	2022-23	2023-24	2024-25
Unqualified opinion without matters (Clean Audit)					
Unqualified opinion with emphasis of matter or other matters					
Qualified opinion					
Adverse opinion					
Disclaimer	X	X	X	X	

*The municipality regrettably received the fourth disclaimer audit opinion for 2023/2024 financial year*

**The major components that contributed to the disclaimer are as follows:**

- Property Plant and Equipment.
- Revenue from Exchange and Non-Exchange Transactions.
- Receivables from Exchange and Non-Exchange Transactions.
- Expenditure Management.
- Procurement and Contract Management; and
- Compliance with Supply Chain Management.

*The audit report will be tabled to Council first, to improve the audit outcome and an audit action/ improvement plan will be developed to address all the audit findings.*

**5.8 Supply Chain Management**

**5.8.1. Supply Chain Management**

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

**Competitive Bids More than R 200 000(2023-24)**

5.8.2	Bid Number	Title of Bid	Value of bid awarded (R)

**5.8.2.1 Bid Committee meeting**

In compliance with SCM regulations and policy all bid committees were established and are functioning fully, namely:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

There are two separate sets of bid committees for Infrastructure projects and the other for other goods and services to try and expedite expenditure through service delivery.

A calendar of meetings was drawn up but was not fully adhered to. The committees thereafter functioned on an ad-hoc basis but managed to shorten the procurement processes. Delays were mostly in the planning stages up to Bid Specification approval.

**5.8.2.2 Awards made by the Bid Adjudication Committee:**

**The highest bids awarded by the Bid Adjudication Committee are as follows.**

Ref	Bid Number	Title of Bid	Value of bid awarded (R)

**5.8.2.3 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 more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

### 5.8.2 Procurement Statistics

#### a) Awards Made to the Companies/Enterprises established in the Makana Municipal Area

Request for Quotations are called from prospective service providers for procurement of items of less than R30 000-00. For procurement of items above R30 000-00 adverts are published on the notice board, e-tender and website and when the responses meet the municipal needs and specifications we therefore considered and approve.

To ensure Local Economic Development, quotations are first requested from Makana Service providers. Should there be no match, the municipality then goes outside the municipal jurisdiction. Majority of the external award values is made up of RFQs and tenders that were advertised openly during 2021/2022 Financial Year.

THRESHOLD	GOODS/SERVICE - ORDERS		PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY	SERVICE PROVIDER (S)
	VALUE	NO			
R0 – R2 000 Petty Cash					
R2 001 – R30 000					
30 001 – R200 000					
R200 001 – R2 Million					
R2 Million – R10 Million					
Above R10 Million					

R

### 5.8.3 Deviation from Normal Procurement Processes 2023-2024

Type of deviation	Value of deviations (R)	Percentage of total deviations value
Sole Provider		
Goods/Service needed urgently/		
Other (Strip and Quote)		
<b>Total</b>		

#### **5.8.4 Logistics Management**

The system of logistics management must ensure the following:

- 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 goods or services.

Each stock item at the municipal stores 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. If special projects are being launched by departments, such information is not communicated timely to the stores section for them to gear them to order stock more than 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.

#### **5.8.5 Disposal Management:**

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

*The system of disposal management must ensure the following:*

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise.
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous.
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee.
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise.
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- The municipality is 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. This policy however needs to be reviewed. Information regarding assets earmarked for disposal have already been collated and the request for approval for disposal was tabled to Council and further requests will be tabled soon looking at the state of municipal vehicles and ICT infrastructure.

#### **5.8.6 Performance Management**

The SCM policy requires that an Internal Monitoring System be established and implemented based on retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process.

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

### 5.8.7 Procurement and Contract management (2023-24)

The municipality has complied with SCM Regulation 6(2) for the 2023-24 financial year. These reports were submitted on time by the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor and Council, on a quarterly basis throughout the financial year.

### 5.8.8 Procurement and Contract management- Suppliers not registered for Vat.

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

### 5.8.9 Procurement and Contract Management-Monitoring of contract not done on a Monthly basis

Contract management is the responsibility of each manager for contracts in his/her functionality area. There is one official at SCM unit who deals with contracts monitoring and reporting. Additional capacity needs to be created within the SCM Contract Management Unit. In future the Chief Financial Officer will ensure that vacant funded positions within SCM are filled to capacitate the unit.

## 5.9 Financial Performance

### 5.9.1 Revenue by Source:

The following table indicates the various types of revenue items:

Revenue Sources	2021-2022	2022-23	2023-24	2024-5
Government subsidies	31.3%	22%		
Service charges	46.7%	52%		
Properties rates	16.1%	16,4%		
Interest received Investment	0.1%	1%		
Agency services	0.8%	0,45%		
Interest received debtors	2.4%	8%		
Rentals of facilities	0.1%	0,04%		
Other Revenue	2.5%	0,11%		

## 5.9.2 Expenditure by Type

The following graph indicates the various types of expenditure items:

Type	2021-2022	2022-23	2023-24	2024-25
Employees cost	33%	29,34%		
Remuneration of Councillors	1.7%	1,76%		
Debt impairment	22.6%	26,9%		
Depreciation	5.4%	4,7%		
Finance Charges	1.5%	2,5%		
Bulk purchases	20.8%	20%		
Contracted services	7.7%	4,5%		
Transfer & Grants	0.1%	0,2%		
Other expenditure	7.5%	6,16%		

## 6. APPENDICES A: COUNCIL

### APPENDIX A: MUNICIPAL COUNCILLORS

NO.	ORG	WARD	SURNAME & NAME
1	EFF	PR	BOOYSEN MZAMO
2	EFF	PR	BUWA NOLUTHANDO MEMORA
3	ANC	10	CETU ZODWA ALFREDA
4	DA	08	CLARK CAROLYNN
5	MCF	PR	DEKE AMANDA
6	DA	04	EMBLING GEOFRE KEITH WYNSTAN
7	MCF	PR	GEELBOOI MILO DIBANISILE
8	ANC	03	HOYI ZANEKHAYA ANDILE (MAYCO)
9	DA	08	JACKSON BRIAN
10	ANC	06	JEZI VUYANI NELSON
11	DA	PR	MADYO XOLANI GLADMAN
12	MCF	PR	MANTLA ZONWABELE
13	ANC	07	MASINDA LUNGA
14	MCF	PR	MATEBESE THANDISIZWE
15	ANC	13	MATINA WANDISILE
16	ANC	PR	MATYUMZA MTHUTHUZELI (SPEAKER)
17	ANC	05	MENE GCOBISA BRENDA (MAYCO)
18	IND	14	VUYANI NESI
19	ANC	12	NKWENTSHA MZOBANZI (MAYCO)
20	ANC	01	PETER PHUMELELE
21	MCF	PR	SIXABA WONGEZILE LUNGISA
22	DA	PR	SIZANI LUVUYO
23	ANC	PR	VARA YANDISWA (EXECUTIVE MAYOR)
24	ANC	PR	VAYO THANDOLWETHU (MAYCO)
25	ANC	02	XONXA MPHUMZI RUMSELL (MAYCO)
26	ANC	09	YAKA THOZAMILE SYLVESTER
27	ANC	11	ZONO SAKHIWO

**APPENDIX: B THIRD TIER STRUCTURE**

NO.	DIRECTORATE	MANAGER (TITLE AND NAME)
1.	<b>Corporate and Shared Services</b>	Manager Administration: Ms P Liwani
3.		Records Manager: Ms N Xintolo
4.		Manager Human Resources: Ms Phumla Qezu
5.		Unit Manager: Alicedale: Mr GK Goliath
6.		Unit Manager Riebeeck East: Ms N Kulati
7.		Manager Expenditure: Mr M Crouse
8.	<b>Budget and Treasury Office</b>	Manager Budget and Reporting: Ms Mzolo
9.		Manager Revenue: Vacant
10.		SCM Manager: Vacant
11.		Manager in Office of MM: Mr L Ngandi
12.	<b>Mayor and Municipal Manager's Office</b>	Internal Audit Manager: Ms G.C Mtshazi
13.		IDP/PMS Manager: Mr M Pasiya
14.		Manager office of Speaker: Ms N Santi
15.		Special Project Unit Manager: Mr S Wali
16.		Legal Manager: Ms C April
17.		Risk Manager: Mrs N Kosi
18.	<b>Local Development and Planning</b>	Trade, Investment and Tourism Manager: Mr Nyembezi
19.		Agriculture Manager: Vacant
20.		Manager Planning: Ms Sinazo Jonas
21.	<b>Public Safety and Community Services</b>	Environmental Manager: Vacant
22.		Manager Fire Services: Mr W Welkom
23.		Manager: Abolished
24.		Manager Parks and Recreation: Vacant
25.		Operations Manager: Mr Phumzile Smile
26.		Manager Traffic & Licensing: Mr. C Hanekom
27.	<b>Engineering and Infrastructure Services</b>	Deputy Director Electricity distribution: Mr M Radu
28.		Manager Electricity: Mr X Bokwe
29.		Renewable Energies: Mr M Siteto
30.		Manager: Water & Sanitation: Mr Qwane
31.		Manager: Roads & Stormwater: Ms G, Mfeti
32.		Deputy Director: Civil Services (vacant)

**APPENDIX: C MAKANA LOCAL MUNICIPALITY'S POWERS AND FUNCTIONS**

NO.	POWERS AND FUNCTIONS	NO.	POWERS AND FUNCTIONS
1.	Building regulations	17.	Facilities for the accommodation, care and burial of animals
2.	Billboards and the display of advertisement in public spaces	18	Fencing and fences
3.	Cemeteries, funeral parlours and crematoria	19	Local amenities
4.	Childcare facilities	20	Local tourism

NO.	POWERS AND FUNCTIONS	NO.	POWERS AND FUNCTIONS
5.	Cleansing	21	Local sport facilities
6.	Control of undertakings that sell liquor to the public. Noise pollution	22	Firefighting services
7.	Licensing and control of undertakings that sell food to the public	23	Municipal airport
8.	Municipal planning	24	Municipal health services
9.	Markets	25	Municipal abattoirs (Not applicable)
10.	Municipal parks and recreation	26	Municipal roads
11.	Noise pollution	27	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 the Constitution or any other Law
12.	Storm water management	28	Trading regulations
13.	Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	29	Pounds
14.	Public places	30	Refuse removal, refuse dumps and solid waste disposal
15.	Street trading	31	Street lighting
16.	Traffic and parking	32	Municipal transport (Not applicable)

#### APPENDIX: D WARD COMMITTEE INFORMATION

##### Details of Ward Committee Members

WARD 1			WARD 2		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Vacant	F	1	Lindokuhle Thimna Mzongwana	F
2.	Maria Botha	F	2.	Bulelwa Majiza	F
3.	Dawie Roman	M	3.	Bekithemba Mabona	M
4.	Lindiwe Basie	F	4.	N/A	M
5.	Sandra Whitebooi	F	5.	Thembisa Mantile	F
6.	Vuyokazi Yamile	F	6.	N/A	M
7.	Nomawethu Hempe	F	7.	Zibangele Gladman Mcuba	M
8.	Candy Mentoor	F	8.	Mihlali Mzizi	M
9.	Vacant	M	9.	Malithenjwe Lubelwana	M
10	Vacant	N/A	10.	Vacant	N/A
WARD 3			WARD 4		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Simnikiwe Bunu	F	1.	Devon Waldick	M
2.	Ntombozuko Hazel Faxe	F	2.	Elizabeth Endlene Davies	F
3.	Nontle Mama	F	3.	Akhona Mantashe	F
4.	Jenine Sphere	F	4.	Alison Neville Holleman	F
5.	Amanda Habana	F	5.	Brian Fargher	M
6.	M.Simani	M	6.	Hester Magrietha Coetzee	F
7.	Nicolla Arends	F	7.	Catherine Letcher	F

Details of Ward Committee Members					
WARD 1			WARD 2		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
8.	Khanyiswa Kiswa	F	8.	Phillipa Sauls	F
9.	Sizwe Mbunge	M	9.	Neziswa Soxujwa	F
10	Vacant	N?A	10.	Lena May	N/A
WARD 5			WARD 6		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Zamuxolo Gladman Nesi	M	1.	Noncedo Teyi	F
2.	Lindile Christopher Kays	M	2.	Phumza Veronica Magida	F
3.	Vusumzi Sexon Gazo	M	3.	Zimkhitha Dywili	F
4.	Linda Sylvia Kom	F	4.	Ntombikayise Princess Jali	F
5.	Fundiswa Brenda Mami	F	5.	Xolani Christian Dibela	M
6.	Nomonde Gladys Kalipa	F	6.	Bulelwa Madeli	F
7.	Nokuzola Primrose Namba	F	7.	Oyama George	M
8.	Bulelwa Mgogoshe	F	8.	Ntombekhaya Ntenti	F
9.	Zwelandile Albert Madyo	M	9.	Nobuntu Noggala	F
10.	Nontsikelelo Maki	F	10.	Ayabulela Dimaza	F
WARD 7			WARD 8		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Phumzile Prince	M		Akona Gabavana	F
2.	Luvuyo Nzanzeka	M		Yolanda Niwa	F
3.	Zimasa Thame	F		Fiona Mary Semple	F
4.	Andiswa Tafane	F		Rowan Mark Engelbrecht	M
5.	Anele Ken Rala	M		Robyn Cooper	F
6.	Bongani Christopher Sam	M		Peter Lamond Knowling Sturrock	M
7.	Vukile Phillip Kelele	M		Phillippa Irvine	F
8.	Fezeka Lamani	F		Tracey Ann Arthur	F
9.	Luzuko Christian Nkupu	M		N/A	F
10.	Msindisi Sidwell Jela	M		Kimberly Chante Lindoor	F
WARD 9			WARD 10		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Nomakula Theresa Fondini	F		Noxolo Beverly Bodla	F
2.	Nyameko Zonke	M		Thembinkosi Andrew Nkosinkulu	M
3.	Khayakazi Wendy Mbonde	F		Yoliswa Bangani	M
4.	Phumelelo Palacios Beyi	M		Ntomboxolo Lerato Ngeleza	F
5.	Zamamiya Majola	F		Nontutuzelo Thelma Mtsora	F
6.	Luyanda Ntozini	M		Ben Mpinda	M
7.	Lwando Yako	M		Gcobisa Ntanjana/Memani	F
8.	Anele Kepe	M		Ntombi Kolisi	F
9.	Lucky Elvis Ngcani	M		Nombulelo Khethani	F
10.	Libona Danster	M		Lizo Bonyongo	M

WARD 11			WARD 13		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Nkosinathi Dyaloyi	M	1.	Lumka Peli	F
2.	Nomalungelo Pati	F	2.	Melisizwe Lawu	M
3.	Nomfusi Silo	F	3.	Zolelwa Peter	F
4.	Siyabonga Dondashe	M	4.	Ntombomzi Notyawa	F
5.	Likhayeni Thandani	M	5.	Nokulunga Ngxingo	F
6.	Vuyokazi Matiwana	M	6.	Ntombikayise Ngindo	F
7.	Eunice Qwazi	F	7.	Lulama Khonze	F
8.	Mkhanyiseli Solomon	M	8.	Nandipha Lolose	F
9.	Nompilo Toyi	F	9.	Nomsa Julia Yame	F
10.	Xolani Mzileni	M	10.	Vacant	N/A
WARD 14			WARD 12		
	SURNAME & INITIALS	GENDER		SURNAME & INITIALS	GENDER
1.	Tembaletu Magopeni	M	1.	Vacant	N/A
2.	Phumela Primrose Kewuti	F	2.	Vacant	N/A
3.	Tamara Mboyi	F	3.	Vacant	N/A
4.	Brendon Klaase	M	4.	Vacant	N/A
5.	Clinee Bruintjies	F	5.	Vacant	N/A
6.	Nosibusiso Faxe	F	6.	Vacant	N/A
7.	Zanemvula Ntoyanto	M	7.	Vacant	N/A
8.	Neliswa James	F	8.	Vacant	N/A
9.	Bulelwa Macwili	F	9.	Vacant	N/A
10.	Vacant		10.	Vacant	N/A

**ANNEXTURE A: AUDITED ANNUAL PERFORMANCE REPORT 2023-2024**

Pre-determined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target	Actual	
<b>KPA ONE(1): BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (BSI)</b>								
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.2	Replacement of ageing asbestos pipes in Phase 3 A (Makhanda)	Percentage of work completed	0%	<div style="background-color: red; width: 100%; height: 20px;"></div> 100%		63%	<p>The contractor was instructed to stop all the works and establish site on the 4th April 2024. The contractor is to re-establish by the 15th June 2024 and resume with and complete the outstanding scope of work</p> <p>The municipality did not have funding to conclude the project at the expected time due to the rollover for 2022/23 financial year that was not approved. The contractor was requested to conclude the project in the 24/25 financial year. The contractor is currently on site. addition</p>

									scope of work that was not anticipated on the start of the project.	
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024			Reason for deviation	Corrective Measures
					Status	Target	Actual		
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.3	Replacement of ageing asbestos pipes in Phase 3 B) Makhanda)	Percentage of work completed	60%		100%	93%	17 household has not been connected and reinstatement of asphalts	17 household connected and reinstatement of asphalts with done in the first quarter of 2024-25 financial year

<p>Upgrading, refurbishment and secure of Bulk Infrastructure development</p>	<p>BSI 1.7</p>	<p>Refurbishment Waainek WT W refurbishment Cathodic projection</p>	<p>Percentage of work completed</p>	<p>0%</p>		<p>100%</p>	<p>90%</p>	<p>There was an issue of nonpayment to the contractor where the work was suspended due to budget shortfall because of the budget adjustment. There was bush clearing required for the last portion which delay the completion of the CP works,</p>	<p>The project has been reprioritise in the 2024-25 financial for completion, it is expected to be complete in the end October 2024.</p>
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.8	Refurbishment of Belmont Valley Wastewater Treatment Works	Percentage of completed	5%	100%	73%	The contractor has been working on a live plant and it was difficult to install some of the electrical equipment required. The investigation by the consultant was done when the project in the operation.	Extension of time was requested and granted to contractor until the 18 July 2024

To provide safe & sustainable roads network	BSI 1.10	Percentage of surfaced municipal road lanes which has been resurfaced using Paving	Percentage of resurface using paving completed	43%	100%	83%	River Sand paving & concrete work were not completed due to school rental, security and Occupational health issues	The project will be completed in the first quarter of the 2024-25 financial year.
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
To provide safe & sustainable roads network	BSI 1.11	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	Percentage of distance of completion	0%	60%	0%	The project was not implemented due to funding shortfall because the budget was adjusted	The project has been re-prioritised for the 2024-25 financial year budget and is expected to be completed in June 2025

Ensure equitable access to housing development	BSI 1.12	Construction of 178 outstanding RDP Houses	Number of RDP Houses construction	0	178 RDP Houses constructed	0	Delay in the appointment of SMMES, due to non-compliance SCM requirements	Two main Contractors were appointed in September 2023 and Municipality is process of appointment another 6 SMME's.
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Provision of a safe, healthy, and secure living environment	CSC 1.3	Percentage of Oval Stadium, Lavendar Valley refurbishment completed	Percentage	0%	100%	44%	The service provide has been poorly performing after numerous engagements with him, he was unable to catch up. Service provider was subsequently terminated. The project will resume in 24/25 upon appointment of service provider.	Municipality is in the process of appointing second highest bidder and project has been re-prioritised for the new financial year 2024-25 budget

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Provision of water, sanitation and electricity service to all Makana Municipality communities	BSI 1.13	Number of High mast repaired	Number	0		4	0	This was not done due to Insufficient funding The project has been re-prioritised for the new financial year 2024-25 budget
Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target	Actual	
<b>KPA TWO( 2): COMMUNITY AND SOCIAL COHESION(CSC)</b>								
Clean and Beautified the City	ENV3.11	Percentage of known informal settlements receiving basic refuse removal services	Percentage of informal settlements received basic service	New indicator		100%	98%	Heavy rains on the 1st&2nd June affected the access roads in Informal Settlements Collection was done on another day
Provision of a safe, healthy, and secure living environment	CSC 1.9	Percentage of scheduled waste collection service restored after interruption	Within 48 Hours	New indicator		100%	98%	Heavy rains on the 1st&2nd June affected the Collection was done on another day

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
							access roads in Informal Settlements	
Provision of a safe, healthy, and secure living environment	CSC 1.1	Number of illegal Dumping eradicated and revamp by 30 June 2023	Number	New indicator	8	11	N/A	N/A
Provision of a safe, healthy, and secure living environment	CSC 1.4	Number of Community Road safety awareness programmes conducted	Number	3	12	12	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Provision of a safe, healthy, and secure living environment	CSC 1.5	Number Community Stakeholder engagement conducted	Number of stakeholder forums	2	4	3	N/A	N/A

Clean and Beautified the City	CSC 1.10	Percentage compliance with the required attendance time for structural firefighting incidents	Percentage of Compliance	New indicator	100%	100%	N/A	N/A
Clean and Beautified the City	CSC 1.11	Number of fire and disaster management community awareness	Number	New indicator	4	6	N/A	N/A
Enhance Safety and Security initiative	CSC 1.12	Percentage of fire inspection conducted as per inspection plan/Schedule	Percentage	New indicator	100%	100%	N/A	N/A
Enhance Safety and Security initiative	CSC 1.13	Number of Awareness programmes (observe calander days)	Number	New indicator	4	4	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Provision Social community facilities	CSC 1.14	Number of library visit	Number	30 000	33 000	46790	N/A	N/A
<b>KPA THREE (3): LOCAL ECONOMIC DEVELOPMENT AND PLANNING(LED)</b>								
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 1.1	Number of work opportunities created through EPWP	Report the number of job created	172	172	172	N/A	N/A
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 1.2	Number of work opportunities created through CWP	Report the number of job created	898.00	1000	1000	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 1.3	Number of work opportunities created through projects including capital Infrastructure development investment	Report the number of job created	194.00	194	76	This was due delay on the two projects that were planned to commence in the financial year under review, Makana Way and upgrading of Informal areas	The project has been re-prioritised for the 2024-25 Financial year.
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 1.4	Facilitate support for SMME to participate in National arts festival	Number of SMME Supported to participate in National Arts festival	0	2	2	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024			Reason for deviation	Corrective Measures
					Status	Target	Actual		
Improved stakeholder collaboration to unlock opportunities for economic growth	LED 1.5	Implementation of the LED Forum resolution	Number of reports on resolution implemented quarter	0	4	1	The Municipality has not formally established a LED Forum instead there was a LEDLAC forum was established and launch in March 2023 however due to capacity constraint this structure has been functional.	To be prioritised in the 2024-25 Financial year.	
	LED 1.6	Implementation of Makhanda East Precinct Plan "	Invite interested Developer	0	Invite interested Developer	0	Procurement processes lapsed due to budget constraints	To be prioritised in the 2024-25 Financial year.	

Promoting and enabling environment	LED 1.7	Approval of the informal trading policy by Council	Number of milestone completed	0	Approved Informal Trading policy	1	N/A	N/A
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target / Actual		
Support SMME and Community Development initiatives	LED 1.8	Number of SMME Support programmes facilitated	Number of SMME Support programmes facilitated by the Municipality	2	4	6	N/A	N/A
Promoting and enabling environment	LED3.11	Average time taken to finalised business license applications	Time (Quantity)	0	Days (15)	Days (15)	N/A	N/A
Promoting and enabling environment	LED3.12	Average time taken to finalised informal trading permits	Time (Quantity)	0	3 Days	3 Days	N/A	N/A
Promoting and enabling environment	LED3.13	Average number of days taken to process building application of 500 square meters or more	Time(Quantity)	0	30 Days	30 Day	N/A	N/A

Promoting and enabling environment	LED1.32	Average number of days taken to process Land Use Applications	Time (Quantity)	0		6 Months	6 Months	N/A	N/A
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Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target / Actual		
Promoting and enabling environment	C29 (LED)	Percentage of approved new applications for rezoning a property for commercial purposes.	Time (Quantity)	0		6 Months	6 Months	N/A
Promoting and enabling environment	C85(LED)	Percentage of business licenses renewed	Percentage	0		100%	100%	N/A

KPA FOUR(4) INSTITUTIONAL CAPACITY AND ORGANISATIONAL DEVELOPMENT (ICOD)								
Effective Management of Organisational Design and policy development	ICOD 1.1	Number review conducted	Number review conducted	1	1 (Review of Organisational Structure)	1	N/A	N/A
Effective Management of Organisational Design and policy development	ICOD 1.2	Report - Number of positions adjusted in line with JE outcome.	Number of Reports	0	4	4	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Effective Management of Organisational Design and policy development	ICOD 1.3	Number of milestone reached towards Review of Service Delivery Business Model for Alicedale and Riebeeck	Number of Milestones completed	0	3 ( Service Delivery Business Model for Alicedale and Riebeeck Milestone)	Actual	N/A	N/A

Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 1.4	Percentage reduction of vacancy rate(C88)	Percentage of vacancy rate	13.0%	10% (Anticipation)	13%	Due Monomorium to focus on the critical vanc position	N/A
Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 1.7	Percentage of of budgeted Rand Value spent on Skills Development	Rand Value spent	0	100%	1		

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target / Actual		
Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 1.8	Review of Human Resources Plan	Number of human resources plans reviewed by 30th June	0	1 (Revised Human Resources Plan)	1	N/A	N/A

Ensure efficient and effective organisational support by a competent and skilled workforce	ICOD 1.9	Number of employees wellness programmes facilitated	Number of employees wellness programmes by the Municipality	1		4	3	N/A	N/A
Effective Management of Organisational Design and policy development	ICOD 1.13	Number of milestones towards reviewing HR Policies	Number of milestones	8		2 Milestone (Review of HR Policies)	HR Policies where revised on the 7 and 8th of March 2024	N/A	N/A
Effective and efficient Human Resources Development and management programme	ICOD 1.15	Percentage of municipal skills development levy recovered(C88)	100 % skills levy recovered	0		100%	0%	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024			Reason for deviation	Corrective Measures
					Status	Target	Actual		
Improve organisational culture to enhance productivity	ICOD 1.10	Percentage of signed performance agreement managment levels	Percentage	0	100%	0%	Performance Managemnt system has not bee cascaded to lower level than Director level	Cascading is prioritised for the 2024-25 Financial year	

**KPA FIVE (5): FINANCIAL VIABILITY AND MANAGEMENT (FVM)**

Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.1	Total Annual Operating Budget revenue raised/collected by 30 June	Percentage of Operating Budget revenue raised/collected	58%	80% of annual billed and monthly billed income by June 2023	63%		
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.2	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MFMA, Reg. S10(c))	Percentage of approved Capital Budget actually spent	35%	100% Grants and 82 % Own revenue.	100%	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target		
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.3	Submission of the MTREF to Council by 31 May	Number of MTREFs submitted to Council by 31 May	4	1 MTREF submitted to Council by 31 May	2	N/A	N/A
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.4	Review of the Financial Management Policies	Number of budget related policies revised and approved by Council for approval	1	10	11	N/A	N/A
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.5	Submission of the Annual Financial Statement (AFS) to the Auditor-General of South Africa	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	1	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	1	N/A	N/A

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024			Reason for deviation	Corrective Measures
					Status	Target	Actual		
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.6	Ratio in respect of Debtor Payment Days	Net Debtors Days Ratio ((Gross Debtors – Bad Debt Provision)/Billed Revenue))x365 (Target Number of days)	110 days	40 days	16 days	N/A	N/A	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.7	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MFMA, Reg. S10(g)(iii))	Cost coverage ratio (Available cash + investments)/Monthly fixed operating expenditure	1 Month	3 Months	1 Month	The poor revenue collection continues to hamper the achievement of this ratio. .	Installation of prepaid water and electricity smart water	
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.9	Report on Financial Recovery Plan/Strategy conducted quarterly to Council	Number of reports submitted	4	4 Reports Submitted Quarterly	4	N/A	N/A	

Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
					Status	Target / Actual		
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.11	Percentage reduction in the unauthorised expenditure" by 30%	Percentage of reduction	R100 million	R40 million	54%	N/A	N/A
Ensure sound financial sustainability and adhere to statutory prescriptions	FVM 1.12	Percentage of Payments of creditor within 30 days	Percentage of days	92, %	100%	100%	N/A	N/A
<b>KPA SIX (6): GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>								
Ensure good governance and compliance	GGP 1.1	Qualified audit opinion	Obtain one (1) Qualified Audit Opinion"	0			Disclaimer	N/A
Ensure good governance and compliance	GGP 1.2	Percentage of Audit findings milestone achieved quarterly	Percentage	23	100%	54%		N/A

Ensure good governance and compliance	GGP 1.6	Annual Risk Assessment Conducted	Number of Risk Assessment Conducted	2022-23 Annual risk assessment	One Annual risk assessment	1	N/A	N/A
Predetermined Objective (IDP) 2022-2027	Ref	Performance Indicator 2023-24	Unit of Measure	Baseline	Overall Performance for July 2023 to June 2024		Reason for deviation	Corrective Measures
Ensure good governance and compliance	GGP 1.7	Implementation of Risk mitigation annually	Percentage mitigation implemented quarterly	Quarterly risk assessment	Status	Target	Actual	Resources to be prioritise in the 2024- 25 Financial year.
Ensure good governance and compliance	GGP 1.9	Compliance to MFMA Requirements	Percentage of compliance achieved quarterly.	Compliance register		100%	42%	Lack of resources
Effective implementation of ICT Governance Framework	GGP 1.15	Upgrading of capital ICT infrastructure I	Percentage of upgrading of ICT infrastructure assessment: completed	0		100%	60%	Resources to be prioritise in the 2024-25 financial year.

Enhance administration and Council oversight	GGP 1.24	100% Implementation of Council resolution	Percentage Council resolution implemented Quarterly	0	100%	60%	Council resolution not implemented due to lack of monitoring	Introduction of Council resolution Monitoring mechanism
<b>Predetermined Objective (IDP) 2022-2027</b>	<b>Ref</b>	<b>Performance Indicator 2023-24</b>	<b>Unit of Measure</b>	<b>Baseline</b>	<b>Overall Performance for July 2023 to June 2024</b>		<b>Reason for deviation</b>	<b>Corrective Measures</b>
Monitoring Evaluate institutional Service Delivery	GGP 1.33	Convene a Councillor & Senior Management Strategic Planning session for IDP and Budget process by Annually	Institutional strategic planning session held by February 2024	1	1	1	N/A	N/A
Monitoring Evaluate institutional Service Delivery	GGP 1.34	Percentage of Top Layer KPI Achieved	Percentage achieved in per quarter	35%	90%	57%	Lack monitoring and realist budget allocation	Enhance Monitoring and evaluation

**ANNEXTURE B: ANNUAL FINANCIAL STATEMENT 2023-24**



**MAKANA**  
MUNICIPALITY | EASTERN CAPE  
*...a great place to be*

Makana Local Municipality  
(Registration number EC104)  
Annual Financial Statements  
for the year ended 30 June 2024

**AUDITOR GENERAL  
SOUTH AFRICA**

**30 NOV 2024**

## **ANNEXURE C: AUDIT REPORT 2023-24**

