



2017- 2022

DRAFT

INTEGRATED

DEVELOPMENT PLAN

THE MANIFESTO OF THE RULING PARTY

OUR VISION AND PLAN

South Africa has begun a new and far-reaching phase of its democratic transition.

For more than a century, the ANC has led our people in their aspiration for a united, non-racial, non-sexist, democratic and prosperous society, as the strategic goal of the National Democratic Revolution.

That vision, inscribed in the Freedom Charter, inspired the sacrifices that brought freedom and democracy.

That vision became the soul of our constitutional democracy after April 1994. It has been the guiding light of our programme to reconstruct and develop our country after centuries of colonialism and apartheid.

Over the last 20 years, the first phase of our democratic transition, our people's dignity has been restored. Non-racial majority rule based on one-person, one-vote has brought about government based on the will of the people. Today, South Africa is a better place in which to live. The lives of millions have improved.

Yet the challenges still facing our country are immense. Poverty, inequality and unemployment still affect the lives of many people. Corruption continues to erode our social fabric and undermine our development efforts. Our economy continues to feel the effects of the global economic slowdown, making our goals all the harder to reach.

The ANC is committed to working with our people to address these challenges and move South Africa further forward towards the achievement of the vision of the Freedom Charter.

The second phase of our democratic transition calls for bold and decisive steps to place the economy on a qualitatively different path That eliminates poverty and unemployment, creates sustainable Livelihoods and substantially reduces inequality.

The National Development Plan (NDP) aims to eradicate poverty, increase employment and reduce inequality by 2030. The NDP lays the foundation for long-term planning for this radical socio-economic agenda over the next 20 years. Its implementation will be a people driven process to which everyone is able to contribute. Where appropriate, The plan will be adapted to meet changing conditions and incorporate key learnings.

Within the NDP vision, critical policy instruments will continue to drive policy agenda. These include:

- the New Growth Path, which shifts the trajectory of economic development,
- the National Infrastructure Plan, which guides the roll-out of infrastructure to improve people's lives,
- the Industrial Policy Action Plan, which supports the re-industrialisation of the economy.

In the **next five years**, we will build on the progress made in implementing our 2009 Manifesto priorities:

- **Creation of more jobs, decent work and sustainable livelihoods for inclusive growth**
- **Rural development, land reform and food security**
- **Education**
- **Health**
- **Fighting crime and corrupt**

We will also continue to **expand access to housing and basic services** as part of our commitment to build integrated and sustainable human settlements.

These goals require that we build a **democratic developmental state** capable of mobilizing all sectors and boldly intervening in the economy in favour of workers and the poor. Working with all sectors of society, we will need to create conditions for the promotion of **social cohesion and nation building** and contribute to a **better Africa and a just world**.

The commitments of his manifesto are coherent, realistic and achievable. As the leading political representative of South Africans with unmatched government's experience, capacity and political determination, in the next five years the ANC will work to **mobilise and unite** all our people around this manifesto.

TOGETHER WE MOVE SOUTH AFRICA FORWARD

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THE HONORABLE MAYOR'S FOREWORD



The Amahlathi Local Municipality has completed its Integrated Development Plan (IDP) as per the requirements of section 25 of the Municipal Systems Act. The IDP, a five-year plan which local government is required to compile to determine the development needs of the municipality, must be linked to the municipality's budget. This IDP is adopted strategically during a time when we, as a country, celebrate the life and times of a freedom fighter like no other Oliver Reginald Tambo.

This IDP is a reflection of what government has planned for the community over the next 5 year council term. The heart of this document is the vital role played by our communities, council structures, our administration, business formations and the NGOs giving life of a credible IDP.

The focus is therefore on citizens doing things for themselves, with the municipality providing all the support to make this process happen. Not only is this approach more effective in a context of scarce resources, but it also has overwhelming support from citizens and civil society groups who are eager to work in partnership with the municipality to make development happen.

The IDP as a five-year living document correctly puts attention mainly on the needs of our communities which are reviewed on an annual basis in line with the legislative requirements of the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA).

The new approach of local government is to facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilise their full potential and access opportunities. This will enable citizens to contribute towards a vibrant and sustainable economy with full employment and thus create a better quality of life for all.

I am now expecting the administration to move with speed to qualitatively implement projects and programmes as a matter of priority in the spirit of *Operation Masivuselele*.

Thank you

Cllr P. Qaba, MAYOR

MUNICIPAL MANAGERS MESSAGE

The Legislative Framework which encompasses the Municipal Structures Act, 117 of 1998 and The Municipal Systems Act 32 of 2000, makes it mandatory for the newly elected Amahlathi Municipality to embark in a process of developing 5-year Integrated Development Plan that must be aligned with the term of Office of the Council. This document serves as a guide for the five year term 2017-2022. To ensure responsiveness of the Amahlathi Municipality to the needs that are articulated and prioritised by the people themselves, the IDP is reviewed on annual basis. This document has to cater projects for the five-year term which have to be reviewed on an annual basis.

The review is conducted in line with the Council mandate period of five years. The IDP encompasses the analysis phase which depicts the current state of socio-economic circumstances of the Municipality. In developing the IDP the Municipality's Strategic Planning Session took note of the National Development Plan and the Amathole District-Wide 2030 Plan. The National Government has declared this year as a stepping stone of the Radical economic Transformation which aims at aggressively improving the lives of the people of the country for the better. It is in that context whereby as Amahlathi we come on board with our 120 000 people/population who are mostly poor and underprivileged whose lives are mostly vulnerable. The Strategic Planning took note of the analysis phase and thus came with strategies that need to be developed to cater for the needs of the Municipality.

The structures that have been put in place to prioritise that are espoused in the IDP process plan and informed by Amahlathi community priorities. The participation of communities has been fully involved in preparation and shall also be part of the annual reviews for the next 5years.

It is the prerogative of the Municipality to implement projects budgeted for each financial year after being extracted from the 5-year IDP in the ensuing years. The Council must account to the Community on the successes and failures on the implementation of the SDBIP through the appropriate structures and mechanisms that have been put in place on an annual basis. This IDP Document shall serve as a beacon so as to give our Municipality the direction to follow in the whole period of five years. The Strategies will be our stepping stones to our future.

B.K. Socikwa

MUNICIPAL MANAGER

BACKGROUND TO THIS DOCUMENT

i. Legislative background

This document represents the 2017/22 draft reviewed Integrated Development Plan (IDP) as prepared and adopted by the Amahlathi Local Municipality. It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 25 of the Local Government: Municipal Systems Act 32 of 2000.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect necessary changes and improvements.

Section 34 further states that:

"A municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demand."

ii. The IDP Review Process

This is a 2017/22 draft Integrated Development Plan (IDP) to be tabled to Council on the 30th March 2017, the IDP will be reviewed annually for a five-year period from 2017/18 until 2022. This document is substantially based on the format and layout of its predecessor. This Integrated Development Plan will guide the Municipality in its strategic planning and project prioritisation for the period ending in 2022.

This IDP is aligned to the National Development Plan and the Provincial Growth. It is informed by community needs. It contributes to the country's commitments to universal access as per the Millennium Development Goals and Sustainable Development Goals. The Amahlathi IDP is aligned to the Budget and the Performance Management System for its implementation, monitoring and evaluation, hence the subsequent plan would be the Service Delivery and Budget Implementation Plan (SDBIP), a year plan. The predetermined strategic objectives on the IDP have been translated into an SDBIP-performance management induced tool. Council will play an oversight role and the administration will play the implementation and reporting role.

On 30th August 2016, the Amahlathi Local Municipality adopted the IDP/Budget Process Plan. This plan was adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget. The Amathole District IDP Framework served as a guide and for purposes of alignment in the preparation of the Process Plan. The IDP/Budget Process Plan outlines in detail, the way in which the Amahlathi Municipality embarked on its IDP and Budget processes from its commencement in July 2016 to its completion in June 2017. Both these plans are attached to this document.

Organisational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to. Of particular note, have been the operations of structures, such as IDP/Budget Representative Forum, IDP and Budget Steering Committee, Intergovernmental Relations (IGR), and Cluster Teams. These have executed their mandates in terms of the adopted IDP/Budget Process Plan and ensured the achievements of key milestones and deliverables.

In the process of developing the IDP and the Budget, An institutional strategic planning session was held on 22-24 February 2017. The session was intended to facilitate provision of a framework that will guide the municipality's five (5) year strategic direction. Furthermore, as part of the IDP process, an analysis was

conducted in respect of various sector plans attached to the Amahlathi IDP. Some were found to be still relevant and required minor update done in-house, others required a major review. Amahlathi Local Municipality's approval of the IDP and Budget for 2017-2022 is scheduled for the 31st May 2017.

In order to ensure the IDP is fully compliant, comments received from the MEC, were forwarded to the relevant Amahlathi IDP Cluster teams where they were discussed and used as a basis for improving the credibility of the IDP.

The IDP was formulated based on an assessment of a number of new inputs into the IDP Planning Cycle of the Amahlathi Municipality. These inputs included the following: -

- ♦ Strategic direction and proposals on programmes and projects emanating from a number of Sector Plans formulated by the Amathole District Municipality and sector departments as part of that institution's IDP formulation. These include: -
 - The Amathole District Land Reform & Settlement Plan
 - The Amahlathi Integrated Waste Management Plan
 - The Amathole District Integrated Environmental Management Strategy
 - The Amathole District Integrated Transport Plan
 - Amahlathi Housing Integrated sector Plan.
 - Amathole District Integrated water sector Plan
- ♦ Clarity on Powers and Functions assigned to the Amahlathi Municipality by the MEC for Local Government & Traditional Affairs, in terms of Section 85 of the Municipal Structures Act (Act No 117 of 1998, as amended).
- ♦ The Amahlathi Municipality's own review of progress achieved in implementing the proposals, in respect of project implementation as well as further completion of work on strategic elements of the IDP relating to the Institutional Plan for the Municipality, and key developmental programmes such as the Poverty Alleviation programme, the HIV/AIDS programme, and work towards an integrated LED Programme.

The Process followed by the Amahlathi Municipality has been guided and informed by the coordinating Framework and guidelines provided by Department of Local Government as well as direction provided by the Amathole District Municipal Managers and Mayors Forum (DIMAFO).

Based on an updated review of the Analysis completed in 2001/2002, which was largely informed by work done in terms of the Amathole District Municipality's Sector Plans and a Study of LED in the Amahlathi Municipal area that was commissioned in 2002 by the Eastern Cape Premier's Office, the following broad conclusions remain applicable in Amahlathi:

Local Economic Development

The Amahlathi Municipal area has a resident population whose main challenges are in countering the effects of endemic poverty and under-development. This translates into a need to focus great efforts on

the expansion of local economic development in the area. In this regard, focus areas include facilitating sectoral growth in tourism, local manufacturing, agriculture and forestry.

Poverty relief and food security are also seen as important areas within this cluster, as is a strategic focus on the support of local enterprise development.

Infrastructure Development

The Amahlathi Municipal area has numerous local areas where significant backlogs continue to exist in the provision of basic services such as water, sanitation, electricity and solid waste disposal.

In addition, much of the road network in the area continues to require urgent maintenance and/or reconstruction, whilst there are some areas where new access roads and bridges need to be constructed simply to afford residents ease of mobility. The addressing of these infrastructure needs is accepted as one of the key focus areas for the Amahlathi Municipality.

Social Needs

The key areas of need in this cluster remain RDP houses, improvement in education infrastructure across the range of pre-school facilities to adult education, better access to welfare support institutions and facilities for the aged, the disabled and the sick, and the provision of sports fields, community halls and minor works such as fencing.

Socio-Spatial Development

It remains vitally important for Amahlathi Municipality to follow a structured approach in focusing development and capital investment in the settlements that make up its area in order to counter further fragmentation in the settlement patterns both at a local and at a municipal-wide level.

Careful land use management and the conservation and appropriate use of existing natural and cultural heritage resources is of great importance for the area and can result in the enhancement of local economic development initiatives. It is also important to ensure that the provision of infrastructure is carried out in a more sustainable manner than has occurred in the past.

Moreover, an important consideration for the municipality in this regard is the need to support land reform processes in its area of jurisdiction, most notably (but not exclusively) in the Keiskammahoek area, where land restitution processes are rapidly approaching settlement and in the Yellowwoods/Kei Road Zone, where detailed planning processes have identified priority project actions required.

iii. Community Involvement

There is an emphasis on an implementable IDP that responds to changing circumstances and has a strategic thrust, it is in this spirit that a public participation process was undertaken as means to allow citizens to play an active role in the affairs of the municipality.

Below is an outline of the public participation events undertaken by the municipality, where communities were engaged to compile this document:

WARD	DATE	VENUE	TIME
4 and 5	12-10-2016	Cathcart town hall	10H00

1,2 and 11	13-10-2016	Springbok Hall	10H00
3	13-10-2016	Monde Ndukwana Hall	13H30
10	14-10-2016	Burnshill Community Hall	10H00
7,8,9 and 12	18-10-2016	Frankfort Hall	10H00
14 and 15	19-10-2016	Mlungisi Commercial Park Hall	10H00
6 and 13	24-10-2016	Lutheran Hall	10H00

iv. Back to Basics (B2B)

There is a clear mandate for local government to deliver on key priorities that must ensure that visible, tangible and positive changes are felt in all our rural and urban communities. Whilst all of the support programmes have assisted in specific ways, it is still clear that a number of stubborn service delivery and governance problems have been identified, hence B2B approach has been introduced as a way of an intervention programme for municipalities in order to improve public services and strengthen democratic institutions.

The goal of B2B is to improve the functioning of municipalities to better serve communities by getting the basics right.

B2B has five pillar areas that will ensure that municipalities set the proper standards for municipal performance, the pillars are reflected below:

- Putting people and their concerns first;
- Demonstrating good governance and administration;
- Delivering municipal services;
- Sound financial management and accounting; and
- Sound institutional and administrative capabilities.

DEVELOPMENT PROPOSALS

The Amahlathi Municipality has amended the arrangement set out in its first IDP where development projects and programmes were focused in five Development Sector Clusters. The revised clusters identified are:

DEVELOPMENT SECTOR CLUSTER	SECTORS OR AREAS OF INTERVENTION INCLUDED
Basic Service Delivery and Infrastructure	Roads & Storm-water, Electricity, Housing, Land Reform, Spatial Planning, Land Use Management, Community Facilities etc.
Local Economic Development and Environment	Tourism, Agriculture & Forestry, Food Security, Small Business and Local Enterprise Development, Environment, small towns regeneration etc.

Good Governance and Public Participation	Education, Disaster Management, Fire Services, Protection Services, Internal Audit, etc.
Municipal Financial Viability and Management	Administrative and Financial Management matters etc.
Municipal Transformation and Institutional Development	<input type="checkbox"/> Plan for the future <input type="checkbox"/> Manage through information <input type="checkbox"/> Develop, retain skilled and capacitate workforce <input type="checkbox"/> Create an informed community

RELEVANT DOCUMENTS

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- Amahlathi IDP/Budget Process Plan
- Various sector plans and programmes
- Amahlathi Performance Management Framework
- Amahlathi Spatial Development Framework (SDF)
- Provincial Growth and Development Plan
- Provincial Spatial Development Plans (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan (NDP)
- Sustainable Development Goals

ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- State of Local Government in South Africa
- Municipal Demarcation Board Reports
- COGTA: Local Government Turnaround Strategy (LGTAS)
- COGTA: Operation Clean Audit 2014

- Powers & Functions:
- ANC Manifesto
- ANC January 8th Statement
- King III Report & Code on Good Governance for South Africa
- 12 Outcomes of Government – Role of Local Government

SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

The Amahlathi Local Municipality is committed to the SDG's:

- Eradication of extreme poverty and hunger
- Achieve universal primary education partnering with relevant Government Department and Institution
- Promote gender equality and empowerment of women through implementation of enabling Policies
- Combat HIV/AIDS, Malaria and other diseases through collaboration with stakeholders and implementation of own strategy
- Develop a global partnership for development

Developmentally, the table below shows the alignment between the National, Provincial and Amahlathi local Municipality's priorities and the SDG's

INTEGRATED DEVELOPMENT PLAN (IDP) 2017- 2022

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
Good Governance and Public Participation	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all	Encourage citizens to be active in their own development, in strengthening democracy and holding their government accountable	Peace and Justice (#16) Energy (#7) Partnership (#17) Economic growth (#8) Partnership (#17)
	Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system	Raising economic growth , promoting exports and making the economy more labour absorbing	
	Pursuing African advancement and enhanced international co-operation		12.An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		
	Building a developmental state including improvement of public services and strengthening democratic institutions		11.Create a better South Africa, better Africa and a better world		

Municipal Financial Viability and Management	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system		
Municipal Transformation and Institutional Development	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education	Quality basic education (Chapter 9)	
	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path	Skilled and capable workforce to support an inclusive growth path (Chapter 9) Decent employment through inclusive economic growth (Chapter 3)	
	Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe	Social protection (Chapter 11)	
			9. Responsive, accountable, effective and efficient Local Government system	Crete a better South Africa, a better Africa and a better world (Chapter7)	
			12.An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Skilled and capable workforce to support an inclusive growth path (Chapter 9)	

Basic Service Delivery and Infrastructure Investment	Improve health profile of the nation	Improve the health profile of the province	6.An efficient, competitive and responsive economic infrastructure network	Provide basic services to all citizens wherever they reside	Health (#3) Infrastructure Industrialization (#9) Partnership (#17)
	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans	Raising economic growth, promoting exports and making the economy more labour intensive	Economic growth (#8) Partnership (#17)
	Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life	Provide basic services to all citizens wherever they reside	Infrastructure , Industrialization (#9)
	Sustainable resource management and use	Building a developmental state	10.Protect and enhance our environmental assets and natural resources	Uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality	Climate change (#13) Poverty (#1)
Local Economic Development	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4.Decent employment through inclusive economic growth	Raising economic growth, promoting exports and making the economy more labour intensive	Economic growth (#8) Partnership (# 17)

	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6.An efficient, competitive and responsive economic infrastructure network		
		Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all		
		Building cohesive and sustainable communities	8. Sustainable human settlements and improved quality of household life	Government spending on fixed investment should be focused on localities of economic growth	Infrastructure, Industrialisation (#9) Partnership (#17) Economic growth (#8)
		Building a developmental state	10.Protect and enhance our environmental assets and natural resources		

THE STRUCTURE OF THE 2017- 22 IDP IS AS FOLLOWS:

Chapter 1: The VISION

Chapter one of the IDP provides a concise summary of the municipal vision, mission and values.

Chapter 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

This chapter provides a detailed profile of the District.

Chapter 3: STATUS QUO ASSESSMENT

This chapter provides the situational analysis of the district in relation to the 5 Key Performance Areas of Local Government, together with the district-wide community priorities and needs.

CHAPTER 4: DEVELOPMENT OBJECTIVES, STRATEGIES, PROGRAMMES AND PROJECTS

This chapter provides a detailed breakdown of objectives that indicate what the Municipality can reasonably achieve within the 5 year period and within the available resources, as well as strategies and programmes that provide the concrete interventions that the local municipality will implement to attain its objectives.

CHAPTER 5: PROJECTS

This chapter list the projects the current projects, status and the planned projects

Chapter 6: PERFORMANCE MANAGEMENT

This chapter outlines the system the Municipality used for performance management.

CHAPTER 7: SECTOR PLANS

This chapter provides a list of all sector plans and their status, with executive summaries of the newly developed sector plans. The sector plans contain strategic interventions that respond to the status quo assessment.

CHAPTER 8: FINANCIAL PLAN

This chapter provides the Municipality's financial strategies, medium term expenditure, proposed budget for the 2017/18 financial year as well as the 3 Year Capital Plan.

CHAPTER 9: MAPS/ DEVELOPMENT PLANS

CHAPTER 10: IDP PROCESS PLAN

CHAPTER 1: THE VISION

VISION

A model municipality in partnership with its community through excellent service delivery, local economic development and public participation.

MISSION

Building a caring, responsive, accountable and economic viable municipality.

CORE VALUES

In implementing the above, the Amahlathi Municipality subscribes to the following values

- ✦ Team work / Trust / Honesty/Responsibility / Dedication
- ✦ Value and acknowledgement of the individual.
- ✦ Integrity / Work Ethics.
- ✦ Transparent and Clean Government.
- ✦ Tolerance / Understanding/ Good Leadership.
- ✦ Accountability / Value for Money / Efficiency and Affordability; and
- ✦ Developmental Local Government striving for effectiveness and Performance.

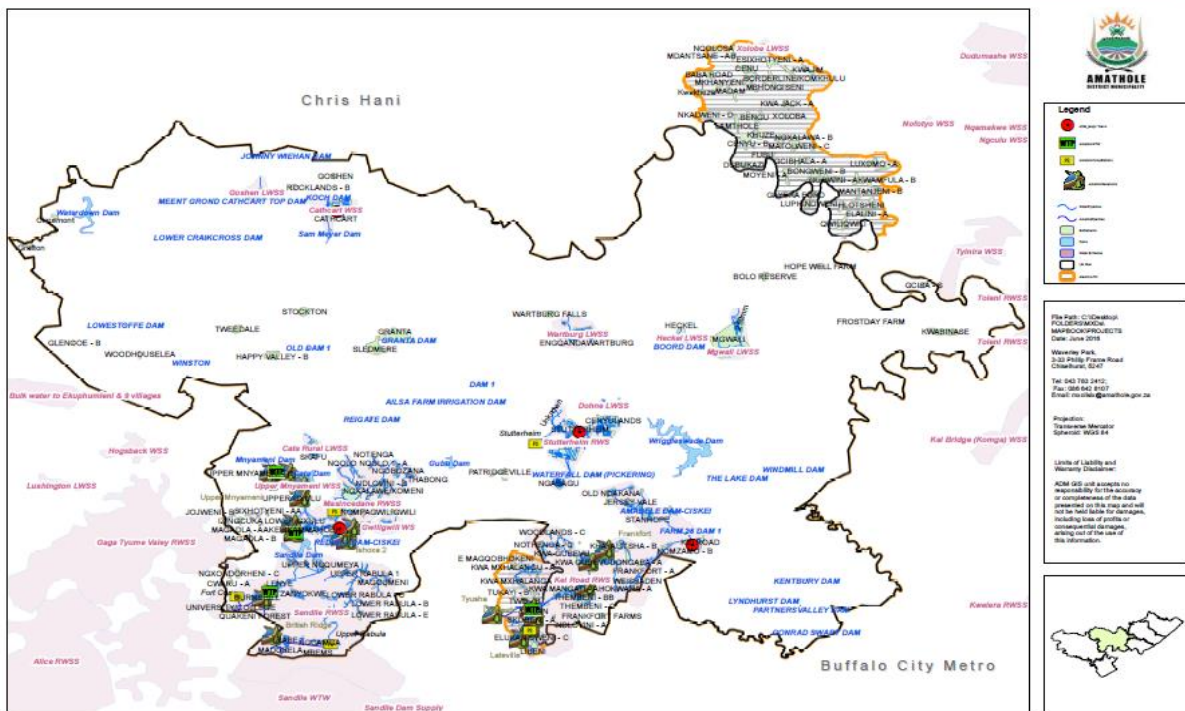
CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY

2.1 DEFINING THE MUNICIPAL AREA – AN OVERVIEW

2.1.1 Geographic Locality

Situated in the Northern part of the Amathole District Municipality, Amahlathi is 4266.21km² in extent, the municipality's jurisdiction comprises of Stutterheim, Cathcart, Keiskammahoek and Kei Road. Strategically placed both Stutterheim and Cathcart are located along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. The main municipal offices are situated in Stutterheim, there are satellite offices in Cathcart, Kei road and Keiskammahoek.

AMATHOLE NEW DEMARCATIONS - AMAHLATHI



The Amahlathi Municipality comprises of 15 wards and is characterized by a range of settlement patterns and associated land uses, including formal urban areas, formal and informal rural settlement areas, and extensive, privately owned farmland.

2.2. SOCIO-ECONOMIC INDICATORS

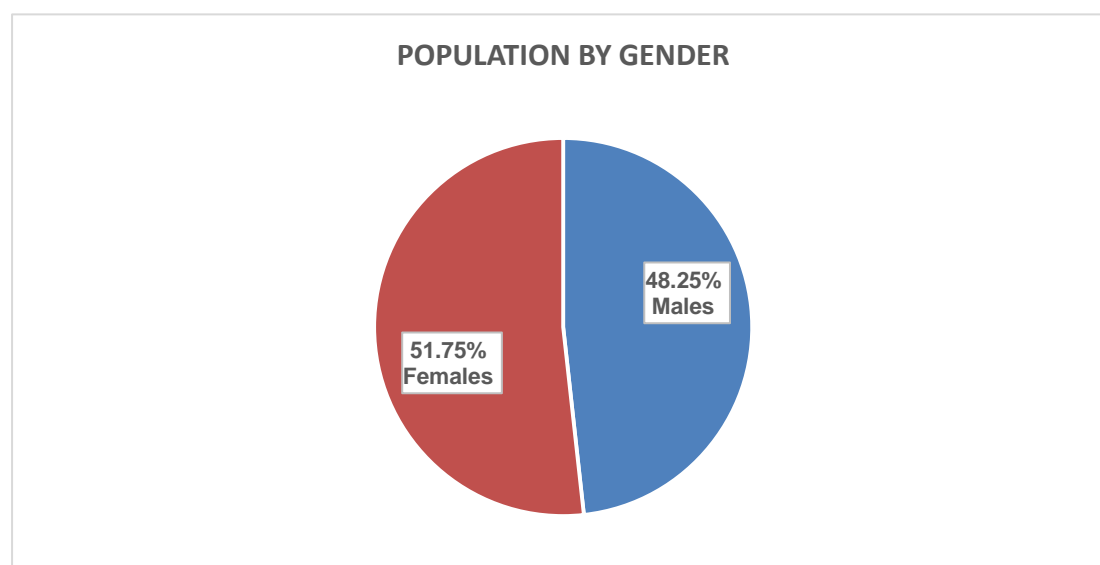
2.2.1 DEMOGRAPHIC PROFILE

Population

The population of Amahlathi has decreased from **122 778** to **101 826** based on the new boundaries as per the 2016 Community survey done by Statistics SA, this came as a result of the number of wards that have been reduced from 20 to 15 by the Demarcation board. About **13** villages have been moved to Buffalo City Metro Municipality and 10 villages to Intsika Yethu Municipality. The 2016 Community Survey also shows a decrease in the households from **34 159** to **29 994** households. The population is unevenly distributed among the 15 wards.

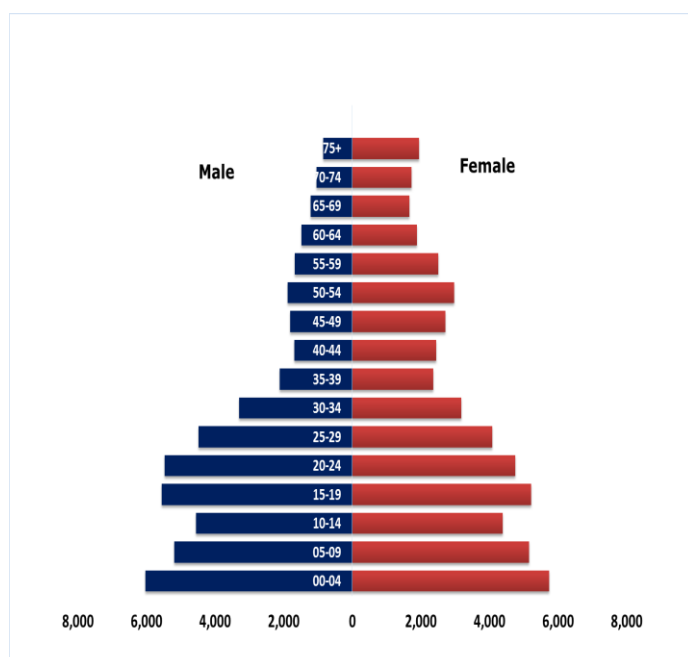
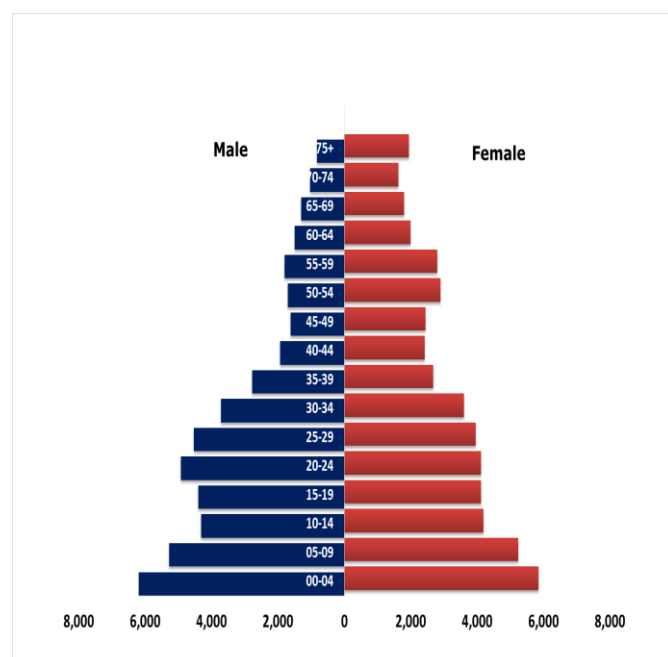
Population Characteristics | Population by Gender

The population's sexual distribution reflects the following composition;



Source: Community Survey 2016

The Amahlathi population is predominantly female dominated by 51.75% with males constituting 48.25% of the population as shown in the graph above. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programmes and campaigns need to be put in place in order to empower women in the short to medium term.

Population pyramid 2011

Population pyramid 2016


Source: Municipal Barometer 1996-2016, REX Global Insight 2016

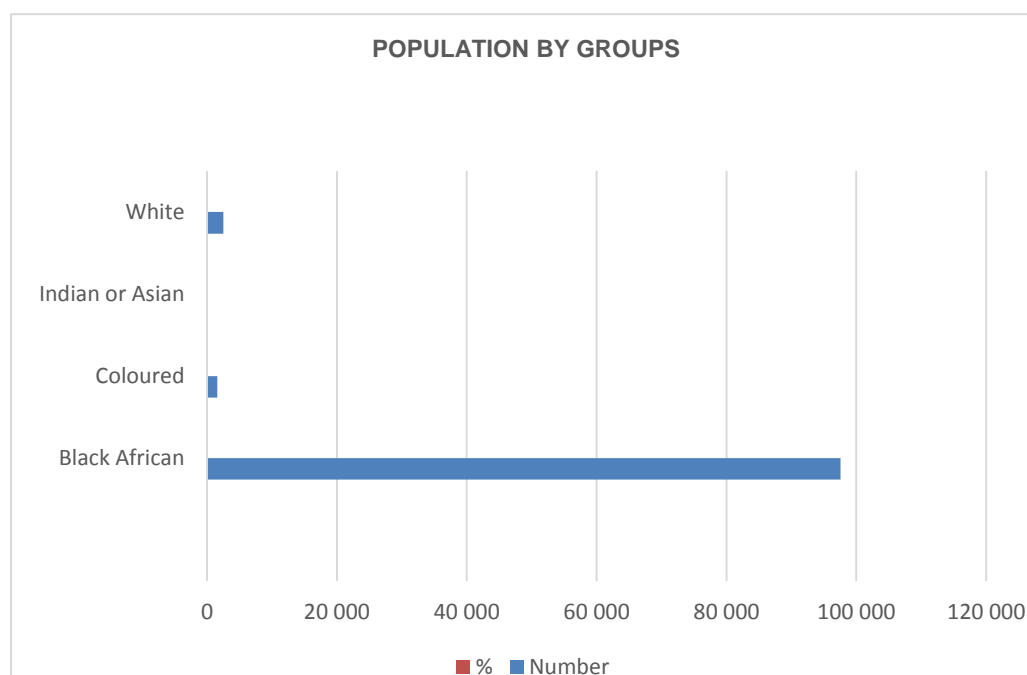
The population pyramids above provide a breakdown of the population estimates in the municipality by age, group and gender for 2011 and makes a comparison with 2016 population estimates. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for 60%. Those in the age group 15-34 account 31% however by 2016, the structure changed and the population in those age cohorts grew to 60.6% and those in the 15-34 age cohort declined to 29.1%. The decline in the youth category could indicate the out-migration impact where the youth would typically seek better working and living conditions elsewhere in the region.

POPULATION GROUP

Group	Number	%
Black African	97 591	95.8
Coloured	1 575	1.5
Indian or Asian	116	0.1
White	2 543	2.5
Total	101 825	100%

Source: Stats Community Survey 2016

Population Characteristics | Population by Groups

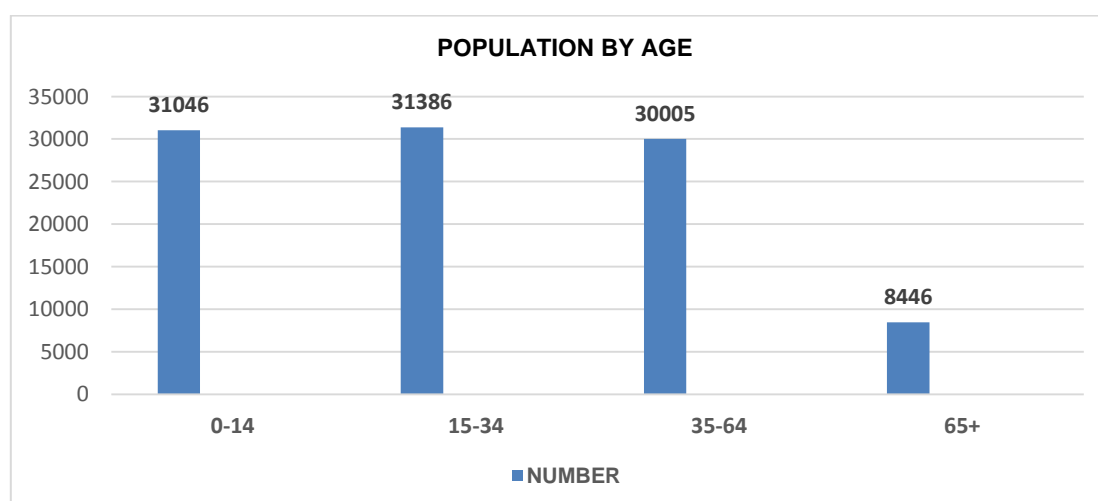


Source: Stats Community Survey 2016

The majority of the population of Amahlathi are Black Africans (95.8%) followed by whites South Africans (2.5%), then Coloured (1.8%) and Indians/Asia (0.1%).

Population Characteristics | Population by Age

The Amahlathi Municipality currently has a population of children from age 0-14 constituting 31.48% while it has a teen and early adult-hood population of age group between 15–34 constituting 40.85% of the total population in all its demographic forms. The working population of age group between 35– 64 constitutes 19.43% whilst the older population of 65 and above constitutes 8.24% of the population.



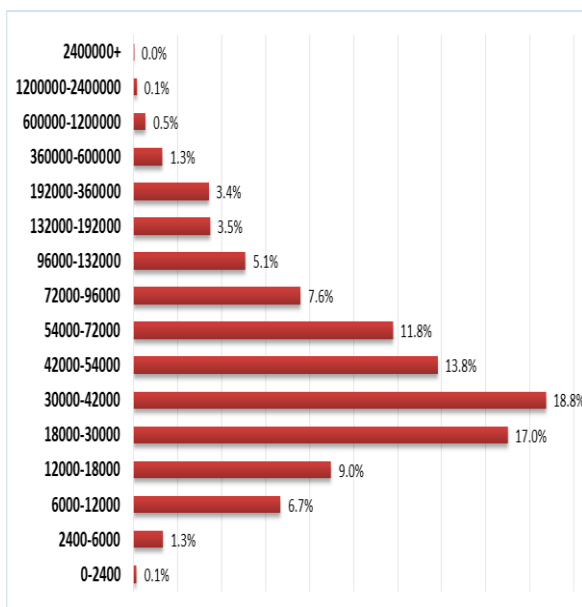
Source: Stats Community Survey 2016

DISTRIBUTION OF HOUSEHOLD INCOME

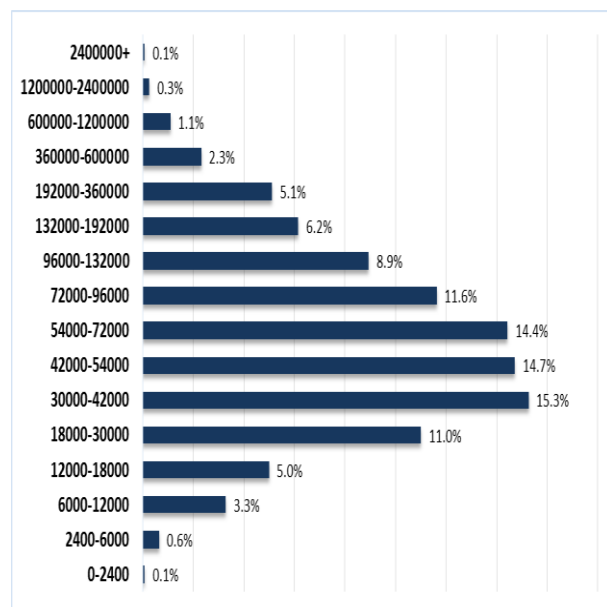
The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households.

The two figures below suggests a cumulative 61.4% of households in Amahlathi earn between R30,000 to R72,000 per annum. The households with the highest income brackets falls between R30,000 – R42,000 and R18,000 – R30,000 accounting for about 18.9% and 17.0% of households respectively. In 2016, there was a significant shift in the income breakdown where certain income brackets grew while others declined. Figure 10 depicts a clear picture of the changes between the two periods. Households in the income categories of R0 to R4,200 experienced a cumulative decline of about 18% while significant increases in the categories of R42,000 upwards were experienced with those between R72,000 to R132,000 leading.

Household by income category per annum, 2011

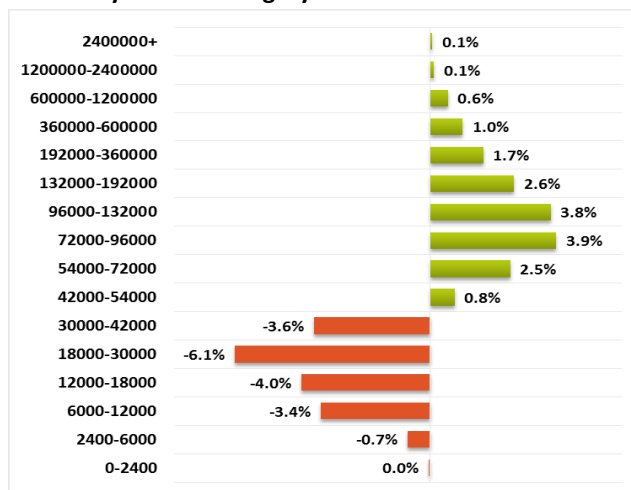


Household by income category per annum, 2016



Source: Stats SA Census Municipal Report 2011, REX Global Insight 2016

Household by income category between 2011 and 2016



Source: REX Global Insight 2016

Participatory Needs Analysis

Key issues identified in this regard during the Participatory Needs Analysis included: -

Large scale poverty and consequences thereof, including increased crime levels

Limited impact of emerging farmers

Lack of knowledge of/sources of financing of SMME's

Inadequate access of subsistence/emerging farmers to agricultural implements

Lack of formal tenure/ tenure security

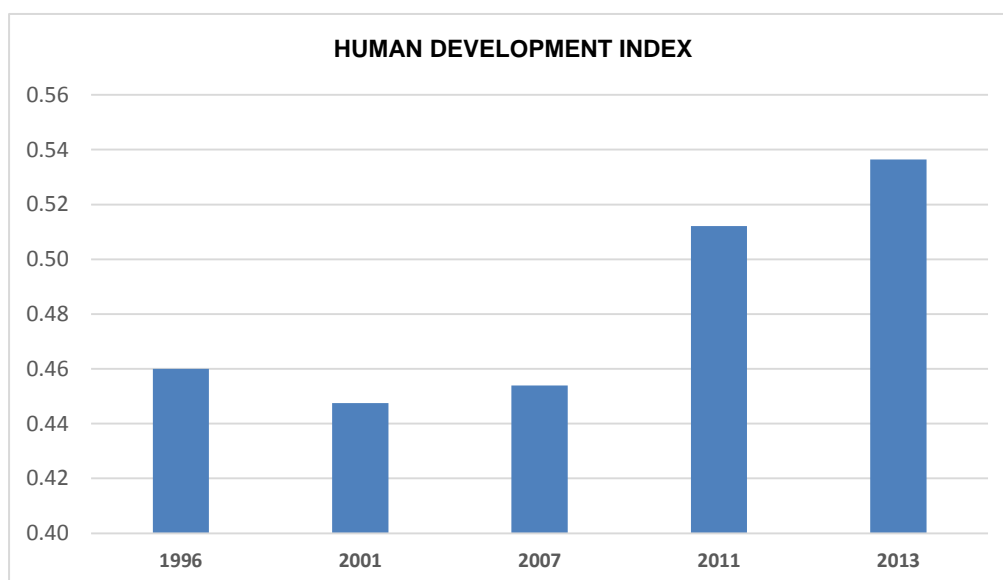
There is, consequently, a critical need to implement strategies and support mechanisms to engage currently economically unproductive residents in productive economic activities. Strategies to alleviate poverty are also of great importance. Overall, it is deemed critical that all efforts be undertaken to facilitate local economic development in the Municipal area.

Human Development Indicator (HDI)

The HDI attempts to rank the population development on a scale of 0 (lowest human development) to 1.0 (highest human development) based on the following human development goals;

- Longevity as measured by life expectancy at birth;
- Knowledge as measured by a weighted average of adult literacy and means of schooling;
- Standard of living as measured by real gross per capita gross domestic product.

The more the HDI is close to 1(one), the better is the human development in the area.



Source: Global Insight

The HDI in Amahlathi municipality was **0.47** in 1996 decreased to **0.45** in 2007, increased to **0.51** in 2011 and **0.54** 2013, which is a medium HDI by international standards. This shows that there's been an improvement in the Human Development Index. The above diagram indicates there has been a decrease in unemployment rate between 1996 and 2011, however from 2011 to 2013 the unemployment rate has increased.

ECONOMY

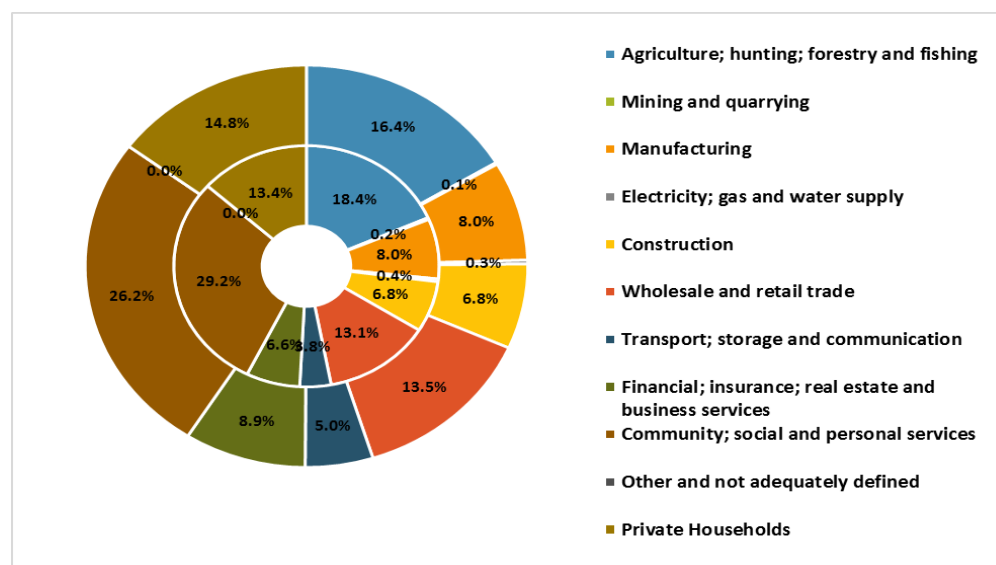
According to the graphical representation of economic performance in Amahlathi, major drivers of economic activity include general government (used interchangeably with community, social and personal services) and wholesale trade. The inner and outer doughnuts depicts 2011 and 2016 economic sector breakdown respectively.

In 2011, general government contributed 27% to the economy of the municipality and has been a major driver of employment accounting for 29.2% of jobs in the economy. In 2016 however, the sector share declined by -2 percentage points to reach 25% with employment declining by -3 percentage points between the two periods under review.

The second most important sector includes the wholesale trade sector contributing approximately 22% remaining relatively stable in the last 15 years. Growth in finance and manufacturing was observed although marginally. These sectors are also major employers.

SECTORAL CONTRIBUTION TO EMPLOYMENT

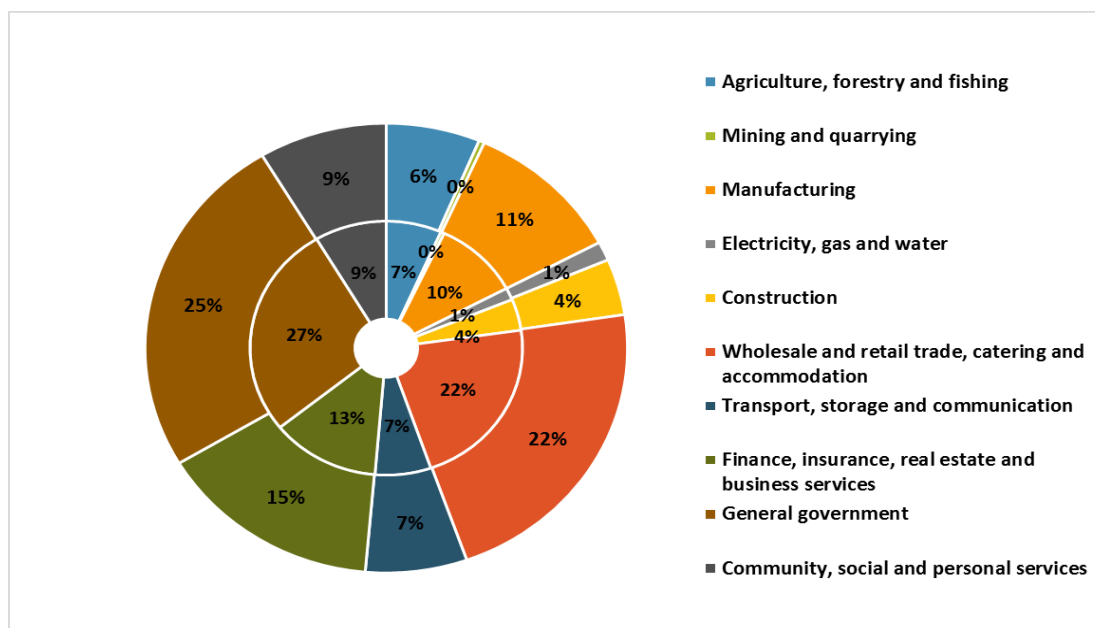
Employment by Sector, 2011 and 2016



Source: Municipal Barometer 1996-2016

The quality of the labour force in the municipality will be influenced amongst other things, by the educational profile of the economically active people, the availability of training facilities and the health status of the economy in municipality.

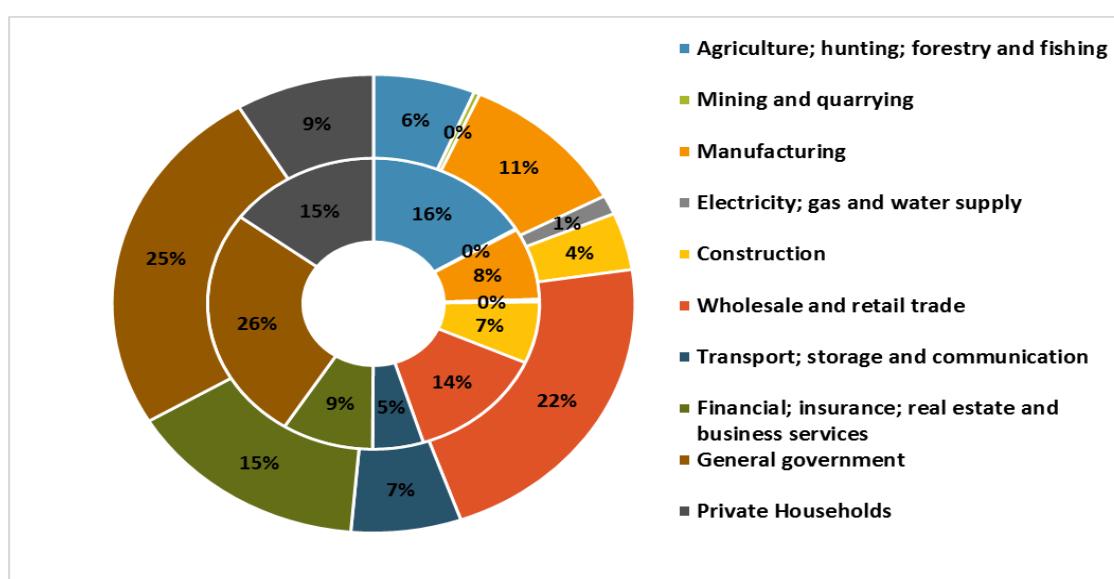
Gross Value Added (GVA) by sector



Source: Municipal Barometer 1996- 2016

A positive relationship between the sectors driving the economy as measured by the Gross Value Added (GVA) and employment is depicted below. This indicates the influence economic activity has in the generation of jobs. The success of Local Economic Development (LED) policies are key in the creation of conditions that enable people to develop their own livelihoods within a supportive local business environment which will stimulate economic growth in the municipality. Therefore as depicted by the figure below much focus should be directed towards stimulating potential sectors such as manufacturing, construction, wholesale trade and the financial services sectors.

Employment and economic activity relationship



Source: Municipal Barometer 1996- 2016

About 25% of the informal jobs in Amahlathi municipality are from General government followed by Wholesale and retail trade, Financial, insurance and business services, Manufacturing, Private Households, Transport Agriculture, Electricity and Construction.

- 1) The economy of Amahlathi is dominated by the Government Sector which contributes 25% to the GDP.
- 2) The second most important sector is the Wholesale and retail trade which contributed 22% to the GGP.
- 3) The Third most important contributor to the GGP of the Amahlathi Municipality is the Financial, Insurance, real estate and business service sector, which accounts for 15% of the GGP in 2016.
- 4) The Manufacturing sector contributes 11% to the GGP and is fourth contributor to the economy, the contribution of Private households is 9%, Agriculture is 6%, Transport is 7 %, Construction at 4% and Electricity at 1% each to the GGP of the municipality.

Key Economic Sectors

Sectoral employment data taken from the 2011 Census and aggregated to Ward level suggests that, at the Municipal level, the Community, Social & Personal Services sector is the key economic sector, accounting for 27% of employment in the Municipal area. This is followed by the Agriculture, Forestry, Fishing and Hunting sector (accounting for 22% of employment).

Unfortunately, the data available do not distinguish Tourism as a separate sector.

As per local economic development: locally, the manufacturing sector is identified as one of significant potential, especially where local produce is being processed for other markets. Tourism, too, is noted as being a potential growth sector, particularly given the many areas of beauty and historical interest in Amahlathi.

From the perspective of local access to business opportunities, Stutterheim is the largest service node in the municipality; however, services and markets are also sought in East London and King William's Town. It is likely that the above trend will continue.

Participatory Needs Analysis

Participants in the Participatory Needs Analysis identified the following key issues: -

Untapped tourism potential / poor access to tourist sites

Limited external investment

Limited market facilities for communities to market local produce and goods

Insufficient training and skills development opportunities

Lack of regulation of hawkers

Poor commonage management

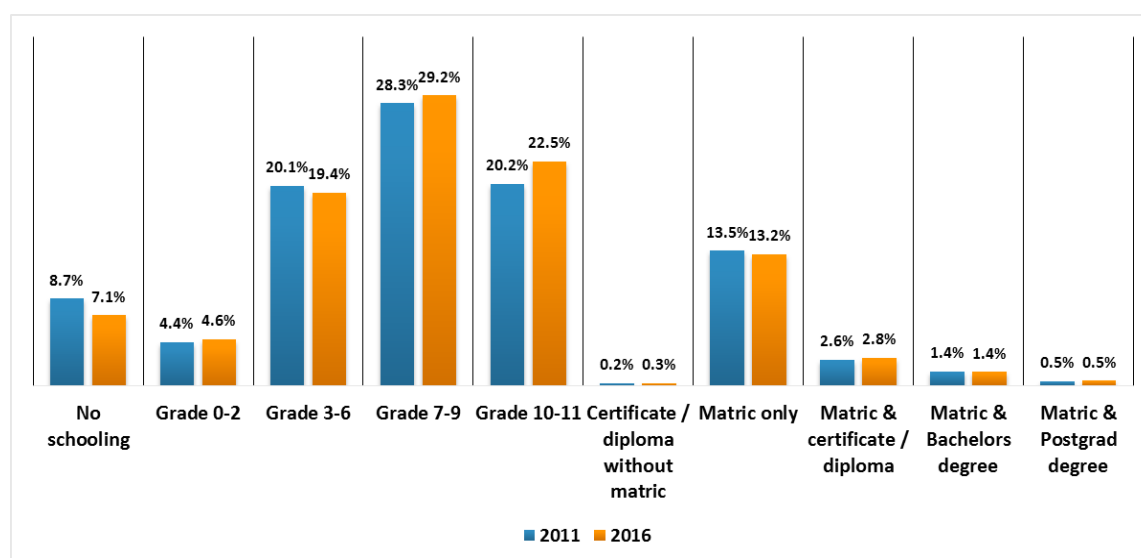
Untapped potential of irrigation schemes

These and other aspects are to be taken up in a Local Economic Development Strategy, which the Municipality has initiated and which is programmed for finalization in mid-2002. The outcomes of this strategic exercise will provide invaluable input for subsequent revisions of the IDP and should be incorporated therein.

EDUCATION LEVELS

According to the figures below, education levels in Amahlathi indicate a need by the municipality to intervene in encouraging interest in attaining higher education beyond having a matric certificate. The municipality has an added advantage as 40% of the population is relatively young. The quality of the labour force largely relies on the educational profile of an economically active population. Therefore Amahlathi should make every effort to invest in education and training that will provide the necessary skills required in the various economic sectors that are driving the economy while creating jobs where employment opportunities exist. This will help sustain and accelerate overall development in the municipality over time.

Education Levels



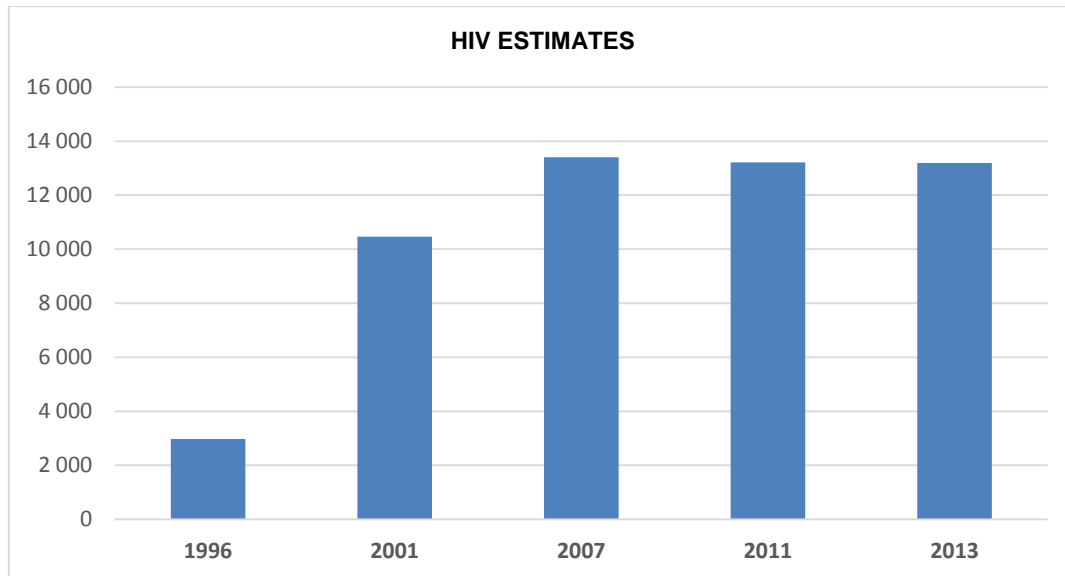
Source: Municipal Barometer 1996-2016

HIV/AIDS

As with most areas in South Africa, the long-term consequences of the HIV/AIDS pandemic are likely to significantly alter the demographic profile of the Amahlathi population. The Development Bank of South Africa (DBSA, 2000) has noted the following areas of concern:

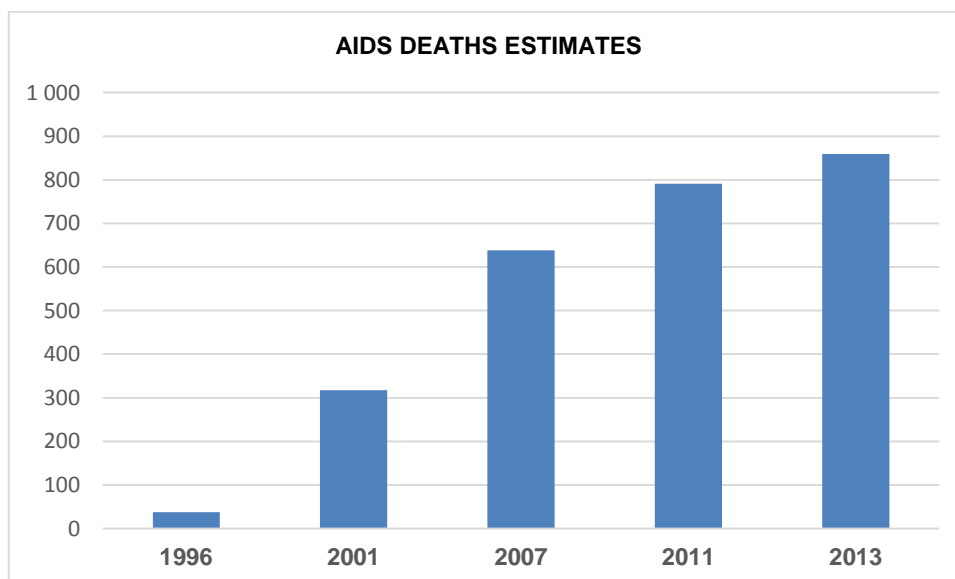
A decrease in productivity and high turnover in trained/experience members of the labour force, which will have severe economic impacts;

An increase in need for healthcare and social support mechanisms, particularly for the most vulnerable sectors of the population, including the sick, and the young and the elderly (who will be deprived of caregivers); and a change in consumer patterns, with the disposable income of most affected households being increasingly limited and/or diverted to medical and related expenses.



Source: IHS Global Insight

The above diagram indicates the total estimates for HIV has been decreasing from 2007 to 2013 which might mean the number of people infected by HIV have been slightly decreasing which is a good sign. However the diagram below indicates that the AIDS death estimates has been increasing which might also have an impact on the decreasing Amahlathi population.



Source: IHS Global Insight

CHAPTER 3: STATUS QUO ASSESSMENT

3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

3.1.1 Access to Basic Infrastructure

According to data below as presented by Statistics South Africa in their 2016 Community Survey, over 80% of households in the past 15 years have access to water and electricity. However during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

Table: Access to service delivery

Access to Basic Infrastructure	2011		2016	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
Access to piped water	26 269	92.0%	22 041	89.7%
No access to piped water	2 278	8%	2 535	10.3%
Access to Sanitation				
Flush Toilets	7 640	27.5%	6 040	24.6%
Chemicals	415	1.5%	1512	6.2%
Pit Toilets	18 263	65.7%	15 235	62.0%
Buckets	67	0.2%	48	0.2%
None	1403	5.0%	1 460	5.9%
Energy for lightning				
Electricity	24 919	87.4%	22 610	92.7%
Other	3 590	12.6%	1 781	7.3%
Energy for Cooking				
Electricity	20 577	72.3%	20 840	85.9%
Other	7 880	27.7%	3 429	14.1%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	3 438	14.0%

Removed by local authority less often	96	0.3%	256	1.0%
Communal refuse dump	316	1.1%	2 637	10.7%
Own refuse damp	19 789	69.3%	17 323	70.5%
No rubbish disposal	1 150	4.0%	231	0.9%

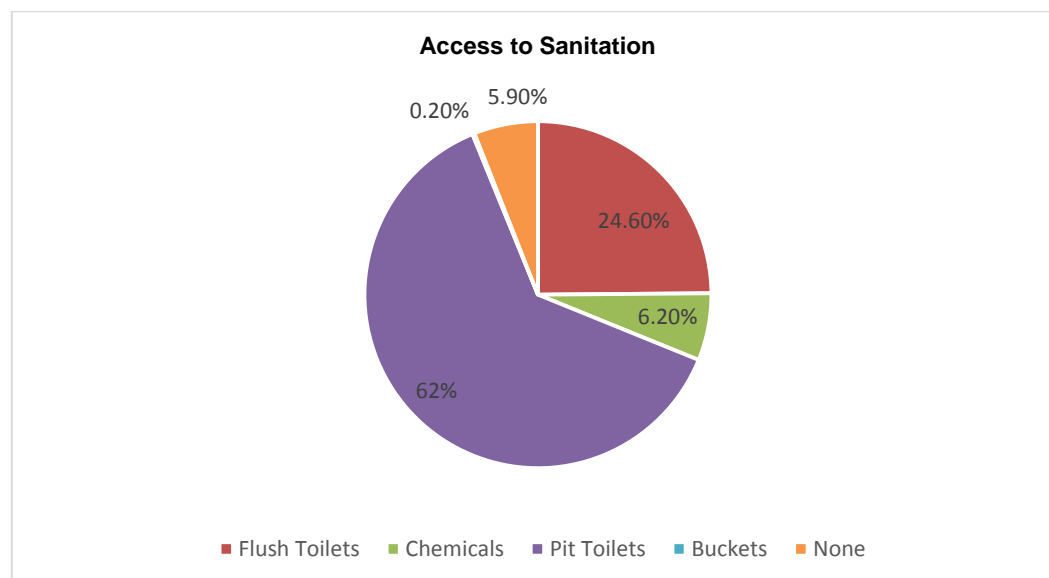
Source: Stats SA Community Survey 2016, own calculations

According to Community Survey 2016 about 89.7% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 10.3% that does not have access to piped water.

Electricity – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

Refuse removal - The statistics above indicate that about 70.5% of Amahlathi households uses their own refuse dump as compared to 69.32% in 2011 and only 14.0% that have access to refuse removal at least weekly. This shows that there is still huge backlog on refuse removal.

Access to Sanitation



Source: Community Survey 2016

Sanitation - Community Survey 2016 indicates that 62 % of Amahlathi households still use pit toilets ventilation, 24.6 % use flush toilets with sewerage system, 5.9 % do not have any toilets, 6.2% uses chemical toilets and only 0.2% uses bucket system.

The statistics merely indicates there's a great need for flush toilets with sewerage system in Amahlathi.

ACCESS TO COMMUNITY HALLS & CLINICS

There are 13 halls that have been audited and confirmed and are as follows:

Access to community halls and clinics

NUMBER	HALL	WARD
1.	Amatolaville	6
2.	Mlungisi Community Hall	15
3.	Cenyu Hall	15
4.	Cenyu Lands Hall	15
5.	Ndakana Hall	14
6.	Kei Road Hall	9
7.	Frank Fort Hall	8
8.	Springbok Hall	2
9.	CathCart Town Hall	4
10.	Kati Kati Hall	5
11.	Daliwe Hall	4
12.	Goshen Hall	4
13.	Mgwali Hall	14

However there is a project of 9 Villages in Keiskammahoek that is at a construction stage of Community Halls.

We have 21 Clinics and 3 Hospitals (SS Gida, Kieskammahoek and Stutterheim) in the Amahlathi Municipality.

3.1.2 DISASTER MANAGEMENT

All-hazards contingency plan is in place, it was developed with the support from Amathole District Municipality it was tabled to the Council. The Municipal Manager of the Amathole District Municipality, in consultation with the Municipal Manager of the Amahlathi Local Municipality, activates the contingency plan and emergency procedures of the local municipality and convenes the establishment of a Joint Operations Centre (JOC) at a mutually agreed upon and suitable location in the area of the Amahlathi Local Municipality. The JOC is established and operates in accordance with the Standard Operating Procedures contained in the All Hazards Contingency Plan of the Amathole District Municipality.

The Amathole District municipality coordinates the development and maintenance of plans and procedures by organs of state in the Amahlathi Local Municipality to ensure the protection of municipal archives and the continuity of municipal business during disasters and response operations. On receipt of an Alert and on the instruction of the JOC Coordinator, the municipality proceeds directly to the Local Joint Operations Centre and executes responsibilities for the coordination of municipal business continuity operations. The Disaster management is the function of the District the municipality only facilitates the process there is no unit.

Frequent hazard experience in the area:

- The occurrence of hazards is season.
- Types of hazards are as follows:
- Floods
- Severe storms
- Domestic fires
- Veld and forest fires
- Strong wind
- Heavy rains

3.1.3 TRAFFIC & LAW ENFORCEMENT

There is a functional traffic department at Amahlathi Local Municipality with 26 staff members, 12 traffic officers and 14 office support staff. There are currently 9 vehicles, 3 speed trap cameras and 5 alcohol testers. Compliance and non-compliance issues varies from month to month. During the closing and opening of schools there are more people on the public road as well as during the festive season which causes increase of vehicles on our public roads. It is noticeable that during this period above, our Law Enforcement statistics get increased. The number of vehicle compared to the ratio of the available Traffic Officers on the public road cannot be detected due to shortage of manpower.

Driving license testing Center

Only one driving station is available at the moment which is centralised at Stutterheim, all 4 clusters of Amahlathi Municipality are depending on driving license testing station which is in the Stutterheim cluster for driving license as well as learners' license. There are 6 Examiners responsible for the Driving License Testing Centre.

Vehicle testing Center

The vehicle testing centre is also situated in the Sutterheim cluster, with 3 Examiners responsible for testing vehicles. Testing facilities such as an A-Grade Vehicle Testing Station was opened in 2006/7 and a Weigh Bridge is now required to assist the Municipality in the efficient administration of vehicular traffic and licensing.

Both the driving license testing center & the vehicle testing station are guided by the Act i.e. **National Road Traffic Act of 1993.**

Vehicle Pound

The Municipality has constructed a vehicle pound which will be operational in the 2017/2018 Financial Year. The Vehicle Pound is situated in Stutterheim

3.1.4 FIRE SERVICES

There are fire services tariffs that were developed, adopted, implemented and they are periodically reviewed. There is a full time fire service operating and a chief fire officer that has been appointed. The municipality has signed Service Level Agreements with the adjacent municipalities, the Greater Stutterheim Fire Association and Amathole District Municipality.

3.1.5 LAND ADMINISTRATION

In terms of land ownership statistics and ownership information, the municipality did a comprehensive land audit with the assistance of Amathole District Municipality in 2015. The exercise that was done reflected different types of land under the Amahlathi space. A report produced reflected private land, land owned by the municipality, land owned by Department of Land Affairs and that owned by the public. A report was then prepared and sent to council in 2016/17 with the list of sites that were identified which belongs to the municipality where the council took a resolution to sold the property.

All laws, policies and administrative practices affecting land development should:

Facilitate the development of both new formal and existing informal settlements; there is therefore no bias in favour of any one sort of development and no individual community or group in an area can claim preferential treatment without a good reason.

Discourage land invasions without ignoring the reality and history of informal land development processes.

Promote efficient and integrated land development that, among other things: integrates rural and urban areas, integrates poor and rich, black and white areas in towns and cities, and integrates different land uses rather than keeping them strictly separate.

Discourage urban sprawl and contribute to more compact cities.

Make maximum use of all available resources and avoid duplicating existing infrastructure and services.

Promote the development of housing and work opportunities near to each other, and encourage environmentally sustainable practices and processes.

Be clear and easily understood – they should also provide guidance and information to people affected by the land development process, rather than simply trying to control the process and the people.

Promote sustainable development that:

- *Is within the fiscal, institutional and administrative means of the country.*
- *Establishes viable communities.*
- *Protects the environment.*
- *Meets the basic needs of all citizens in a viable way.*
- *Ensures the safe use of land*

In terms of land administration the municipality attends to land ownership identification, land disposals and land leasing. These functions are governed by the following pieces of legislation:

- Municipal Finance Management Act, Act 56 of 2003.

The Amahlathi municipality in conjunction with the Amathole district Municipality is attending to land reform projects such as the Keiskammahoek 9 villages land restitution project.

Land Restitution and Land Reform

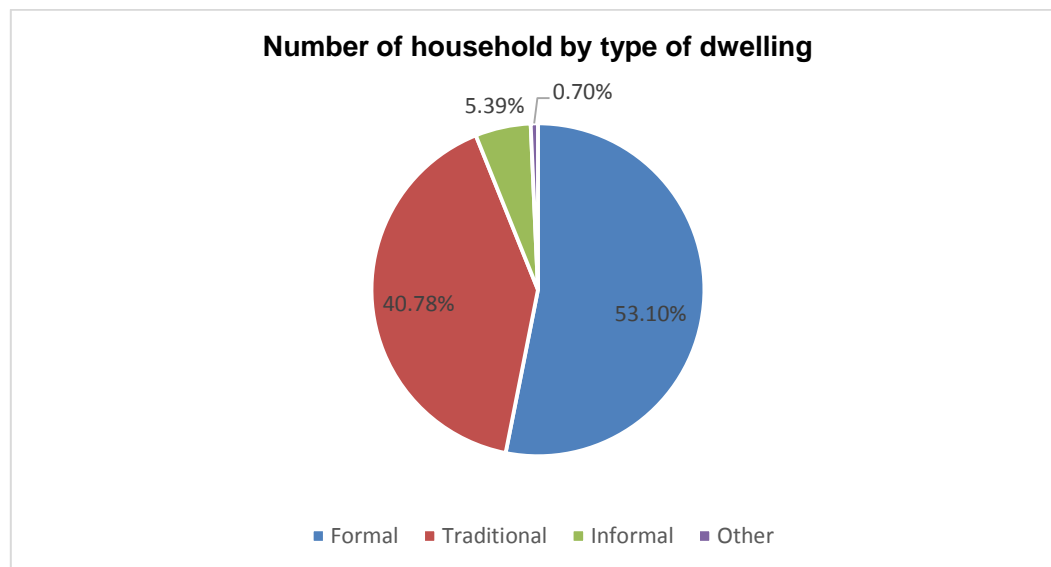
Land dispossession and removal of black people in South Africa was formalized through the Land Act of 1913 and the Group Area Act which resulted in black citizens owning only 13% of land and white counterparts owning 87% of land in South African by 1994.

As redress to this challenge the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000). The afore-mentioned legislation saw the establishment of the Land Claims court and commission.

The document includes criteria for qualification for land restitution and it was underpinned by key desired outcomes which included:

- Provide equitable redress to victims of racial land dispossession;
- Provide access to rights in land, including land ownership and sustainable development;
- Foster national reconciliation and stability; and,
- Improve household welfare, underpinning economic growth, contributing to poverty alleviation and improved quality of life.

3.1.6 HOUSING



Source: Community Survey 2016

The municipality has developed a housing sector plan and a spatial development framework which clearly indicate Greenfield areas where human settlement projects are proposed.

The housing sector plan also indicates land parcels that are under claim, but at present none of these land parcels shall hinder the planned human settlement projects. The plan also makes acknowledgement of the household socio-economic standing of the ALM population in that the majority of residents depend highly on state grants and similarly win terms of housing demand the majority of housing demand is on the RDP programme. It is perceived that should there be growth in economic development of the towns and the household incomes and social standings improve then the housing product that is required would differ accordingly and the municipality together with the department of human settlements would have to acknowledge such and seeks to implement programmes that would cater for that demand type such as social housing, community residential units and possibly site and service stands.

In terms of housing development the municipality is guided by the following policies and legislation:

- Housing Act, Act 107 of 1997 as amended;
- Rental Housing Act, Act 50 of 1999;
- Social Housing Act, Act 16 of 2008;
- Spatial Planning and Land Use Management Bill 2011;
- By-Law relating to the use and hire of municipal buildings.

The housing act defines the roles and responsibilities for local authorities and the following may be highlighted:

Every municipality must as part of the municipality's process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to *inter alia*:

- set housing delivery goals in respect of its area of jurisdiction;
- identify and designate land for housing development;
- create and maintain a public environment conducive to housing development which is financially and socially viable;
- promote the resolution of conflicts arising in the housing development process:
- Initiate, plan, co-ordinate, facilitate promote and enable appropriate housing development in its area of jurisdiction:

The municipality has adhered to a number of the above mentioned steps through the formulation and approval of the Amahlathi municipality spatial development framework and housing sector plan. The latter document has identified the housing need within the municipality as well as identifies current and proposed housing projects as well as projecting these spatially. By undertaking the afore-mentioned functions the municipality thereby facilitates the implementation of housing projects within its area of jurisdiction.

The municipality is currently being assisted by the department of human settlements for attending to the readiness studies of housing projects as well as the actual implementation of the housing projects (top structure).

The Amathole District Municipality is also undertaking the project readiness studies of some of the proposed human settlement projects within Amahlathi municipality.

3.1.7 LAND USE MANAGEMENT

The municipality is responsible for land use management within its area of jurisdiction. At present the municipality does not have a wall to wall scheme but has land use management legislation applicable in its areas including the former Ciskei Homeland, Former Transkei Homeland and former Cape Provincial Administration area.

The specific legislation applicable in Amahlathi Municipality includes:

- Ciskei Land Use Regulations Act 15 of 1987
- Transkei Townships Ordinance 33 of 1933
- Land Use Planning Ordinance 15 of 1985

Land Invasion

In terms of dealing with land invasions, the municipality by-law and policy are in place to address the matter. This occurrence is addressed through the prevention of illegal eviction and unlawful occupation of land act, act 19 of 1998. It generally specifies the remedy the municipality possesses to address the challenge.

Land register

As part of the land asset register compilation exercise the land and housing unit needs to verify the identified properties by way of deeds office searches. The created lists as mentioned above need verification.

The Amathole District Municipality has assisted in undertaking a land audit for the Amahlathi Municipality in 2015. The land audit was intended in verifying ownership of all properties within the Amahlathi Municipality and is available on a user friendly database format as well as on the Amathole Geographic Information System Website.

The municipality has in July 2013 received access to the Amathole District Municipality Geographic Information System Unit web service which has land ownership information. The bookmark is <http://www.amatholegis.gov.za/>. The land and housing unit is in process of requesting the ADM GIS unit to make formal presentation to the municipality.

3.1.8 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality also undertakes spatial planning in terms of the legislation especially the Municipal Systems Act 32 of 2000 section 26 (e) which mentions the specific core components of an Integrated Development Plan.

The Amahlathi municipality with the assistance of the COGTA department has developed a Spatial Development Framework in line with the guidelines for the formulation of Spatial Development Frameworks that has been developed by the Department of Rural Development and Land Reform and was adopted in 2006 and it was last reviewed in February 2013.

The SDF can be regarded as a spatial representation of the municipal integrated development plan. It shows the areas of desired aims, the SDF act as a guide for future development to ensure that the municipality maximizes co-ordination of planned activities within its area of jurisdiction.

In order to ensure that the SDF represents the IDP, the municipality had to consider the municipal vision as stated in the IDP as well as the main development priority clusters of infrastructure, local economic development and environment, social development, institution and finance.

In order to guide the formulation of the Amahlathi Spatial Development Framework, the spatial implications of the Amahlathi Municipality's IDP Development Goals are interpreted as follows: -

IDP Goals	Spatial Implications
A. Infrastructure	(i) Basic Needs Considerations
	(ii) Managing Land Development & Settlement Trends
B. Local Economic Development & Environment	(i) Basic Needs Considerations (roads and infrastructure)
	(ii) Need for focus on Land Use Management (to ensure orderly development)

	(iii)	Need for focus on environmental management to enhance environmental qualities and ensure attractive environment for tourism development
C. Social Development	(i)	Need to manage investment by identifying spatial structure of settlement pattern and strategic nodes for development of facilities and public-funded housing (Spatial Structuring Elements)
D. Institution and Finance	(i)	Managing Land Development & Settlement Trends
	(ii)	Focus on Land Use Management
	(iii)	Commitment to Environmental Management

Related to the implications of spatial planning that have been drawn from the Amahlathi Municipality's IDP, the following are noted as fundamental concepts guiding the spatial planning approach adopted for the Amahlathi Spatial Development Framework.

Spatial Structuring Elements

Spatial Structuring Elements are concepts or “planning tools” that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner that is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- The concept of **Development Nodes**
- The concept of **Development Corridors**
- The concept of **Urban Edges**
- Areas where **Environmental Constraints** apply.

In order to provide the IDP Objectives related to infrastructure, roads, housing and facilities development with a clear mechanism to guide investment in geographic localities, spatial structuring elements within the settlement pattern in Amahlathi need to be identified so that: -

- The continuity of development, as opposed to fragmentation, functionally integrate development areas.
- Land development and investment in infrastructure and facilities can be programmed in an integrated manner, to ensure that development does not occur in an un-managed

and inefficient way and that adequate services capacities are in place to ensure sustainable development;

- Scarce (higher order) resources such as hospitals, community health centers and secondary schools are situated where there will be optimum usage and accessibility. Duplication of these resources must be avoided;
- Environmental factors and constraints are taken into account in the development of land and the delivery of services.
- The conservation and appropriate use of existing natural and cultural heritage resources is considered.
- The support of the Land Reform Process is maintained.

The ALM SDF has sought both horizontal as well as vertical alignment in terms of higher order development plans (e.g. National Spatial Development Perspective, Eastern Cape Provincial Spatial Development Plan, ADM SDF) as well as local municipality development plans (e.g. neighboring municipality spatial development frameworks that including Buffalo City, Lukhanji LM, Nkonkobe LM, Great Kei LM, Mnquma LM, Intsika Yethu LM).

In summary the following informants to the formulation of proposals of the Spatial Development Framework are stated below: -

- A conceptual approach to spatial development and associated key concepts have been identified, based on the guidance of the Amahlathi Municipality's Integrated Development Plan;
- Further strategic guidance is taken from the National Spatial Development Perspective and the Draft Provincial Spatial Development Plan in regard to the categorization of areas for different levels of investment in development goods;
- The Amathole District Municipality's Spatial Development Framework has been utilized to ensure that Spatial Development Framework proposals for the Amahlathi area are in alignment with the district's strategies; and
- The Neighboring Local Municipalities Spatial Development Framework and associated Spatial Plans — have been consulted to ensure alignment in the approach adopted by the Amahlathi Spatial Development Framework.

Principles Contained in the EC Spatial Development Plan

The Amahlathi Municipality has sought direction to guide its strategies on the management of development and the prioritization of capital investment within the context of the spatial arrangement of different forms of land uses and settlement types in the area. Following the lead of the Amathole District Municipality, the Municipality has adopted the direction given by the Eastern Cape Provincial Spatial Development Plan (October 2010). The following applies: -

Guidelines to Direct the Management of Socio-Spatial Development

- There is a need to **focus on rationalizing the rural economy**;
- There is a need to **properly conceptualize the hierarchical position, relative importance and sustainability of settlements**, and their **inter-relationships** amongst each other and with their hinterlands;
- There is a need to **focus on what is achievable in developmental terms** and how this relates to spatial development proposals (the Spatial Development Framework);

The Preferred Approach to Management of Socio-Spatial Development

At the outset, it is accepted that it is every South African Citizen's constitutional right to receive basic services and to have their developmental needs met within the limits of available resources. Therefore, the preferred approach to manage spatial development and the direction of capital investment needs to be a compromise, which recognises the limits of available resources but proposes targeted and phased development in an effort to address basic needs and create the environment for local economic development (whether in a rural or urban context).

This strategy is termed an **Integrated Spatial Development Strategy**; as follows:

- ❑ Focus investment and upgrade existing rural settlements, villages and towns on a phased basis according to available resources and development priorities;
- ❑ Reinforce development nodes and development areas through building on strengths and bulk infrastructure; and
- ❑ Focus on economic upliftment and employment creation through LED, Agriculture, SMME's and industrial programmes.

One of the fundamental principles of this strategic approach is the need to set criteria for investment in services, infrastructure and housing, based on a choice amongst differential levels of services. Such criteria would result in focused investment in areas where settlement could be encouraged and less investment in areas where settlement should be discouraged.

Proposed Spatial Development Policies and Principles

The adoption of the above philosophy and strategic approach means that the Amahlathi Municipality falls in line with the Provincial direction on these matters and will apply

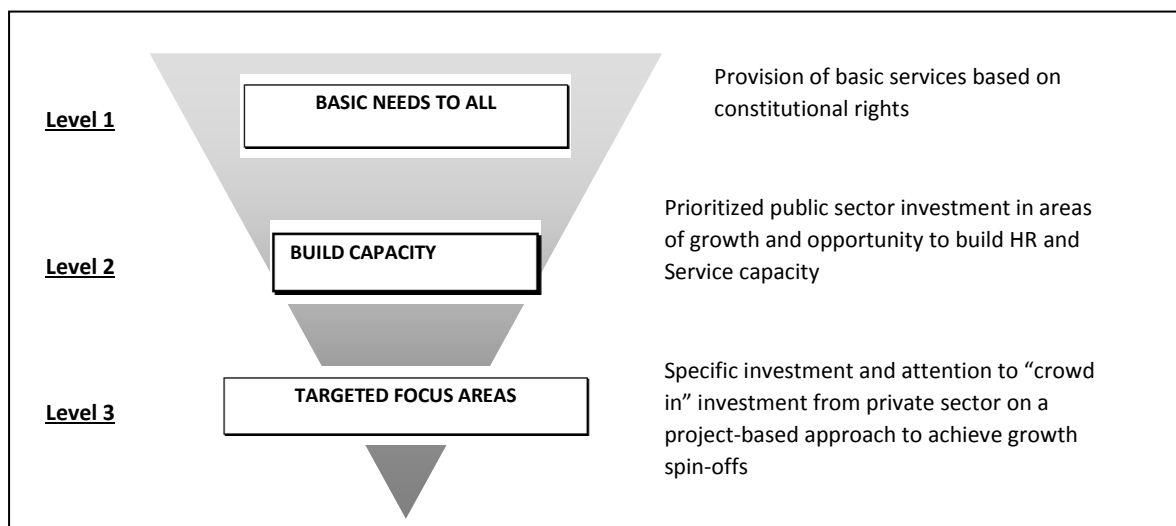
policies of investment and development facilitation at three levels to achieve the most significant results.

Level 1 would fulfil basic human rights in the provision of basic services to both urban and rural areas, at a minimum level, according to available resources. This would be guided by backlogs in these areas, the proximity of existing bulk services and special priorities identified in the IDP.

Level 2 will ensure the managed investment of public sector funding in urban and rural areas in order to strengthen current local capacity, build on the strengths and opportunities which exist and to maximize potential from the existing infrastructure and settlement system. Capacity building would also include institution building, training, and skills transfer and community empowerment.

Level 3 would involve the provision of adequate funding to strategically targeted development zones, which have development potential. These will represent areas, nodes or areas of opportunity, where a special focus of effort and investment will attract interest from the private sector to invest; either in joint ventures with Government or independently, in order to develop economic growth opportunities and potential which already exists.

The above principles and strategic approach is illustrated below: -



Adapted from the draft Eastern Cape Provincial Spatial Development Plan (Nov 2001)

These principles are, together with the General Principles contained in Chapter I of the DFA, taken as the primary informants in the formulation of the Spatial Development Framework to guide socio-spatial development and land use management in the Amahlathi Municipal area.

The above strategic framework for level of services and investment type is interpreted in the Amahlathi Municipality's context as follows: -

- A) **Level 1: Basic Needs to All** – means the provision of municipal infrastructure at a basic level that is at least in line with the minimum acceptable level of service adopted by the Amathole District IDP Framework Committee.
- B) **Level 2: Build Capacity** – implies investment at a higher level in middle order services, infrastructure and needs (secondary schools, market places, taxi ranks, capacity training etc.).
- C) **Level 3: Targeted Focus Areas** – implies investment at a still higher level in higher order services and infrastructure and this includes “non-essential” needs, including sports stadiums, tertiary and specialised education facilities, as well as the facilitation of investment that is likely to generate significant socio-economic developmental spin-offs.

ELEMENTS OF THE SPATIAL DEVELOPMENT FRAMEWORK

The following elements make up the forward planning component of the Amahlathi SDF:

Spatial Development Issues, Objectives & Strategies

These purify the key issues to be dealt with by the Spatial Development Framework, and set out objectives and strategies in relation to these issues.

A) Spatial Structuring Elements

These are concepts or “planning tools” that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner. That is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- i. The concept of **Development Nodes**
- ii. The concept of **Development Corridors**
- iii. The concept of **Urban Edges**
- iv. Areas where Environmental Constraints apply

B) Special Development Areas

Special Development Areas (SDAs) are geographical areas where, in order to achieve both the objectives of the Amahlathi Integrated Development Plan and the related objectives of the Spatial Development Framework, the Amahlathi Municipality would need to prioritize its development efforts and capital expenditure.

SPATIAL DEVELOPMENT ISSUES, OBJECTIVES & STRATEGIES

This section sets out the spatial development issues that are seen to be the main challenges to the Amahlathi Municipality in practicing wise spatial planning and land use management. Related to these, a number of spatial development objectives and strategies are proposed to enable the Municipality to better focus its resources when dealing with land development and spatial planning, in general.

A) Key Spatial Development Issues

The following are identified as the Key Spatial Development Issues to be addressed by the Amahlathi Spatial Development Framework: -

Key Spatial Development Issues	
Spatial Fragmentation vs Basic Needs	This issue highlights the problems inherent in attempting to provide housing and a basic level of service to all residents, whilst dealing with the reality of a spatially fragmented settlement and economic development pattern. The challenge to sustainability is significant.
Land Development Trends & Urbanization	This refers to the current problem of informal settlement formation in both urban and in peripheral or rural settlement areas. The challenge here is to manage spatial development so as to permit development at scale in areas where services and facilities can be delivered on a more sustainable basis, and implies focusing on a coherent service policy in tandem with an applied land use management approach.
Environmental Management	This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas.
Land Use Management	This issue highlights the need to ensure that the policies and institutional structures are set in place to allow the Amahlathi Municipality to practice wise land use management in both the urban and rural areas under its jurisdiction.

B) Spatial Development Objectives

The following objectives are proposed in response to the key Spatial Development Issues

Key Spatial Development Issues	Proposed Spatial Development Objectives
Spatial Fragmentation vs Basic Needs	To fulfil basic needs obligations and address spatial integration within available means
Land Development Trends & Urbanization	To manage land development in line with a structured approach to ensure sustainability

Environmental Management	To adhere to environmental law and protect environmentally sensitive areas
Land Use Management	To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985)

C) Spatial Development Strategies

The following spatial development strategies are proposed to correspond with the spatial development objectives outlined above.

Key Spatial Development Objectives	Proposed Spatial Development Strategies
1. To fulfil basic needs obligations and address spatial integration within available means	<ul style="list-style-type: none"> Ensure efficiency and sustainability of basic services, by promoting the integration of sprawling settlements in both urban and rural areas, and the consolidation of larger settlements at nodal points. Consolidate and integrate spatial development by developing land in proximity to public transport routes and existing services. Develop infill areas within fragmented settlement areas, where appropriate.
2. To manage land development in line with a structured approach to ensure sustainability	<ul style="list-style-type: none"> Manage land development in line with land use management guidelines related to identified spatial structuring elements and special development areas within Amahlathi Support a land reform and settlement development programme by identifying zones of opportunity for land development
3. To adhere to environmental law and protect environmentally sensitive areas	<ul style="list-style-type: none"> Implement the principles of Integrated Environment Management (IEM).
4. To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985)	<ul style="list-style-type: none"> Implement the provisions of the Section 8 Zoning Scheme Regulations in terms of the Land Use Planning Ordinance (15 of 1985). Apply for funding for a programme to develop an appropriate new Zoning Scheme for Urban and Rural areas, in line

	with the direction of new legislation, when promulgated.
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SPATIAL STRUCTURING ELEMENTS

This section focuses on the four basic **Spatial Structuring Elements** that guide spatial development decision-making in the Amahlathi area: these elements are used to manage and guide development into certain patterns or arrangements, which are intended to promote more efficient future development.

A) Development Nodes of Importance

Development nodes are categorized as those towns or places where a significant number of functions commonly deemed to be urban are found. These functions would include public administration facilities/institutions, business activities, social and recreational facilities and other existing or potential economic enterprises (including tourism-related enterprises). Such nodes are often located on main transport routes to provide maximum access and act as catalysts for new growth and development. As such, they are areas where the following should be prioritized: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes.

The following classes of node have been identified and/or are proposed for Amahlathi:

NODE TYPE	AREA/LOCALITY	DESCRIPTION
URBAN NODES		
Level 3 Primary Node	Stutterheim	<p>As the main Administrative, Service and Industrial Centre of Amahlathi Municipality as well as an important place of residence for approximately 60% of the Urban Municipal population, Stutterheim should be targeted for the following: -</p> <ul style="list-style-type: none"> ▪ Investment in infrastructure to increase services capacity; ▪ Development of public-funded housing areas; ▪ Development of regional social goods and facilities, including educational institutions, and sports and recreational facilities ▪ Land use management that focuses on the integration of disparate settlement elements in the town.

Level 2 Secondary Nodes	Keiskammahoek	As a secondary Administrative Centre and Service Centre to a large number of surrounding peri-urban and rural settlements as well as an area with eco tourism and agricultural potential, Keiskammahoek should be targeted for: - <ul style="list-style-type: none"> Investment in infrastructure to services capacity; Appropriate Land use management and, infrastructural support to develop the Agricultural sector in the area.
	Cathcart	As a service center of Amahlathi Municipality as well as an area with tourism development potential, Cathcart should be targeted for: - <ul style="list-style-type: none"> Investment in infrastructure to increase services capacity; Appropriate development of new residential and public-funded housing to meet local demand; Land use management that focuses on the improvement of the aesthetic character of the town.
Level 1 Tertiary Node	Kei Road	As a minor service center, Kei Road should be targeted for: <ul style="list-style-type: none"> Extension of public-funded housing area to meet local demand; as proposed in the Yellowwoods Kei Road Settlement Project Investment in Infrastructure
RURAL NODES		
Rural Development Nodes	Frankfort	Proposed as a rural nodal settlement with prioritization of higher order facilities development.
<p>No other rural nodes are specifically proposed at present. The rural areas of Keiskammahoek sub-district (Ward No's 1, 2, 3, 10 and 11) and Tsomo sub-district (ward No's 12 and 13) are instead, designated as Special Development Areas due to their unique opportunities and/or special development needs.</p> <p>In the course of more detailed spatial planning in these areas, it is anticipated that consensus with local communities is important to identify nodal settlements.</p>		

B) Development Corridors of Importance

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these “movement corridors” have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

Different categories of Development Corridors can be described as follows (adapted from the Buffalo City Spatial Development Framework: SETPLAN et al, 2003):

- **Mobility Route:** is a road with limited access that principally carries traffic between major nodes.
- **Activity Corridor:** Is a band of high-density urban development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas.
- **Activity Street:** is usually defined as a local street that is located within the sphere of influence of an activity corridor and reinforces it. To be classified as an activity street, vehicle and pedestrian access to a mix of land uses is a priority.

In addition to the above types of development corridor commonly defined, the particular circumstances within Amahlathi warrant the identification of **Special Routes**, which are, in this instance, related to tourism development.

The following corridors are identified within the municipality: -

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Mobility Routes – Municipal level	□□ N6 - East London-Queenstown	These routes carry passing traffic and provide access between local areas in Amahlathi and centres further afield
	□□ R63 - Komga – Kei Road - KWT	
Special Routes – Tourism Focus	□□ Sandile Heritage Route	These routes relate to tourism destinations. In the case of the Sandile Heritage Route, a number of Heritage Sites are identified
	□□ R345 - Cathcart - Hogsback	

C) Urban Edges (Refer to Plan 5.1 Nodes and Routes)

D) Environmental Elements

As spatial planning has come to appreciate the fundamental importance of environmental management and the conservation and protection of environmentally sensitive areas, so

the identification of environmental constraints has become a key structuring element in forward planning. Accordingly, the Amahlathi Spatial Development Framework has incorporated a number of inputs from a variety of sources in order to identify environmental constraints. The following applies: -

- The Strategic Environmental Assessment (SEA) undertaken together with the Spatial Development Framework has identified conservation-worthy areas as well as constraints and opportunities to development. These include
 - The Thomas River Conservancy
 - The Amathole Complex
- Using a digital terrain model based on available 20m contour intervals, an indicative slope analysis was undertaken to illustrate areas where steep sloping landforms are likely to represent constraints to land development.
- Finally, a key consideration and structuring element has been the data and accompanying documentation provided by the Sub-Tropical Thicket Ecosystem Planning (STEP) Programme. The most important STEP categories regarded as being indicative potential constraints to land development incorporated in the SDF as structuring elements include:
 - Protected Areas, which include proclaimed state-owned nature reserves and forest reserves (e.g. Kubusi Indigenous Forest, Driebos, Umfulane Forest, Quacu Nature Reserve);
 - Critically Endangered Areas, which denote areas where indigenous fauna and/or flora are coming under increasing pressure and are under threat of extinction (Cape Parrot Conservancy);
 - Process Areas, which denote areas where ecological processes occur that are essential to the survival of natural ecosystems; and
 - Conservancy Networks, which are defined as areas contain systems of natural pathways for conservation-worthy plants and animals that ensure these species survival.

With regard to the above structuring elements, it is important to note that all elements, including the STEP data are regarded as indicative and not definitive in nature. That means that their illustration is not meant to indicate a clear and definite restriction to development as illustrated but merely to highlight the probability that environmental factors could represent a constraint to development in the areas illustrated.

SPECIAL DEVELOPMENT AREAS

In order to give a focus for the organizational activities of the Municipality as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas (SDAs). These are: -

A) New Public-Funded Housing Development Areas

Stutterheim

There are seven proposed areas for future public housing development. These are listed below.

No.	Description
HD1	West of Town (Undeveloped portion of the Golf Course Camp)
HD2	South of the Keiskammahoek road and west of Amatolaville
HD3	Infill development around Amatolaville
HD4	North of the Keiskammahoek road and west of Kologha Township
HD5	Extension to Mlungisi/ Mzamomhle south of the existing development
HD6 &7	An extension North and West of Cenyu

Cathcart

In the short-term future, the demand for housing in Cathcart can be absorbed by the vacant surveyed erven in Daliwe and South of Cathcart. The number of vacant erven is listed below.

No.	Description
HD1	South of Cathcart
HD2	NW Extension of Daliwe
HD3	South Extension of Daliwe

Keiskammahoek

The vacant erven within the Keiskammahoek town meets the current short-term housing demands. Should the demand for housing increase the area described below has been identified to accommodate this demand.

No.	Description
HD1	Northern section of Keiskammahoek (Between the Cata River and Intensive Agriculture lots)

Should the areas planned within the urban edge of Keiskammahoek reach capacity and further residential extension is needed, then the township settlement of Masincedane (Elukhanyweni) should be considered. This is due to the infrastructure already in place and ease of resolving land issues.

B) Rural Development Areas

Rural Settlement Upgrade Areas

The Yellowwoods Kei Road Zone

This Zone Plan was completed in 2001 and set out clear spatial proposals for further settlement development (Model 2) as well as development of local farming projects (Model 3). This process should be supported with LED programmes and the upgrading of infrastructure and facilities in the settlements, as well as road access within the areas themselves.

C) Land Reform Zone

Keiskammahoek Land Restitution Zone

As proposed in the Amathole District Municipality's LR&SP, the Keiskammahoek Development Support Zone comprises of a number of successful land claims. These processes are of significant because of the financial resources flows that they generate to local areas. Further this area boasts extensive eco-tourism and forestry potential, which may require that appropriate land management systems and land reform be implemented in the area.

D) Priority Basic Needs

Tsomo Area

Areas of greatest need, worst-off settlement areas in terms of the poverty index and service delivery. These areas require priority basic needs intervention and strategic proposals to improve the level of well-being of communities in these areas (poverty alleviation programs and basic infrastructure investment).

Tourism Zones

The areas with potential for tourism growth have been divided into 5 Zones listed below.

- Tourism Zone 1
Kologha Forest and Escarpment (Eco and Nature Tourism Potential)
- Tourism Zone 2
Keiskammahoek and surrounding area (Cultural and Heritage Tourism Potential)
- Tourism Zone 3
Elukhanyisweni and surrounding area (Cultural and Historical Tourism Potential)
- Tourism Zone 4
South Eastern section of Amahlathi LM (Eco-Tourism Potential)
- Tourism Zone 5
Thomas River Conservancy (Eco and Nature Tourism Potential)

E) Agricultural Zones

Irrigation Schemes

- Zanyokwe
- Horseshoe
- Keiskammahoek

Forestry Potential

The forestry potential surrounds the existing plantations which were previously established and managed by DWAF and SAFCOL, but are now being managed under concession by Amathole Timber Holdings. There are 8 102 ha of 'good' and 26 396 ha of 'moderate' commercial forestry potential, with a total of 34 498 ha. Reducing further by 85% to allow for subsistence livelihoods and a range of forestry specific considerations such as slope and terrain features, the total commercial forestry potential is between 5 175 ha (15%) and 10 349 ha (30%).

Land Use Management System Guidelines

In terms of the draft Land Use Management Bill, it is anticipated that the Amahlathi Municipality will be required to formulate an integrated Land Use Management System within the next 5-year planning period.

For the purpose of the SDF, the Municipality has established Land Use Management Guidelines in respect of:

- o Urban Nodes (so-called GO-BUT Zones)
- o Limited (Managed) Development Areas (also GO-BUT)
- o Restricted Development Areas (NO-BUT Zones)

Table: Macro-zoning categories for Amahlathi Local Municipality

Urban Nodes (GO-BUT)	Limited Development Areas (GO-BUT)	No Development Areas (NO-BUT)
<ul style="list-style-type: none"> ▪ Existing urban areas within the urban edge. ▪ Identified tourism nodes. 	<ul style="list-style-type: none"> ▪ All land not classified as a No Development Area and Development node (Urban Edge) ▪ Existing areas of degraded/modified agricultural land. ▪ Areas where development could ensure future environmental benefits 	<ul style="list-style-type: none"> ▪ Proclaimed nature reserves ▪ STEP Protected, Process and Critically Endangered areas ▪ Rivers, estuaries and undisturbed riparian zones of rivers ▪ Diverse montane grassland and afro-

	<ul style="list-style-type: none"> Transitional Zone areas adjacent to defined Urban Edges. 	montane forest vegetation types
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3.1.9 ENVIRONMENTAL MANAGEMENT FRAMEWORK

In the light of the Amathole District Municipality's Integrated Environmental Strategy (2003), it is proposed that the Amahlathi Municipality engage with the Amathole District Municipality in defining the relevant responsibilities of each in relation to current environmental legislation and the powers and functions of local government authorities.

Amahlathi Local Municipality is in the process of developing Amahlathi Environmental Management Strategy and Amahlathi Environmental Management Plan in the 2017/ 2018 Financial Year.

The review of institutional capacity in this regard forms part of the present Institutional Plan process.

In the interim, the following legislative framework is applicable (as guided by the Amathole District Municipality's Integrated Environmental Strategy).

KEY LEGISLATIVE FRAMEWORK

The following is the key legislative framework in which the Amahlathi Municipality is to perform its functions.

In terms of the Constitution:

Local authorities are responsible for administering various town planning instruments, protected areas and nuisance laws.

Local authorities are responsible for providing all citizens with a safe and healthy environment.

In terms of the National Environmental Management Act:

The Amahlathi Municipality is responsible for applying national environmental management principles in performing all activities that may significantly affect the environment.

In terms of Section 28, Municipalities have a general duty of care related to activities that detrimentally affect the environment.

In terms of the Local Government: Municipal Structures Act:

The Amahlathi Municipality must ensure environmental sustainability in delivery of all municipal services.

In terms of the Environmental Conservation Act:

The Amahlathi Municipality has a general duty of care related to activities that detrimentally affect the environment.

In terms of the EIA Regulations of the Environmental Conservation Act:

The Amahlathi Municipality is required to ensure that all projects, development proposals and actions (such as land development rezoning etc.) that it is responsible for implementing and/or approving, are subject to an EIA, should they fall within the listed activities provided in these regulations.

In terms of the Conservation of Agricultural Resources Act:

The Amahlathi Municipality must ensure that weeds and invasive plants on municipal-owned land or inland waters are eradicated and controlled.

In terms of the National Heritage Resources Act:

Heritage sites must be incorporated into town-planning schemes, where applicable.

The Amahlathi Municipality must draw up by-laws where necessary.

The Amahlathi Municipality must ensure Municipal compliance with NHRA.

3.1.10 ENVIRONMENTAL MANAGEMENT

The municipal area is situated at the foothills of the Amathole and Kologha mountains. As a result there are considerable temperature variations between summer and winter. The area is subject to frost and hail conditions. The area lies in the summer rainfall region with over 70 % of the mean annual rainfall experienced in the summer months (October to March). Mean Annual Precipitation (MAP) varies across the region from a low of 400 mm in the northwest (leeward side of the Amathole Mountain) increasing to the east. The highest rainfall (approx.1000mm/ annum) is experienced on the windward side of the Amathole Mountains. Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are twelve vegetation types found in the Amahlathi LM, highlighting the diversity of environmental conditions experienced in the Municipality. The distribution of these vegetation types is illustrated in the map and table below. Amathole Montane Grassland covers 44% of the Municipality.

BIODIVERSITY

The following plans illustrate the dominant characteristics of the natural endowments of the Amahlathi area. They outline the following: -

- Indigenous Forests in the Toise area and, most notably, the forests stretching from north-west of Stutterheim into the Keiskammahoek area. The latter stretch of forest accommodates the Amathole Hiking Trail, which is a potentially significant local

tourism attraction. These forest areas are noted as conservation-worthy and must be managed accordingly, to ensure sensitive development of tourism assets and the sustainable use of the available resources.

- The indigenous forests fall within an area demarcated as the Amatole Complex. The Amatole Complex has been identified as a center of endemism and includes the escarpment forests and Winterberg grasslands.
- Wartburg falls in the Toise (Wartburg) area. This is a potential scenic tourist attraction and needs to be developed to its potential in an environmentally sensitive manner.
- There are various sites where rock paintings have been discovered. These include sites in the Cathcart vicinity and on the farms Cowsmead and Bulls Run in the Lujillo local area.
- The Keiskammahoek area has long been noted for its agricultural potential, based on its natural assets of favourable soils and adequate water supply for intensive irrigated crop production. However, full development of these assets has been hampered by historically inequitable land management practices, and complex land tenure arrangements in the area.
- Similarly, the area located in the southern sector of the Amahlathi Municipal area, the Elukhanyisweni local area, has also previously been identified as having good potential for irrigated crop production. Again, the full development of this potential has been hampered by lack of infrastructure and adequate land tenure arrangements.
- The areas around Cathcart and to the East of the Municipal area have identified potential for Game Farming.

RENEWABLE ENERGY

The municipality encourages the use of alternative energy sources in line with the overarching national government objectives of reducing South Africa's overall dependence on greenhouse gas emitting energy sources. These may include:

- ☐ Solar Energy such as solar energy water geysers;
- ☐ Wind Energy such as wind farms;
- ☐ Biofuel and Biogas Energy; and,
- ☐ Hydro Energy.

By reducing the household dependence on conventional energy forms, it is believed that this will also have a positive effect on the general household monthly spend on energy purchases. Therefore initiatives such as the solar energy high pressure water geysers programme being run by the Department of Energy and the Light Bulb Retrofitting programme being implemented by Eskom, inter alia, are considered as of paramount. These would have a significant impact in the case of the semi-rural Amahlathi Municipality where the average household incomes are generally low.

3.2 KPA 2: MUNICIPAL FINANCE VIABILITY

3.2.1 REVENUE ENHANCEMENT STRATEGY

The purpose of this strategy is to ensure that all possible avenues are explored to maximize the receipt of monies available to Council by way of assessment rates, service charges, intergovernmental transfers and grants and donations and to ensure that monies owed to the municipality are duly collected.

There is an urgent need for the municipality to look at other revenue strategies as the constant decrease in equitable share and significant increase in employee related costs will have negative effect in the provision of basic services by the Municipality in the near future.

Free Basic Services

The municipality has an indigent policy in place and it was reviewed and adopted by Council in May 2016. In support of the above principles the objective of this policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and
- Co-operative governance with other spheres of government.

There is an indigent register that is updated monthly. R8.5 million has been allocated for free basic services in the 2017/2018 budget i.e. Electricity.

Subsidies and Grants

In order for Amahlathi Municipality to obtain maximum benefit from external monies available, a policy laying out the relevant procedures should be put into place to ensure that all grants, donations and subsidies are investigated, applied for and received at the appropriate times to ensure that Council receives maximum benefit from external funding available. The table below reflects the expenditure on grants for 2015/16 financial year.

Grant	Percentage
MIG	91%
MSIG	100%
FMG	100%
EPWP	100%
Library	100%

Billing and Credit Collection System

The Council has introduced a consolidated billing system, which generates accurate and regular accounts for all areas under its jurisdiction on a monthly basis. Procedures are in place to regularly update and monitor the correctness of debtor information. Council has adopted a credit control policy in which the procedure for the collection of arrear rates and service charges is addressed. The unit has officials to ensure that the policy is correctly and fully applied. The average collection was about 82% in 2015/16 financial year and billing is done on a monthly basis.

Tariffs Policy

The tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 (see part 9 of this policy) of the Municipal Systems Act No. 32 of 2000. In setting its annual tariffs the council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development. The tariffs policy will be reviewed and amended by Council annually during its IDP and Budget process.

Rates Policy

In developing and adopting the rates policy, the Council has sought to give effect to the sentiments expressed in the preamble of the Property Rates. The Council shall as part of each annual operating budget component impose a rate in the rand on the market value of all ratable property as recorded in the municipality's valuation roll and supplementary valuation roll. Ratable property shall include any rights registered against such property, with the exception of a mortgage bond. The Council pledges itself to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates, except when the approved Integrated Development Plan of the municipality provides for a greater increase. The Rates policy will be reviewed and amended by Council annually during its IDP and Budget process.

Debt Write -off Policy

This policy aims to set down procedures and principles to be carried out when all debt deemed irrecoverable is to be written off.

- It is set to identify all bad debts during the course of the financial year;
- The writing off all bad debts at a more frequent basis preferably at least 3 months before year end; and
- Proper delegation of power by the Municipal Accounting Officer i.e. Municipal Manager is done so procedurally.
- The policy will be reviewed and amended by Council annually during its IDP and Budget process.

Cash management and Investment Policy

The council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

The objectives of the Cash Management and Investment Policy of the Amahlathi Local Municipality are as follows: -

- Ensuring that cash resources are managed efficiently and effectively,
- Ensuring that investments are placed with reputable institutions, for the purpose of safety of capital investment, and diversification of the investment Portfolio,
- Ensuring that adequate liquidity is maintained at all times, for management of cash flows,
- Ensuring that the municipality receives optimal yield / interest on its investments with financial institutions, at minimal risk,
- Striving for reasonable growth on capital investments in addition to interest earned on investments,
- Ensuring that monies due to Council are collected and banked appropriately as soon as they are received, and
- Ensuring that payments to creditors are made by the due dates.

The policy is reviewed and amended by Council annually during its IDP and Budget process.

Asset Management Policy

The Amahlathi Local Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objectives of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by:

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements

- Exercising strict control over all assets
- Providing correct and meaningful management information
- Affecting adequate insurance of all assets
- Maintenance of Council's Assets

The policy will be reviewed and amended by Council annually during its IDP and Budget process.

At the same time as the compilation of the Asset Register an asset tracking system using bar-coded discs and scanners will be implemented. The system will allow for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

Petty Cash Policy

The use of a petty cash float (**a float may not exceed R600-00**) is strictly confined to **individual cash purchases of up to a maximum of R100-00**, unless authorized by the Chief Financial Officer; The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit.

Budget Policy

The objectives of this policy are to secure sound and sustainable, management of the budgeting and reporting practices of the municipality by establishing requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes and other relevant matters as required by Municipal Finance Management Act 56 of 2003.

The objective of the policy are set on the foundation of the following legislative prescripts:

- (a) Constitution of 1996
- (b) MFMA Circulars;
- (c) MFMA Act 56 of 2003; and
- (d) Municipal Budget and Reporting Regulations, Government Gazette no. 32141 dated 17 April 2009

Customer Care Policy

- To provide quality service to all stakeholders interacting with the Municipality, i.e. public service providers, contractors, fellow staff members in every department and other Government agencies.

- To ensure that customers are provided with relevant information as and when is needed in the appropriate format.
- To ensure customer complaints are addressed promptly, timeously and to the full satisfaction of the client.
- To ensure that customers, both internal and external to the Municipality receive consistent and fair treatment at all times.
- To reduce the financial and time cost incurred arising from poor customer service due to repeat calls from and to customers.
- To equip municipal staff with knowledge and competencies to continually enhance the service standards according to changing customer needs.

VALUATION

Valuation roll is in place and maintained for four years and supplementary valuation conducted on annual basis.

SUPPLY CHAIN MANAGEMENT

The municipality has the supply chain management unit. In the preamble of the SCM Policy it is stated that “the Supply Chain Management Policy seeks to encourage socio-economic transformation” within its region. To achieve this, empowerment goals have been set, which aim to redress the skewed distribution of wealth and therefore contribute to the alleviation of poverty. Immediately after the approval of budget the departments is required to prepare procurement plans that guides sittings of the bid committees. There is a Contract Management Officer; Demand Management Officer and Acquisition Management Officer that is under Supply Chain Unit. The functions or duties of the officers includes management of contracts, contract register, signing of Service Level Agreements (SLA) and monitoring and termination of contracts, management of stores, procurement of goods and services to mention a few.

3.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.3.1 PROCESS FOLLOWED

On 30th August 2016 the Amahlathi Local Municipality Council adopted its IDP and Budget process plan. The IDP/Budget process plan outlines in detail the way in which the municipality embarked on its 2017/18 IDP review from its commencement in July 2016 to its completion June 2017.

ORGANISATIONAL STRUCTURES & PUBLIC PARTICIPATION

The IDP of Amahlathi has been compiled through an interactive process, which has been overseen by a Management Structure, and informed by an organized Participatory Structure and the Amahlathi Representative Forum. The following are applicable structures: -

Amahlathi Municipality IDP Management Structure

Designation/Role	Name
<i>IDP Manager</i>	Ms Z Batyi – IDP & PMS Manager
<i>IDP Technical Committee</i>	Mr BK Socikwa- Municipal Manager
	Mr B Ondala – Development and Planning Manager
	Mr M Quma – Corporate Services Manager
	Mrs JN Ntshinga – Chief Financial Officer
	Mr SP Vara - Community Services Manager
	Ms T Bacela – Strategic Manager
	VACANT – Director Engineering Services
	Mr H Moerdyk – Engineering General Manager
	Mr B Mashiyi – Assistant Manager Finance
	VACANT– PMU Manager
	Mr Solani- Assistant Manager Protection Services
	Mr B Cooper - Assistant Manager Community services
	Mr M Gogwana – Human Resources Manager

Amahlathi Municipality's IDP Participatory Structure

The Amahlathi IDP Representative Forum, which was convened by the Amahlathi Municipality, served as the primary vehicle for consultation and public participation in the course of the IDP's amendment.

This body comprised of numerous stakeholders; including political parties, ward committees, youth and women's organizations, individuals, Government structures, NGO's and other organizations of civil society.

Technical Support

Technical support for the above structures was rendered by: - Amathole District Development and Planning Unit.

3.3.2. THE PLANNING PROCESS UNDERTAKEN

Phase 1 – Analysis Update & Review of Progress- the Mayor visited all the wards with the purpose of introducing the ward based planning. This process was conducted to ensure maximum community participation in the IDP processes. The Ward Councillors worked with the ward committees and Traditional Leaders in guiding the process where the communities gathered to update the analysis as well as identifying the priority needs. The needs were therefore discussed in the cluster teams, steering Committee and the Rep forum.

Phase 2 – Revised Objectives and Strategies- wherein a participatory process contributed to the formulation of revised development objectives and strategies in relation to the broad priority development issues identified based on the Analysis work and the outputs of a number of Sector Plans undertaken by the Amathole District Municipality and sector departments. Set objectives have been broken down into yearly phases.

These Priority Issues are arranged into revised development clusters, in line with recommendations made by the Amathole District Municipality, which acted in its capacity of setting an appropriate Framework for the IDP Process.

Phase 3 – Project Planning - wherein technical and participatory processes were undertaken to identify priority projects within sectoral clusters, which were identified in Phase 2.

Project Prioritization was undertaken within each Cluster, with the overriding objective being to identify Year 1 priority projects to fit within a realistic budget framework.

The prioritization process was informed by identified development needs per sector. Suggested project priorities for Year 1 were compiled by the Amahlathi IDP Technical Committee and submitted for approval to the Representative Forum, Ward structures and civil society stakeholders, and, finally, the Amahlathi Municipal Council.

Phase 4 – Integration - projects were assessed in order to determine their impact on or potential integration within sectoral programmes (e.g. Land Reform Programme etc.).

Phase 5 – Approval, the draft IDP will be publicized for comments, as required in law, following its adoption subject to substantive comment by the Amahlathi Municipal Council on 28 May 2016.

3.3.3. PUBLIC PARTICIPATION

3.3.3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Account Committee (MPAC) was established on the 27th October 2011, in terms of Section 79 of the Municipal Structures Act and as a committee of Council for the efficient and effective performance of its functions. The MPAC Terms of Reference (TOR's) have been established in 2016 which states the purpose of the committee and its specific responsibilities.

MPAC enables the Council, in respect of financial management, to fulfill its constitutional obligation to scrutinize and oversee executive action with regards to financial administration and non- financial activities.

Members were appointed from Councillors and it was agreed that none of these appointed Councillors should serve in any other committee and standing committee.

The appointed members are as follows:

- Cllr. S. Malawu - **Chairperson**
- Cllr. A. Hobo
- Cllr. D. Mzili
- Cllr. P. Ntwanambi
- Cllr. N.P. Jikazayo
- Traditional Leader N.G. Mekuto

3.3.3.2 HUMAN RESOURCES DEVELOPMENT TRAINING COMMITTEE

In terms of the regulations to the Skills Development Act, every organization with more than 50 employees must establish an institutional forum (Training Committee) for purposes of consultation with regard to skills development. Ideally the Training Committee consists of the following people.

- Skills Development Facilitator
- Municipal Manager

- Human Resources Manager
- Corporate Services Manager
- Chief Financial Officer
- Chairperson Standing Comm.- HR and Admin
- Chairperson Standing Comm. – Finance
- Representatives of 2 Trade Unions represented in the Municipality (SAMWU and IMATU)

At Amahlathi Municipality, we do have an existing Training Committee composed of employer Reps and Labour, and it does sit as and when required.

3.3.3.4 LOCAL LABOUR FORUM

The Local Labour Forum is a consultative structure that does not take decisions. The main collective agreement confer to the L.L.F powers and functions of negotiating and or consulting among other things;

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the Council or Division
- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership in that individual Local. For Amahlathi, we do have an established Local Labour Forum and it sits on a quarterly basis and when there is a need. The committee representatives are as follows;

NUMBER	SURNAME AND INITIAL	NUMBER	SURNAME AND INITIAL
1.	Cllr M. Mjikelolo	9	Mr R Mbi- SAMWU
2.	Cllr N Busika	10	Ms T Magwangqana- SAMWU
3.	Cllr N Nongqayi	11.	Mr L. Nkongo- SAMWU
4.	Cllr R. Desi	12.	Mr. L. Bacu SAMWU
5.	Cllr G.D Mxhosa	13.	Ms. N. Damesi- SAMWU
6.	Ms. N. Tom	14.	Ms. N.Matiwane- SAMWU
7.	Ms. N. Singiswa	15.	Mr. M.Dyosi- SAMWU
8.	Mr. V. Msindwana	16.	Mr. L Mostert- IMATU

3.3.3.5 WARD COMMITTEES

BACKGROUND

In line with Chapter 4 of the Municipal Structures Act 1998, the Amahlathi Local Municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. Amahlathi Local Municipality is bound by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections.

The dates of the establishment of ward committees was advertised at a local community radio station the Forte FM. On 30 September 2016 the Speaker had an interview tabling the plan followed by daily notices on the station.

Ward Committee induction was held at Mlungisi Commercial Park on the 28 November 2016 and on the 22 March 2017. During the induction the following areas were dealt with, the municipality structure, legislative framework conducted by COGTA as well as the definition of Public Participation, Ward Operational Plan, Back to Basic Pillars and Operation Masiphathisane (War Rooms). The department of Corporate Governance and Traditional Affairs (COGTA) supported the municipality by training the ward committees in roles and responsibility of ward committees.

In terms of White Paper on Local Government 1998, ward committees should be given stipend and that has been implemented from November 2011.

3.3.3.6 PERFORMANCE AUDIT COMMITTEE

The functions of the Audit and Performance Committee (hereinafter referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements as well as assisting in performance management systems. The Audit and Performance Committee has 3 members listed hereunder and should meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL
1.	T Mnqeta- Chairperson
2.	T Maqwati
3.	C Deliwe

3.3.4 INTERGOVERNMENTAL RELATIONS (IGR)

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings will sit on a quarterly basis and are an information-sharing vehicle where government departments and the municipality give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programs and projects. It therefore serves as a feeder to both the IDP & District Communicator's Forum (DCF).

Only heads of government departments sit on these meetings, failing which representatives sent by these heads, the Municipal Manager, Strategic Planning Manager, ADM Communication/ Public Participation representative.

3.3.5 IDP Previous assessment

Comments from the MEC in the previous years and from the table below shows that the municipality has consistently retained an overall medium rating score for four years in succession. However improvement on five (5) KPA's namely Service Delivery, Financial Viability and Institutional Arrangement was recommended or encouraged.

KPA	RATING 2008/09	RATING 2009/10	RATING 2010/11	RATING 2011/12	RATING 2012/13	RATING 2013/14	RATING 2014/15	RATING 2015/16
Spatial Development Framework	High	Low	Medium	High	High	High	High	High
Service Delivery	Medium	High	Medium	Low	Low	Medium	medium	High
Financial Viability	High	High	Low	Medium	Medium	Low	High	High
Local Economic Development	Medium	Low	Low	Medium	Medium	High	High	High
Good Governance & Public Participation	Medium	Medium	Low	Medium	High	High	High	High
Institutional Arrangements	Medium	Low	Medium	Medium	Low	Medium	High	High
Overall Rating	Medium	Medium	Medium	Medium	Medium	Medium	High	High

CHALLENGES AND REMEDIAL ACTION

- The results of the assessment were presented to the Municipal leadership so as take note of the issues that need to be addressed in the next review of the IDP.

3.3.6 PUBLIC PARTICIPATION AND SPECIAL PROGRAMS

Public Participation

The Municipality has Public Participation Policy that was adopted by Council on 1 September 2015. In accordance with Municipal systems Act 2000, the municipality hold regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are convened 4 times per year or quarterly in preparation of each phase. The following forms are used in calling the interested parties

- Website to publish our notices
- Community Radio Stations to reach those parts of our community that do not read newspaper
- Daily Dispatch
- Posters, pamphlets, ward councillors and announcements through community gatherings and community based organizations.
- Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and a communication strategy.

3.3.7 Special Programs

In the municipality we have a unit dealing with special programs with three officials. The unit reviews action plan annually which is presented to all the structures of the targeted groups and is then submitted to Council via a standing committee for noting. Below is the Action plan that details the activities undertaken during 2016/17 financial year and it will be reviewed in June for implementation in 2017/18.

KPA	PROGRAMME	DEPARTMENT RESPONSIBLE	TIME FRAME	BUDGET
Special Programmes events targeting the 7 Groups.	Women's Day Celebrations	SPU	1 st Quarter	R83 332.00.
	Cancer Awareness Day	SPU	2 nd Quarter	R83 332.00
	Build up to International Day for Disabled	SPU	2 nd Quarter	R83 332.00
	Rugby Top 8 (2016)	SPU	2 nd Quarter	R149 000.00
	16 Days of Activism 2016	SPU	2 nd Quarter	R83 332.00
	World Aids Day 2016	SPU	2 nd Quarter	R160 000.00
	Condom Month and Human Rights (February 2017)	SPU	3 rd Quarter	R160 000.00
	Review of the HIV Strategy (2017)	SPU	3 rd Quarter	
	Revival of the SPU Forums/Councils (2017)	SPU	3 rd Quarter	
	Amahlathi Local Football and Netball Tournament (2017)	SPU	4 th Quarter	R200 000.00
	Child Protection Month	SPU	4 th Quarter	
	June Celebrations (June 2016)	SPU	4 th Quarter	R200 000.00

AMAHLATHI AUDIT ACTION PLAN 2016/17 FINANCIAL YEAR

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
<p>1. Irregular, Unauthorised and Fruitless and wasteful: Section 32 reports not submitted (Ex.16) - COAF 15</p> <p>Through enquiry with the CFO it was identified that management did not submit any report relating to unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality to the mayor, the MEC for local government and the Auditor general.</p> <p><u>Internal Control Deficiency</u></p> <p>Leadership</p> <p>Establish and communicate policies</p>	3	MR, page 47	Annexure A	Management notes the finding; the reports are submitted to the Mayor and Council through the standing committee.	Management should inform the MEC for local government in the province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality as required by section 32 of the MFMA.	Management response noted. This will be reported in the management report as non-compliance.	Reports will be prepared and submitted to the Accounting Officer for submission to the MEC & AG	30-May-17	Reports are submitted to the Accounting Officer		Mr. B.K Socikwa

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBLE PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.											
2. Consequence Management: Compliance - No investigations performed on all instances of UFW (Ex 76) - COAF 19 It was noted that the municipality has not investigated all instances of unauthorized and fruitless and wasteful expenditure to determine if any person is liable for the expenditure for 2015/16 financial year. <u>Internal Control Deficiency</u>	3	MR, page 48	Annexure A	Management has noted the recommendations of the auditor.	Management should investigate and take action to recover any Unauthorized and Fruitless & wasteful expenditure incurred.	Management have noted the finding and the matter will be reported in the audit report.	Management will investigate and if necessary will recover the money from the relevant individuals	30-May-17	The Municipality has formed a committee to investigate the Unauthorized, Fruitless, Wasteful and Irregular Expenditure		Mr. B.K Socikwa

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
Leadership Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls											

<p>3. Procurement and Contract Management: False declarations made by suppliers not followed up (Ex 50) COAF 12</p> <p>During an audit of CAATS data for Suppliers in which persons in service of other state institutions have an interest, we noted that there are suppliers who have either spouses/relatives/partners who are in service of the state, but failed to declare these interest and the municipality did business with these suppliers without any sort of follow-up to confirm the correctness of these declarations.</p> <p>Management's has agreed to adjust the financial statements therefore these will be assessed when adjustment has been made.</p> <p>Inspected the Adjusted</p>	3	MR, page 49	Annexure A	Management has noted the recommendations of the Auditor however the municipality is using Central Supplier Database as from 01 July 2016 which will be able to detect state employees as advised by Treasury.	Management should establish alternative ways of detecting false declarations by suppliers besides relying on occasional involvement of Treasury as this still gives them discrepancies, a way that will allow the municipality to do verification of declaration when suppliers apply to be on the municipality database.	Management comment is acknowledged. After assessment of additional corroborating evidence it was noted that interest identified for the following employees was not valid. The following issues will therefore be removed as finding and be marked as resolved.	Management will use the Central Supplier Database provided by Treasury as from 01 July 2016	30-Sep-16	The Municipality is using CSD provided by Treasury		Mr.S. Kambi
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FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE														
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)										
<p>4. Award made to a person in service of state (Ex.51) - COAF 12</p> <p>The audit included the identification of awards made to persons or to entities owned/ managed by officials who are in service of any other state institution. The findings were as follows:</p> <p>Finding</p> <table><tr><td>Number of awards made</td><td>Number of officials</td></tr><tr><td>Number of provider</td><td>Total Amount</td></tr></table> <p>Awards to officials of other state institutions</p> <table><tr><td>8</td><td>8</td></tr><tr><td>8</td><td></td></tr><tr><td>1 382 760.99</td><td></td></tr></table>	Number of awards made	Number of officials	Number of provider	Total Amount	8	8	8		1 382 760.99		3	MR, page 53	Annexur e A	Management has noted the recommendati on of the Auditor however the municipality is using Central Supplier Database as from 01 July 2016 which will be able to detect state employees as advised by Treasury. Fort Hare Trading Solution is 100% owned by the University of Fort Hare and should not be included in the finding. Also BCX was addressed and should not be included in the audit finding.	Management should establish alternative ways of detecting false declarations by suppliers besides relying on occasional involvement of Treasury as this still gives them discrepancies, a way that will allow the municipality to do verification of declaration when suppliers apply to be on the municipality database. Management should also take action when the auditors have identified findings in prior audits.	Management's comment is noted and therefore Fort Hare trading solutions (Pty), Business connexions and Total client services will be removed from the list of suppliers in service of state . The following proof have been received and inspected: 1. Resignation of the board member: Alex Boama Darko for Business connexion group limited 2. Proof that Dr Vuyo Tom and Dr Sibongile Muthwa do	Alternative ways of detecting false declaration by suppliers will be sourced	31-Jul-16	The Municipali ty is using Central Database recomme nded by Treasury		Mr. S. Kambi
Number of awards made	Number of officials																				
Number of provider	Total Amount																				
8	8																				
8																					
1 382 760.99																					

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
Leadership: Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities				See attached documentation.		not receive remuneration from Fort Hare trading solutions (Pty) Ltd and therefore do not have interest The following awards will be reported in the management report. No Supplier name Employee name State institution where employed 1 CEMENTILE PRODUCTS SHAWN KEITH WITEFIELD Amatola Water Board 119 604.24					

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBL E PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
						<p>2 BUBUNCWANE TRADING BAXOLISE THABILE</p> <p>BRIANT MHLAKOTSHAN A Amatole District Municipalit</p> <p>3 PERFECT TIMES TRADING SINDISWA VUTU EC: SOCIAL DEV&SPECIAL PROGRAMMS</p> <p>4 BADZ TOWING AND REMOVALS BANDILE MACINGWANE Great Kei Local Municipality</p>					

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
5. Interest not declared by the employees (Ex 57) COAF 12 Some employees and councillors who were found to have partners/associates/close family members who obtained awards from the municipality through procurement processes did not disclose the interest in their declaration of interest. <u>Leadership:</u> Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity.	3	MR, page 56	Annexure A	Management notes the audit finding and the AFS will be adjusted.	Management must implement prior year recommendation on interests not declared by the employees, as 2 of the employees noted above were also noted on the prior year exception.	Management's response is noted however this is non-compliance, therefore the finding still stands.	Municipality will ensure that employees declare the financial interest	31-Mar			Mr. B.K Socikwa

<p>6. Contracts not evaluated on a monthly basis (Ex 59) COAF 15</p> <p>1. During testing of contract management it was noted that there is no documentation in the project files to confirm that monthly performance evaluations of the following projects were conducted during the year.</p> <p>No. Tender number Project description Provider</p> <p>1. SCM/22/2015 Professional services to manage in-house design MBSA consultants</p> <p>2. SCM/35/2014 Installation, testing and commissioning of high mast lighting in Ngcamngeni. Siyavuya power projects</p> <p>3. SCM/37/2015 Heckel stormwater Mpinga Engineers</p> <p>4. SCM/45/2015 Construction of Cenyu to Khalimashe access</p>	3	MR, page 59	Annexure A	Management disagrees with the finding	<p>Management should ensure the following:</p> <p>1) All the construction projects are monitored monthly and this should be documented to ensure that follow-ups are conducted timeously if applicable.</p> <p>2) The project files contain all necessary documentation relating to the progress of the project and any modifications made should be documented.</p> <p>3) Proper uniform record keeping of the construction project files which must be regularly updated with the changes happening in the project.</p>	<p>Management response noted, however the performance reports of soe projects has not been received and will be reported.</p> <p>Through inspection of the performance evaluation submitted it was noted that performance evaluation for the following projects was not done monthly, therefore the finding is partially resolved and the following items will be reported.</p>	Project will be monitored on a monthly basis and site minutes will be kept for audit purposes	31-Mar-17	Monthly site meetings are being held and minutes are documented		Mr. S. Kambi
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road Faku Mphumzi Civils 5. SCM/35/2015 Implementation of performance management system. Morah Incorporated 6. SCM/44/2012 Provisioning of Cash in transit Protea Coin security 7. SCM/106/2014 Cathcart transfer station GS Civils 8. SCM/34/2014 Installation, testing and commissioning of high mast lighting in Ngcamngeni. Siyavuya power projects 9. SCM/19/2015 Internal audit services for PPE. Delloitte & Touche Leadership: Develop and monitor the implementation of action plans to address internal control deficiencies										
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<p>7. Insufficient submission of information (Ex 75) - COAF 18</p> <p>The following information was requested as detailed below and it was not submitted for audit. Furthermore after discussion and formally communicating what is outstanding with management, the information still has not been submitted and reasons for submission were not provided.</p> <p>Details as per Annexure No. Tender number Information not submitted</p> <p>1 SCM/35/2014 Performance evaluation report</p> <p>2 SCM/37/2015 Performance evaluation report</p> <p>3 N/A Isidenge internal roads In-house Performance evaluation report</p> <p>4 SCM/34/2014 Performance evaluation report</p>	3	MR, page 61	Annexure A	The finding is noted. The performance evaluation reports will be prepared, filed and submitted to the auditor when requested.	Management should ensure that information that is requested by the Auditor General, South Africa is made available within the agreed time frames per the request for information.	<p>Subsequent to Communication of audit findings information related to Mpinga engineers was received and therefore Mpinga engineers will be removed.</p> <p>Management response acknowledged. This will be reported as non-compliance.</p>	Performance Evaluation Reports will be filled by project managers and kept in files for Audit purposes	31-Mar-17	Project managers are filling for performance evaluation forms		Mr. B.K Socikwa
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FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
<p>8. AOPO: The KPIs set by the municipality does not include indicators on the percentage of households with access to basic level of solid (Ex 15) – COAF 03</p> <p>The municipality did not set KPIs that include a percentage of households with access to basic level of solid waste removal.</p> <p>The municipality does not comply with the requirements of legislation and regulations.</p> <p><u>Leadership</u> Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives,</p>	3	MR, page 63	Annexur e A	Management notes the finding the indicator on percentage households with access to waste removal will be included in the next SDBIP.	Municipality must include indicators on percentage of households with access to basic level of solid waste removal as required by section 43(2) of the MSA and the Municipal planning and performance management regulation 10(a).	Management agrees with finding as the result the finding remains.	Addressed by the municipality on 2016/17 SDBIP however in terms of numbers not percentages	Done	Addresse d by the municipali ty on 2016/17 SDBIP however in terms of numbers not percenta ges	Addresse d by the municipali ty on 2016/17 SDBIP however in terms of numbers not percenta ges	Ms. T. Bacela

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
processes and responsibilities.											

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBL E PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
9. Trade receivables: Long outstanding debts are not handed over (Ex. 42) - COAF 11 During the audit we noted that the municipality did not take reasonable steps to ensure that the long outstanding debtors have not been handed over to the lawyers for debt collection and it was also noted that is no legal recourse taken for long outstanding debtors as the entity has no legal consultants available to them. This has resulted in a impairment loss and more debtors being irrecoverable as not all debtors are followed up on by implementing the policy in place.	3	MR, page 64	Annexur e A	Management notes find.	Management are to apply the credit policy in place to all debtors and strengthen internal controls over the collectability of debtors and they should ensure that the outstanding debtors are handed over for collection.	Management response noted and the finding stands	The municipality has since advertised for a debt collector to assist in this activity		This is at an appointm ent stage		Mr. B. Mashiya / Mrs C Mana

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<u>Leadership:</u> Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls											

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
10. HR management: No prior approval for overtime worked (Ex 21) - COAF 09 During audit of overtime worked it was noted that some of the overtime worked did not have any prior authorisation as required by the overtime policy. <u>Leadership:</u> Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	3	MR, page 66	Annexur e B	Agree with the finding	Management should ensure that all overtime worked is approved prior to the day of the work being done. A copy of the agreement for overtime should be kept and attached to all the overtime claims for each employee who worked overtime.	Management agrees with the finding. The finding therefore remains and will be reported as non- compliance in the management report.	Correspon den ce has been sent to Directors reminding them of their responsibility to ensure that overtime is kept within the legal limit. Attached here is a proof of that.	01-Jul-17	The problem has been resolved		Director Corporate Services
11. HR management: Hours worked for overtime exceeded the limit by policy (Ex 22) - COAF 09 Some employees	3	MR, page 68	Annexur e B	Management notes the finding. The attached memo to all HOD's demonstrates	Management should ensure that only limited hours of overtime are worked by the employees and that on instances	Management agrees with the finding. The finding therefore remains and will be	In a meeting that was held on Wednesday 15 February 2017 between BTO and Corporate	01-Jul-17			Director Corporate Services

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<p>worked overtime that exceeds the limit of 3 hours per day and 10 hours per week, without any prior approval of these excess hours as per the policy.</p> <p><u>Leadership:</u></p> <p>Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls</p>				Corporate Services commitment to monitor and control overtime.	where more hours need to be put in, prior approval is obtained for the employees.	reported as non-compliance in the management report.	Services it was agreed that all related payroll submissions should be delivered to Corporate Services for scrutiny and endorsement before going to BTO for processing				

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12. Employee Costs: Differences on amounts paid for overtime worked (Ex 23) - COAF 09 During the audit of overtime worked, differences on the amounts paid for overtime and the amount recalculated based on the worksheet and employees rate were noted Financial and Performance Management: Implement controls over daily and monthly processing and reconciling of transactions	3	MR, page 70	Annexur e B	Management does not agree with the finding as the formula used assumes 22 hours	Management should review transactions to ensure that the overtime worked is accurately calculated and paid for.	Management's comment is noted, however when using 22 hours more differences were noted and therefore the finding stands.	Calculations are done by BTO	Continu ous			Mrs. J. Ntshinga

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBLE PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
13. Employee cost: Non-Compliance - Employees took leave less than 16 days (Ex 30) - COAF 08 During the audit it was noted that the following employees took leave days that are less than 16 days Financial and Performance Management: Review and monitor compliance with applicable laws and regulations	3	MR, page 71	Annexure B	Management notes the finding. Letters were written to the HOD's and affected employees informing them to take leave or forfeit leave days; copies are attached.	Management should ensure that employees at least take the minimum leave days in a leave cycle as required by the SALBC Main Collective Agreement.	Management response noted, finding stands	Letters have been written to the affected employees reminding them to take leave as per SALGBC Main Collective Agreement	01-Jul-17			Director Corporate Services
14. Employee costs: Internal control - post not advertised and no interviews took place (Ex 83) - COAF 22 During employee costs testing it was noted that the following position was not	1	MR, page 73	Annexure B	Management notes the finding; the employee was previously working as a casual worker and later absorbed permanently.	Management should follow proper procedures when filling a vacancy by advertising the position and appoint a suitable candidate through interviews.	Management response is noted however finding will be reported as other matters.	The management will ensure that Recruitment and Selection policy will be taken into consideration in order to	01-Jul-17			Director Corporate Services

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<p>advertised and the respective employee was not interviewed for the position:</p> <p>Position name Employee Salary</p> <p>Cleaner V.T. Sigingqi 6 117</p> <p><u>Leadership:</u></p> <p>Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls</p>				Proper consultation with labour was followed and agreed to absorb the employee.			avoid audit findings in future				

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
15. IT: Service level agreements not monitored and insufficient IT staff (Ex 74) - COAF 17 There was no evidence submitted to ensure that services delivered by the service providers were monitored against the services agreed in the service level agreement (SLA) to ensure optimal service delivery. The lack of monitoring of the services rendered to the entity by external service providers might result in sub-standard services being provided to the entity. There are insufficient IT staff as there are only two permanent staff. Leadership - Policies and procedures	3	MR, page 74	Annexure B	The finding is noted, however the institution has established an IT Steering Committee where all IT related SLA's will be reported and monitored.	Service performance reviews should regularly be conducted for all external service providers and timeous corrective action should be taken to remedy any deficiencies identified. Management is encouraged to implement a service level management process to ensure that the levels of service rendered by external service providers are continually identified, monitored and reviewed against those specified in the SLAs.	Management comment has been noted however the finding still stands	This will be addressed going forward. For every IT project , a project steering committee will be set up to be able to the monitoring and reviewed on a continuous basis to make sure that deliver an up to standard service. There are IT posts on the organogram but are not funded	30-Apr-17	1 meeting out of 4 meetings has sat and the 3 meetings will secured before the end of April		Ms. T. Bacela

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The responsibility for the monitoring of services provided was not delegated to a specific individual due to the lack of capacity and expertise to perform IT-related functions											

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<p>16. Internal control deficiencies: Policies and procedures not regularly reviewed and approved (Ex 4) - COAF 02</p> <p>Per inspection of the Municipality's policies and procedures together with the minutes to Council meetings, it was identified that:</p> <p>1. The following Municipal policies had not been reviewed for the current financial year:</p> <p>Title Date approved Code of conduct for Staff Members/Councilors 18 December 2013 Induction Training and Staff Orientation 24 June 2004</p>	3	MR, page 75	Annexur e B	No management comment.	Management must ensure that policies are reviewed and updated regularly to ensure that the municipality has and maintains and effective control system.	No management comment received however during interactions management agreed that the following policies have financial impact and should be updated regularly. These following items will still remain and the following will be reported in the management report as lack of internal control.	After the approval by Audit Committee, the Audit committee Charter will be submitted to the Council for adoption.	26-Apr-17	2016/2017 Audit Committee Charter has been approved by the Audit Committee and will be submitted to the Council on the next Ordinary Council Meeting		Mr. B.Socikwa

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Employment Equity 24 June 2004 Amahlathi Finance Procedure Manual July 2013 Legal Aid Policy for Councilors and Employees 24 June 2004											

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<p>Furthermore it was noted that the following policies had not yet been approved:</p> <p>Title</p> <p>1. Succession Planning and Career Pathing</p> <p>2. Performance Management System for Staff Members</p> <p>3. Training and development policy</p> <p>4. Staff Productivity and outstanding Performance Award System</p> <p>5. Community Participation Policy</p> <p>6. Amahlathi Finance Procedure Manual</p> <p>Leadership</p> <p>Establish and communicate policies and procedures to enable and support</p>	3	MR, page 75	Annexure B	No management comment.	Management must ensure that policies are reviewed and updated regularly to ensure that the municipality has and maintains and effective control system.	No management comment received however during interactions management agreed that the following policies have financial impact and should be updated regularly. These following items will still remain and the following will be reported in the management report as lack of internal control.	PMS policy was approved by Council in April 2016	Done	PMS policy was approved by Council in April 2016	PMS policy was approved by Council in April 2016	Ms. T. Bacela

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understanding and execution of internal control objectives, processes and responsibilities											

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17. Invoices not signed (Ex 69) - COAF 16 During the audit of Irregular expenditure it was noted that some invoices paid during the year were not signed by the municipal officials to acknowledge receipt of goods and services. <u>Financial and Performance Management</u> Implement controls over daily and monthly processing and reconciling of transactions.	3	MR, page 78	Annexure B	Management has noted the finding.	Management should validate invoices by signing them before they are paid to ensure that payments are made only for invoices which goods and services have been received by the municipality.	Management response is acknowledged and this finding will be reported accordingly.	We have since stopped paying invoices that have not been signed until they are signed	Monthly	All invoices paid are signed		Mr. B. Mashiya

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18. Record reviews: Issues identified (Ex. 3) - COAF 01 1. The municipality has not reported any unauthorised irregular, fruitless and wasteful expenditure to the AGSA and COGTA. 2. The annual budget of the municipality has not been reconciled to the strategic objectives of the municipality. 3. The debtors balances per the age analysis are not reconciled to the debtors control account in the general ledger on a monthly basis. Leadership: Establish and communicate policies and procedures to enable and support understanding and	3	MR, page 79	Annexure B	1. The municipality has not reported any unauthorised irregular, fruitless and wasteful expenditure to the AGSA and COGTA. Irregular and fruitless expenditure relating to 2014/15 and quarter 1 for 2015/16 has been tabled to council for decision. Unauthorised expenditure is in a process of being tabled to council. The council will then resolve on the tabled	1. Management should ensure they fully comply with the requirements of section 32 should an irregularity be identified. 2. The budget should be reconciled to the SDBIP and strategic objectives and indicators. 3. A debtor's reconciliation should be prepared on a monthly basis and reviewed by the CFO.	1. Auditors response: Management comment is acknowledged however management has not provided evidence to support their comment. This finding will still stand and can only be resolved when management has provided supporting evidence. 2. Auditors response: Management agrees and has committed into addressing the finding. This finding will be therefore					Mr. B. Socikwa

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBLE PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
execution of internal control objectives, processes, and responsibilities				<p>expenditures.</p> <p>2. The annual budget of the municipality has not been reconciled to the strategic objectives of the municipality.</p> <p>The finding is noted and will be addressed.</p> <p>3. The debtor's balances per the age analysis are not reconciled to the debtors control account in the general ledger on a monthly basis.</p> <p>Management disagrees with</p>		<p>still remain and will only be resolved when the necessary amendments have been made and the annual budget is aligned to the strategic objectives.</p> <p>3. Auditors response: Management comment is acknowledged however management has not provided evidence to support their comment. This finding will still be open and will be looked at during execution at year end.</p>					

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				the finding, debtor's age analysis is reconciled to general ledger on a monthly basisRefer to comments above.							

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19. Internal control deficiencies: Non compliance with Audit Committee Charter (Ex.6) - COAF 02 The following issues were identified: 1. The audit committee charter was not reviewed for the period 2015/16.Note 2. The report submitted to council by the audit committee was not signed <u>Financial and performance management:</u> Review and monitor compliance with applicable laws and regulations.	1	MR, page 81	Annexur e B	The finding is noted	Management should ensure that the audit committee procedures are followed.	Management has noted the finding therefore agrees with the finding. This will therefore be reported in the management report.	After the approval by the Audit Committee, the Audit Committee Charter will be submitted to the Council for adoption.	26-Apr-17	2016/2017 Audit Committee Charter has been approved by the Audit Committee and will be submitted to the Council on the next Ordinary Council Meeting.		Mr. B. Socikwa

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
20. Procurement: Compliance - Inconsistencies with SCM regulations (Ex 11) - COAF 12 The following inconsistencies were identified in the SCM policy: Paragraph 22 of the SCM policy indicates that the minimum procurement method for goods and services with a value between R2 001 to R5 000 is one quote. This is in contradiction with the requirements of the SCM regulations which requires 3 quotes for this threshold to be obtained <u>Leadership:</u> Establish and communicate policies and procedures to	2	MR, page 82	Annexur e B	The policy has been revised and implemented accordingly.	Management should revise the SCM policy and amend paragraph 22 of the SCM policy on the R2 001 to R5 000 as to be consistent with paragraphs 26 and 27 which comply with the SCM regulations.	Management response is noted, however the finding still stands.	The policy will be amended so that it complies with SCM Regulations	01-Jul-16	The policy has been amended		Mr. S. Kambi

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
enable and support understanding and execution of internal control objectives, processes and responsibilities.											
<p>21. Procurement: points allocated to losing bidders while BEE certificate not certified or original & incorrect points allocated. (Ex 53) – COAF 12</p> <p>During the testing of SCM the following was identified: Losing bidders were allocated points while their BEE certificates are not original or certified copies:</p> <p>1 Alomna construction 3 16 2 KNND Constructors 3 16</p>	2	MR, page 84	Annexure B	Management agrees with the finding and recommendations will be implemented.	Management need to ensure the following that: 1. B-BBEE status level certificates of bidders are original and if not, to ensure that the copies thereof are certified. 2. Allocate points to bidders using the formula provided in preferential procurement regulation 5 & 6.	Management's response is noted, therefore the finding still stands.	Management will ensure that no points are allocated for non-certified BEE certificate	31-Mar-17	The Bid Evaluation Committee is ensuring that only certified BEE Certificates are allocated points		Mr. S. Kambi

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<p>Incorrect points were allocated to the following losing bidder:</p> <p>1 Sizwe Ntsaluba SCM/13/20915-16 70.95 58.28</p> <p><u>Financial and Performance Management:</u></p> <p>Implement controls over daily and monthly processing and reconciling of transactions</p>											
<p>22. Procurement (Above R200 000) Tender not registered on the CIDB website (Ex 58) - COAF 12</p> <p>The tenders below relating to construction projects could not be verified that the invite to tender was advertised on the CIDB</p>	3	MR, page 86	Annexure B	There was a technical problem with the CIDB website settings and bandwidth in general of which now it is resolved and tenders are being	Management should ensure that they: <ul style="list-style-type: none"> • escalate the challenge with the relevant authority and the management of CIDB and source a resolution to the problem • keep print screens 	Management's comment is noted; however the non-compliance stands and management should follow up with treasury and CIDB.	The challenge will be escalated to CIDB	31-Mar-17	The problem has been resolved		Mr. B. Socikwa

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
<p>website: No. SCM No. Details Amount 1. SCM/21/2015-16 Upgrading of Lower Kologha Road Surfacing 5 893 800.00 2. SCM/60/2015-16 Construction of Keiskammahoek side walk Paving 3 718 764.36 3. SCM/26/2015 Rehabilitation of Xholorha stormwater 521 262.72 10 133 827.08</p> <p>Financial and performance management:</p> <p>Review and monitor compliance with applicable laws and regulations.</p>				<p>advertised. The above mentioned project was loaded in the site but it could not be authorized due to the system failure. Proof will be submitted to the auditor for scrutiny.</p>	<p>of the tenders register in order to have evidence of having registered the tender.</p>						

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
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23. Procurement: Invitation of tenders through e-Tender portal not yet started (Ex 64) - COAF 16 During SCM testing it was noted that Invitation of tenders through e-Tender portal has not yet started per the MFMA requirements. Financial and performance management: Review and monitor compliance with applicable laws and regulations.	0	MR, page 23	Annexur e B	Management notes the finding; the consultation process to amend the policy has started.	Management should update the SCM policy to provide for invitation of competitive bids through the e- Tender portal, apply for access to the e- Tender portal and start inviting tenders using the portal.	Management response is acknowledge d however this will be reported as non- compliance.	The SCM Policy will be reviewed and the municipality will start using e-tender portal	31-Mar- 17	Registratio n forms have been filled and forwarde d to treasury		Mr. B. Socikwa

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBLE PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
24. Procurement (Above R200 000) Tender not registered on the CIDB website (Ex 8) - COAF 02 The tenders below could not be verified with regards to the construction projects: 1. that the invitation to tender was advertised in the CIDB website. 1. SCM/15/2015-16 Eluphondweni community hall renovation 2. SCM/21/2015-16 Upgrading of Lower Kologha Road Surfacing 3. SCM/60/2015-16 Construction of Keiskammahoek side walk Paving 5. SCM/26/2015 Rehabilitation of Xholorha stormwater	3	MR, page 24	Annexure B	There was a technical problem with the CIDB website settings and bandwidth in general of which now it is resolved and tenders are being advertised. The above mentioned project was loaded in the site but it could not be authorized due to the system failure. Proof will be submitted to the auditor for scrutiny	Management should escalate the challenge with the relevant authority and the management of CIDB and source a resolution to the problem. Management should keep print screens of the tenders register in order to have evidence of having registered the tender.	Management comment and submission acknowledged. After consideration of the submission however it was concluded that information submitted does not give sufficient evidence for non-registering the tender on the CIDB website. This finding will therefore stand and will be recorded in the management report.	The challenge will be escalated to CIDB	31-Mar-17	The problem has been resolved		Mr. S. Kambi

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
<p>2. that the project was registered in the register of construction contracts with the CIDB within 21 working days:</p> <p>1. SCM/15/2015-16 Eluphondweni community hall renovation</p> <p>Financial and performance management:</p> <p>Review and monitor compliance with applicable laws and regulations.</p>											

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							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
25. Material losses: Disagreement – Incorrect amount of material losses disclosed (Ex 46) - COAF 15 In terms MFMA circular 71 the acceptable ranges for losses of electricity should be within the financial ratios of: Electricity distribution losses 7% - 10% It was noted that the percentage of electricity distribution losses as reflected on the electricity monthly losses schedule is 17% This percentage is above the acceptable range for electricity losses. The electricity distribution losses	3	MR, page 91	Annexure B	Management has noted the finding.	Management should monitor the losses on monthly basis and follow up.	Management response noted. This will be reported as an emphasis of matter paragraph on the audit report	The Engineering Department continues to motivate for additional resources like funding and staff. There is a need to implement Revenue Protection	Jul-17	Currently awaiting result of motivations through		Mr. H. Moerdyk

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<p>percentage above the norm will be reported as an emphasis of matter paragraph on the audit report as material losses disclosed.</p> <p>Financial and performance management:</p> <p>Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information</p>											

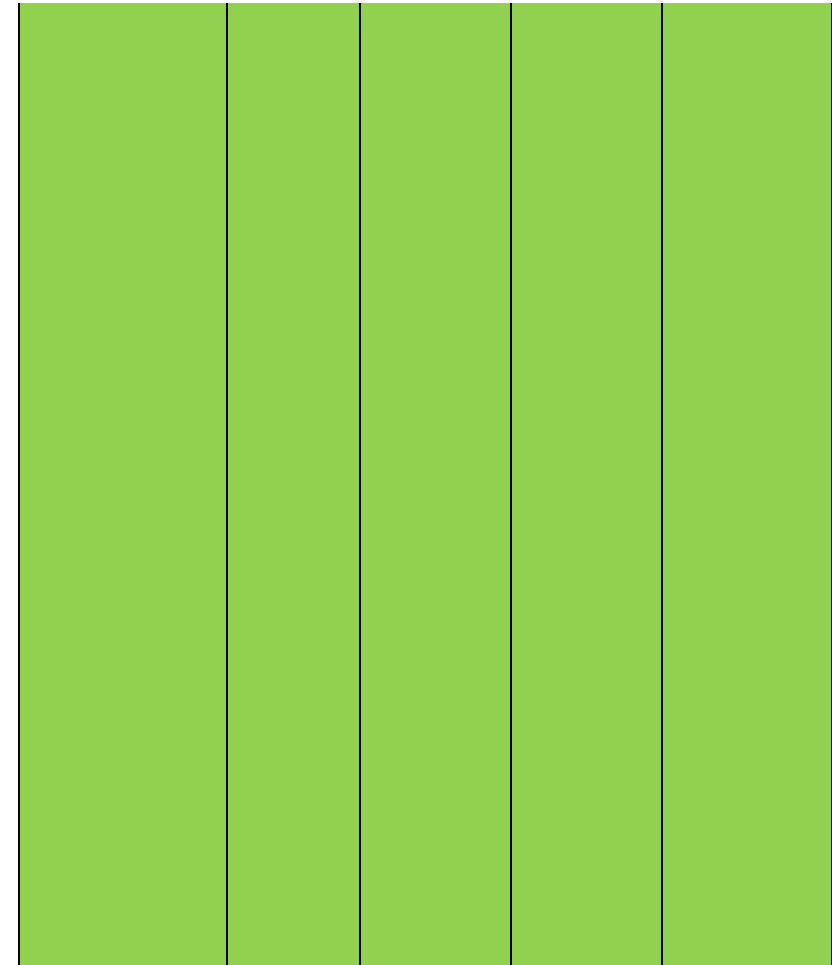
<p>26. Value add: Support for SMME's (Ex 79) - COAF 19</p> <p>As per government expectation, government institutions should link the following priority in their strategic planning "Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods"</p> <p>During analyses of municipal support for SMME's it was noted that the municipality has linked the above priority to one of its programs in their strategic documents however it was noted that the implementation of the objective has not taken place during the period under review. The following was deficiencies were noted</p> <p>1. There is no direct financial support for</p>	0	MR, page 92	Annexure B	Management has noted the finding.	Management should ensure that there are proper controls to compile and record information for SMME's is filled.	Management has noted the finding and this will be reported in the management report.	<p>Reviewal of SCM policy to accommodate local SMME's</p> <p>Consultation has been done from stakeholders implementing incubation programme</p> <p>Trainings offered to contractors aligned work tendered by the municipality</p>	2017/18 financial year	Catering sector addressed in the SCM Policy		<p>Mr. B. Ondala Mrs. J. Ntshinga Mr. S. Yoko</p> <p>Mr. B. Ondala</p>
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SMME's.
2. Management has not identified areas on which areas on which SMME's will be allocated to the municipality's scope of work.

This could lead to inability of growth for small companies due to insufficient support by local municipality.

Leadership:

Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.



27. Compliance - Infrastructure: Service delivery - Roads maintenance and renewal deficiencies (EX.19) - COAF 15 Per audit work performed on infrastructure road maintenance and renewal, the following deficiencies were identified: 1. The municipality does not have an approved policy in place for the planning, management and reporting of roads infrastructure. 2. The approved RMP/priority list does not provide for renewal and routine maintenance of all roads infrastructure allocated to the municipality. 3. The list of projects on which current year expenditure on re-gravelling of roads was incurred on per vote number 1101421095115	2	MR, page 93	Annexure B	1. Management notes the finding; the road maintenance policy has been developed and is yet to be approved by council. Attached is the copy. 2. Management has noted the finding. 3. Management has noted the finding. 4. The finding is noted; however the municipality did not overspend on the overall MIG allocation. 5. Management does not agree with the finding; priorities change and	1. The municipality should send to council the draft road maintenance policy for council approval. 2. The approved priority list for renewal and routine maintenance of roads infrastructure should include all planned projects. 3. Management should have a list of all projects processed under vote number 1101421095115 so as to monitor expenditure incurred for each planned project. 4. Management should monitor expenditure on all projects planned for renewal to ensure that they are completed within budget. 5. Management should ensure that all projects planned for renewal are carried out as planned.	Management comments noted, Finding is partially resolved and therefore still stands	1.The draft roads maintenance policy is seculating for Council approval 2. It is impossible to have to have an approved priority list for renewal and routine mantainance of roads infrastructure to also include all planned projects is only focusing on wards. It is only when working in that ward should prioritization of roads to be maintained is done. 3. Management does monitor expenditure on all projects planned for renewal to	Jun-17	Evidence talking to actions is readily available		Director Engineering Services
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<p>was requested from management, and could not be provided as the expenditure incurred was not monitored per project.</p> <p>4. The municipality overspent their 2015-16 PPE renewal budget by 14% for the projects.</p> <p>5. 4 renewal projects planned for 2015-16 did not take place during 2015-16.</p> <p>6. The municipality had repetitive findings since 2014-15 on items 1 - 5 listed above. No progress was made on the remedial actions identified to address the finding because the municipality deems the procedures as impractical for implementation especially for the size of the municipality.</p> <p><u>Leadership:</u></p> <p>Exercise oversight responsibility regarding financial and</p>				<p>adjustment budget allows municipality to adjust if priorities change. The projects were subsequently revised during the adjustment budget period to fund other urgent projects.</p>		<p>ensure that they are completed within budget as clearly detailed in the monthly MIG Expenditure Report submitted to COGTA</p> <p>4. Management does ensure that all projects planned for renewal are carried out as planned as project budgeted for are implemented and a monthly report is submitted to the Council</p>				
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[illegible]

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
<p>28. General expenditure: Payment not made with 30 of receipt of the invoice (Ex 33) - COAF 06</p> <p>During the audit it was noted that the following invoice did not have a stamp with a date of receipt as a result it was not possible to determine if the payment was made within 30 days as per section 62(2)(e) of the MFMA</p> <p><u>Financial and performance management:</u></p> <p>Review and monitor compliance with applicable laws and regulations</p>	3	MR, page 96	Annexur e B	Management notes the finding; this will be closely monitored going forward	Management should ensure proper monitoring of the payments of creditors, means of receiving the invoices on time (Invoices to be received via email) should be in place. All management should stamp all the invoices when received to make it easier to determine if the invoice was paid in 30 days or not.	Management response noted, finding stands					Mrs. J. Ntshinga

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBLE PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
29. AOP0: Indicators not well defined (Ex 18) - COAF 03 There is no definition for the indicators listed below as a result we are unable to conclude that the indicators have a clear definition and that the indicators are defined so that data will be collected consistently. Therefore, A total of 8% (<20%) of the indicators were not well defined. <u>Leadership:</u> Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	3	MR, page 97	Annexure B	Management notes the finding; this will be corrected going forward.	Management should follow the MPPI requirements so that: Performance indicators have clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.	Management comment is noted and management agrees with the finding. This will therefore be reported in the management report.	The municipality will develop SOP's for all indicators in the SDBIP	1 July 2016/17	Done		Ms. T. Bacela

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
30. Revenue: Compliance Pre-paid electricity cash not received timeously (Ex 20) - COAF 05 The following receipts relating to prepaid electricity were not received by the municipality by the end of the month. Item Description Billing Month Revenue Collected by Conlog Date received Receipt Number Prepaid electricity November R 569 193.40 05/01/2016 42355 Prepaid electricity December R 608 873.10 11/02/2016 7072 Prepaid electricity	3	MR, page 99	Annexur e B	The finding is noted, Delays are caused by the Post Office as Conlog only makes payment on receipt of original invoice. The municipality will make use of a courier to address the matter.	Management should ensure that amounts due to the municipality are collected timeously to ensure that compliance with the Act. Furthermore revenue due to the municipality from collecting agents should be reconciled at least on a weekly basis and at most on a monthly basis. The municipality should ensure that timeous deposits of the monies due from the collecting agents are included on the terms of reference with the collecting agents.	Management comment is noted and management agrees with the finding. This will therefore be reported as non- compliance in the management report.					Mrs. J. Ntshinga

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE	PROGRESS RECORDED TO DATE				RESPONSIBLE PERSON(S)
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	
<p>April R 559 035.70 09/06/2016 9345</p> <p><u>Financial and Performance Management:</u></p> <p>Review and monitor compliance with applicable laws and regulations</p>											
<p>31. Unspent conditional grants -Performance reports not submitted to treasury (Ex 80) - COAF 20</p> <p>No supporting evidence was provided to indicate that quarterly non- financial performance reports had been submitted to National Treasury at the end of each quarter for MIG Grants.</p>	1	MR, page 101	Annexur e B	Management has noted the finding and this will be addressed going forward.	Management should ensure that applicable regulations to the municipality are complied with.	Management has noted the finding and this will be reported accordingly.					Mr. B. Socikwa

FINDING	Number s of times reported in previous 3 years	SOURCE	RATINGS	MANAGEMENT RESPONSE	AG RECOMMENDATION	AUDITORS CONCLUSION/ RESPONSE			PROGRESS RECORDED TO DATE		
							ACTIONS TO BE TAKEN BY MUNICIPALITY	DUE DATE	PROGRESS 1	PROGRESS 2	RESPONSIBL E PERSON(S)
<u>Internal control deficiency</u> Leadership: Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.											

3.3.9 FRAUD MANAGEMENT

The Municipality has a Fraud Prevention Plan which was adopted by Council. The Fraud Prevention Plan was last reviewed in May 2015. The main objectives of the Fraud Prevention Plan are as follows:

- To create a culture which is ethical and intolerant to fraud and corruption;
- To prevent fraud and corruption which cannot be deterred;
- To ensure that the municipality detects fraud and corruption;
- To ensure that the municipality investigates detected fraud and corruption;
- To ensure that the municipality takes appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etcetera;

The municipality also has Anti-Corruption and Fraud Policy which was adopted by the Council in May 2015.

The following areas are being addressed by the Fraud Prevention Plan and the Anti-Corruption and Fraud Policy

- Forms of Fraud and Corruption;
- Actions constituting fraud, corruption, theft and maladministration;
- Responsibility to conduct investigations;
- Protection of Whistle Blowers;
- Application of prevention controls and detection mechanisms;
- What should an employee do if he/she suspects fraud;
- Fraud Hotline;
- Media;
- Confidentiality;

The Internal Audit is conducting Fraud Awareness's on quarterly basis and action plans responding to the issues raised at the fraud awareness's are developed as well and are updated quarterly basis.

3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT

The strategy on Local Economic Development has been developed and adopted by Council. The Amahlathi LED strategy is aligned with the National, Provincial and District objectives. Economic factors affect the purchasing power of potential customers and the municipality's cost of capital. The following are examples of factors in the macro-economy: economic growth, interest rates, exchange rates, inflation rate. Key investment in the area are the move by ADM to Amahlathi which will have a very positive effect on its economy as the demand for services will be greatly increased. The municipalities should be encouraged to spend locally within the municipality. The lack of economic infrastructure is hampering development and job creation. The achievement of the Small Town Revitalization Project coupled with the Aspire investments in the berry production is commended and should be widened to include other berries as well.

SWOT ANALYSIS

The strategy also outlined that key Strengths to develop the economy lie in the natural resource base within Amahlathi that is the forest (wood related products), the Eco-tourism and the large water masses suitable for water sports (ranging from sports tourism to the manufacture of water craft and accessories). The large water masses also lend themselves to Amahlathi becoming a major national and even international player in aqua farming.

Key weaknesses lie in the lack of high-level skills to actively participate in economic development and manufacturing, lack of a large industrial and population base to generate revenue for the municipality.

Key threats lie in the possible inability, given the small staffing size, to capitalize on the opportunities that exist including those from all the various sector departments

The Opportunities are huge within Amahlathi. Naturally any municipality wants to improve the number of visitors to it and also the amount of investment that it receives. Some of the easier and most cost effective ways to grasp these opportunities lie in differentiated tourism. For Amahlathi the key will be in adventure, sport and eco-tourism. By creating a few key sporting events e.g. Municipalities Toughest Men Competition, The Amahlathi Mile (swimming), The Amahlathi Rowing and Cross Country marathon through the forest, it will be possible to attract thousands of weekend visitors. Off road cycling and quad biking and including adventure sports, can easily boost the economy for the smallest possible investment.

In short, development of the tourist potential in eco, sports, adventure, historical tourism will not only attract the local tourist but also appeal to the overseas visitors as well. The link to the German past should be exploited to the maximum.

The above, coupled with the development of sustainable human settlements and the ability of each household to produce food can have a major positive impact on the communities. The municipality should consider supplying all households with a home garden. This includes fencing, soil, fertilizer and seeds.

The provision of driver training and computer training programme will greatly enhance the job opportunities in the short term.

People between 19 – 65 years old should be involved in skills training or community building programmes. The needs of the housing programmes should be supplied by organized primary, secondary and tertiary co-operatives.

RECOMMENDATIONS

- Primary, Secondary and Tertiary co-operatives and small businesses must be established to supply the basic requirements for the housing programme, e.g. from timber : manufacture of doors / door frames, window frames, roofing trusses, concrete products: lintels for above doors and windows, pavement curbing for the roads, concreted reinforced poles and concrete storm water pipes
- Medium size businesses can be given quarrying rights to supply stone for foundations, building blocks and brick making
- The tourism products available must be linked to sporting events that would bring visitors to and past these special historical and cultural stations. The municipality must have sponsored cross country runs (fun, half marathons, marathon runs), mountain biking races. These trails will pass and stop at tourist points allowing for sales by local co-operatives of their goods
- The timber industry owners and the municipality should market and celebrate the following: Arbor Day, International Day of Forests, World Forestry Congress, Amahlathi Lumberjack Championship, Stihl Timbersports Series, Wood chopping championship , and Amahlathi Logging Championship
- The vast dams should also be used for promoting water sports e.g. Amahlathi Mile, sail boat and power boat racing.
- Given the huge forest reserves a conference will need to be held to better understand ownership and how the forest can be used to benefit the economy much better. At face value not all the resources are fully beneficated. There could be investments in:
- Given the huge forest reserves a conference will need to be held to better understand ownership and how the forest can be used to benefit the economy much better. At face value not all the resources are fully beneficated. There could be investments in:
- **Primary Aquaculture Operations** (Brood stock operations; Seed production operations; Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities; On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds and
- **Secondary Aquaculture Operations:** Primary processing for aquaculture (post-harvest handling, eviscerating, packing, quick freezing); Secondary processing for aquaculture (filleting, portioning, packaging); Tertiary processing for aquaculture (value adding: such as curing, brining, smoking, further value adding such as terrines, roulades, pates, paters); Waste stream handling for aquaculture (extraction of fish oils, protein beneficiation, organic fertilizers, pet feeds, animal feeds). Ancillary Aquaculture Operations; Aquaculture feed manufacturing operations; Research and Development projects related to aquaculture; Privately-

owned aquaculture veterinary services (farm inspections, disease surveillance and control, histo-pathological analysis, etc. specifically for the aquaculture industry).

- The above could supply the complete protein needs of the entire municipality and could create opportunities for about 500 and 5000 people depending on the scale of the operation
- It is noted that Sports, Adventure and Eco – Tourism be the drivers to get visitors into Amahlathi and then the cultural and historical places can be viewed. Sports Tourism is a huge attraction especially if the municipality initially sponsors a few key events for the next 5 years. It is recommended that a budget of R500,000 be made available for prize money and organizing events;
- It is recommended that a forestry and aqua culture fisheries) be held to determine how it can maximize and diversify the economy of Amahlathi.

STREET TRADING BY-LAW

The Amahlathi has the street trading By-law that was developed and adopted by Council in 2014. The purpose of this by-law is to enforce a single act of selling or offering services in a public place to constitute trading.

COMPETITIVE AND COMPARATIVE ADVANTAGE

Agriculture:

1. Amahlathi is an agricultural area where forestry is the main sector that has employed many people.
2. Commercial farmers are also contributing to the GDP of the area in areas like poultry farming, there are big businesses like ANCA chicks.
3. There are two big irrigation schemes at Keiskammahoek which are also major players in the economy of Amahlathi and the Eastern Cape Province at large.
4. Forestry sector is also a major play in the economy of the area.
5. Amahlathi is the only area at Amathole where forestry is the major role player in the economy.

Livestock Production

Animal stock numbers	Total at Amahlathi	Programs conducted by DRDAR
Large stock	33215	Dipping Blantox Brucellosis Test for TB and CA
Sheep	19489	Sheep scab Testing of rams from NWGA
Goats	19723	No program except when need attention
Domestic animal	12000	Rabbis vaccine

Horses	878	No program except out breaks Castration Deworming
Animal stock numbers	Total at Amahlathi	Programs conducted by DRDAR

Poultry

Number of poultry project	Current status	Challenges
There are 15 broiler projects at Amahlathi, that is both Stutterheim and Keiskammahoek	The project are still producing broilers and the most broiler farmer is Nolist project that is raising about 750 broilers every 6 week cycle	<ul style="list-style-type: none"> The challenge is the structure Market Abattoir

Piggery

Amahlathi Piggery projects	Current status	Challenges
There is 5 Piggery project at Amahlathi	The projects are raising and sell the pigs to the community	<ul style="list-style-type: none"> Market price versus communal price Recommended piggery structure- as swine fever is a threat

Tourism:

1. Amahlathi has beautiful hiking trails at Xholorha and which are well maintained.
2. The greater part Amathole hiking trail is at Keiskammahoek which is part of Amahlathi Local Municipality.
3. There are graves of Xhosa Chiefs and German descendants which are a tourist attraction.
4. Friendly N6 passes through Stutterheim which became an advantage to show case what Amahlathi is all about.
5. Craft mania annual event is used by the municipality to showcase crafters talent, performing art and other art forms and has changed lives our community because B&B 's and local hotels benefit.
6. Tourism structures are also playing a major role in tourism promotion, structures like Local Tourism Organisation and Community Tourism Organisation.

7. Small town's regeneration has benefited tourism because a larger number of municipalities visit Amahlathi to view the development which has been implemented through the programme.

Small Medium Micro Enterprises:

1. Formation of Timber Co-ops has alleviated exploitation by big timber companies of community members who are harvesting wattle.
2. Training intervention to SMME's and Co-ops to access funding from various institution has improved their opportunities for funding support.
3. Municipality has developed SMME Strategy to coordinate programmes for development of SMME's and have a structured way to respond to needs of SMME's.

3.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.5.1 FUNCTIONS AND POWERS AS LEGISLATED

Administration of indigenous forests
Agriculture
Animal control and diseases
Cultural matters
Education at all levels, excluding tertiary education
Environment
Health services
Regional planning and development
Road traffic regulation
Soil conservation
Tourism
Trade
Traditional leadership, subject to Chapter 12 of the Constitution
Urban and rural development
Vehicle licensing
Welfare services
Air pollution
Building regulations
Child care facilities
Electricity and gas reticulation
Firefighting services
Local tourism
Municipal planning
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto
Storm water management systems in built-up areas
Trading regulations
Amusement facilities
Billboards and the display of advertisements in public places
Cemeteries, funeral parlors and crematoria
Cleansing

Control of public nuisances
Control of undertakings that sell liquor to the public
Facilities for the accommodation, care and burial of animals
Fencing and fences
Licensing of dogs
Licensing and control of undertakings that sell food to the public
Local amenities
Local sport facilities
Markets
Municipal abattoirs
Municipal parks and recreation
Municipal roads
Noise pollution
Pounds
Public places
Refuse removal, refuse dumps and solid waste disposal
Street trading
Street lighting
Traffic and parking

3.5.2 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local government Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to develop a policy framework determined by the Municipal council and subject to any applicable legislation, establish a mechanism that will regularly evaluate the staff establishment of a municipality and, if the staff establishment requires amendment the approval of council shall be obtained.

Institutional Structure

The institutional Structure of Amahlathi Municipality is divided into two levels, namely the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

- **Political Structure**

The Principalship of Amahlathi Municipality lies with the council under the chairperson of The Speaker and it operates a number of controls that assist in the realisation of the council's mandates. Listed below are the committees that assist Council in carrying out its responsibilities;-

- a) Municipal Public Accounts Committee
- b) Audit & Performance and Audit Committee
- c) Rules Committee

Standing Committees

- a) Service Delivery
- b) Corporate Services
- c) Community Services
- d) Development and Planning Services
- e) Budget and Treasury
- f) Strategic Management Services

Other committees

- a) Executive Committee
- b) Intergovernmental Relations Committee
- c) Labour Forum Committee
- d) Affirmative Action/Training Steering Committee
- e) Women Caucus

The committees listed above are established in terms of Sections 79 and 80 of the Local Government: Municipal Structures (Act no 117 of 1998)

- **Administrative Structure**

The head of the Administrative structures is the Municipal Manager with six Directors reporting directly to the Municipal Manager who is accountable to the Mayor. The current functions of the Administrator are as follows:-

- The Management of the Municipality;
- The rendering of Engineering Services;
- The rendering of Community Services;
- The rendering of Corporate services;

- The rendering of Financial Management Services;
- The Development and Planning Services;
- The Strategic Management Services

Out of the functions identified, the Council approved the creation of the following seven departments:

1. The Municipal Manager's office
2. The Engineering Services.
3. The Corporate Services.
4. The Budget and Treasury Office.
5. The Development and Planning.
6. The Community Services
7. Strategic Management Services

3.5.3. HUMAN RESOURCES PLAN

This is a plan which entails short term organisational establishment of the Municipality mainly for the effective implementation of the **Service Delivery and Budget Implementation Plan (SDBIP)**. Ordinarily the HR Plan must accompany the IDP and Budget to Council each year since it is the enabler of the **SDBIP**.

Departmental staffing needs have been discussed and workshopped and will inform the institutional **Staff Establishment Plan** of the municipality for the 2017/2018 revised IDP.

INSTITUTIONAL COHESION

There has been institutional cohesion resulting in generally improved institutional performance after the appointment of a complete set of section 56 Managers.

SOME INITIATIVES IN SUPPORT OF INSTITUTIONAL COHESION

(a) Improved Policy Regime

A range of new policies have been work-shopped with Councillors and subsequently approved by Council. These have facilitated decision making and smooth running of the municipality.

(b) Sound Employee Relations

There are cordial relations with employees and all established platforms of engagement such as the Local Labour Forum and Occupational Health & Safety Committees are functioning well and all scheduled meetings are attended consistently.

(c) Well Established EAP/Wellness Unit

The EAP Unit is well grounded and performs all related functions to promote occupational health and safety of employees, a limited primary health function is also offered as the EAP Practitioner frequently visits all work-places and carries out medical checks and runs health and wellness campaigns for employees. The Unit is well resourced with relevant equipment and basic medical supplies.

(d) Sound Fleet Management

The Municipality is in the process of centralising Fleet Service so that the management of municipal fleet is controlled at Corporate Services and improved controls are being introduced and implemented. Installation of tracker devices on all vehicles is close to completion and regular reports are generated and presented to council from time to time. Control and allocation of vehicles to employees is under strict control and monitoring. Accountability for servicing and maintenance of municipal fleet is done according to schedule and any abuse is reported with related appropriate action taken against unacceptable conduct of drivers.

(e) Employment Equity Plan

The 3 year EEP has been developed and is currently being implemented. Identified barriers are also receiving attention. Some of these include challenges faced in recruiting people with disabilities and also ensuring that all municipal premises are user friendly to these categories of people not only in terms of securing employment but also access the municipal buildings for any other business.

(f) Records Management

There is continuous improvement of records and archives management since the approval of the File Plan by the **Provincial Archivist** in 2016. A process is also under-way for the systematic disposal of documents.

(g) Staff Retention

In the past 12 months, the municipality has not experienced any resignations and this is a clear demonstration of the municipality's staff retention capability. A conducive environment has been created through participation in various sports codes, a well - functioning EAP unit including improved conditions of service and staff benefit structure.

(h) Consistent Attendance of Corporate Services Forums

All forums convened by SALGA and ADM throughout the year were all attended by Councillors and Senior Officials. In these platforms of engagement, cooperative learning and networking has been found empowering for participants particularly on contemporary challenges facing local government.

SOME INSTITUTIONAL CHALLENGES

(a) Cascading of PMS to lower levels

Some assistance has been received from ADM on how to conclude Accountability Agreements and most employees below section 56 Managers have since signed performance agreements. However certain employees within the range of task grade 12 upwards still require assistance. It is anticipated that before the end of 2015 financial year all employees in these categories will have their performance assessed and evaluated as required in the municipality's Performance Management Policy Framework.

(b) Escalating Wage Bill

An observation has been noted that the monthly salary bill is drastically increasing due to a range of reasons including the following:

- Implementation of job evaluation results
- Large scale promotion of staff during the previous financial year
- Weak control of overtime
- Implementation of Policies & Collective Agreements which have financial implications without giving regard to budgetary provision.

Some stringent measures such as placing a moratorium on new appointments and restriction or clamping down of overtime may have to be considered. Also any policy with financial implications may only have to be implemented with effect from 1 July each year. A policy on job evaluation will be introduced to guide employees as to when the job descriptions shall be reviewed. It is believed that this will assist in terms of containing ad-hoc salary adjustments.

(c) Inadequate training budget

The available budget each year is not sufficient to cover what is contained in the Workplace Skills Plan (WSP) and skills audit. Training is therefore offered to staff on a prioritised basis as determined by each Department.

Alternative sources of funding for staff training may need to be explored and, if internal capacity is lacking in this regard, services of an external service provider could be solicited to mobilise funding. The external service providers could be appointed at their own risk but may raise their fees in the form of a percentage of funds received through their facilitation. There are funding envelopes in many institutions/government departments which are accessible through carefully structured business plans. According to our records only an amount of R20 609.81 was received from the LGSETA.

HUMAN RESOURCE DEVELOPMENT STRATEGY

The HRD Strategy was developed and approved by council in the 2015, implementation of the strategy is an ongoing activity and progress reports are to be presented to council via Corporate Services Standing Committee from time to time.

STAFF PROMOTIONS

During 2014/2015 financial year, there were no newly created posts on the staff establishment and therefore the opportunity for promotion was limited to positions which existed as a result of natural attrition. Only three (3) employees were promoted from positions of General Worker to Tractor Drivers.

STAFF COMPLEMENT

The following is the breakdown of staff complement per Department:

DEPARTMENT	BREAKDOWN OF POSTS	NO OF POSITIONS
Municipal Manager's Office	Municipal Manager	1
	Office Support M.M	8
Total		9

Corporate Services Department	Director	1
Total	Support Staff Human Resources	8
	Support Staff Administration	17
		26

Budget and Treasury	Chief Financial Officer	1
TOTAL	Support Staff	34
		35

Development and Planning	Director	1
	Support Staff LED	10

	Support Staff Land and Housing	6
TOTAL		17

Strategic Department	Director	1
	Support Staff	14
TOTAL		15

Community Services	Director	1
	Protection Services	22
	Fire Services	5
	Sports and Recreation	20
	Waste	38
	Security	5
	Supporting Staff	30
TOTAL		121

Engineering Services	Director	1
	Support Staff Electricity	11
	Support Staff Engineering	106
TOTAL		118

TOTAL NO OF PERMANENT EMPLOYEES = 341

TEMPORARY EMPLOYEES/INTERNS/EXPERIENCIAL LEARNING STUDENTS

Strategic Department	Contract Workers	9
Corporate Services	Will Students	5
Corporate Services	Data Capturers	2
Development and Planning	Contract Workers	7
Engineering	Contract Workers	5
Finance	Interns	5
Housing	Town Planning Intern	1
TOTAL		34

INSTITUTIONAL ORGANOGRAM

This is a macro organogram indicating clear reporting lines throughout the Municipality and is reviewed in line with the IDP. It is informed by confirmed ***task grades*** of each created and

approved post on the establishment plan. With regard to the issue relating to filled and unfilled posts, we can report that in terms of the **Recruitment Plan** the Department is ahead of schedule when it comes to filling of funded posts which have been prioritized. There are no challenges. Unfunded posts will remain on the various departmental organograms and filled once funding is made available.

AM AHLATHI LOCAL MUNICIPALITY PRIORITIES

PRIORITIES	DESIRED OUTCOMES	WARD NOS.
Roads	<ul style="list-style-type: none"> • Increase infrastructure funding for provinces for the maintenance of provincial roads • Invest in broadband network infrastructure • Improve maintenance of municipal road network 	All wards excluding 9 & 14
Water and Sanitation	<ul style="list-style-type: none"> • losses • Ensure effective maintenance and rehabilitation of infrastructure. • Run water and energy saving awareness campaigns. • Maintain and expand Develop and implement water management plans to reduce water purification works and waste water treatment works in line with growing demand 	1,4,5,6,8,11,12,15, excl. 9 & 14
Job Creation	<ul style="list-style-type: none"> • Access to decent employment • Strategy to reduce youth unemployment • Support small business and co-operatives 	All wards excl. 9 & 14
Fencing and bridges	<ul style="list-style-type: none"> • Fence and safe areas • Constructed bridges • Access to villages 	4,5,7,8,10,12,13,15, excl 9 & 14
Health	<ul style="list-style-type: none"> • Revitalize primary health care • Increase early antenatal visits to 50%. 	4,5,8,12,13,15, excl 9 & 14

	<ul style="list-style-type: none">• Increase vaccine coverage.• Improve hospital and clinic infrastructure• Accredite health facilities	
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AMAHLATHI LOCAL MUNICIPALITY WARD BASE PLANNING ISSUES

AMATHOLE DISTRICT MUNICIPALITY	
WATER	
WARD	CHALLENGE
4,	<ul style="list-style-type: none"> • A need for water in Mandlakapheli
2	<ul style="list-style-type: none"> • A need for water and taps
1	<ul style="list-style-type: none"> • Water taps • Water drainage • Water supply to crèche(Sophumelela)
11	<ul style="list-style-type: none"> • A need for water • Phase 2 of water taps at Lower Zingcuka
3	<ul style="list-style-type: none"> • Extension of water taps
9	<ul style="list-style-type: none"> • Extension of water taps in Ndakana • Acces to water in Lujilo
8	<ul style="list-style-type: none"> • Access to water in Nonkululeko

14	<ul style="list-style-type: none"> • Extension of water taps • Water taps inside the yards (Mlungisi)
15	<ul style="list-style-type: none"> • Extension of water
6	<ul style="list-style-type: none"> • Extension of water
13	<ul style="list-style-type: none"> • Water taps in Mgwali village and Heckel
SANITATION	
4	<ul style="list-style-type: none"> • Need toilets in Mandlakapheli
5	<ul style="list-style-type: none"> • Toilets at Toise
1 & 11	<ul style="list-style-type: none"> • A need for toilets
2	<ul style="list-style-type: none"> • Extension of toilets
3	<ul style="list-style-type: none"> • A need for toilets
10	<ul style="list-style-type: none"> • A need for toilets
7,8,9 & 12	<ul style="list-style-type: none"> • A need of toilets
15	<ul style="list-style-type: none"> • A need for new toilets in White city and Ndlovini
14	<ul style="list-style-type: none"> • Completion of toilets in Mzamomhle
6	<ul style="list-style-type: none"> • Toilets inside the houses for elderly people
DEPARTMENT OF HUMAN SETTLEMENTS	
WARD	CHALLENGE
4	<ul style="list-style-type: none"> • Need houses
5	<ul style="list-style-type: none"> • Improve waiting period for houses
11	<ul style="list-style-type: none"> • Waiting for houses in Tshoxa Village

1	<ul style="list-style-type: none"> • Poor standard of houses at Sophumelela • A need for houses
3	<ul style="list-style-type: none"> • A need of houses
7,8,9 & 12	<ul style="list-style-type: none"> • A need of houses
14	<ul style="list-style-type: none"> • A need of houses in Mzamomhle
15	<ul style="list-style-type: none"> • A need of houses in Cenyu and Cenyulands
6	<ul style="list-style-type: none"> • .A need of houses
13	<ul style="list-style-type: none"> • Houses in Heckel, Mgwali and extension in Kologha
ESKOM	
WARD	CHALLENGE
4	<ul style="list-style-type: none"> • Electrification extension
5	<ul style="list-style-type: none"> • Needs street lights
2	<ul style="list-style-type: none"> • Electrification extension
1	<ul style="list-style-type: none"> • Extension of electricity
9	<ul style="list-style-type: none"> • Electrification in Lujilo
14 & 15	<ul style="list-style-type: none"> • Highmast lights
6	<ul style="list-style-type: none"> • Electrification of Joelands • Highmast lights
DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM	
WARD	CHALLENGE
5	<ul style="list-style-type: none"> • Need for a bridge
1	<ul style="list-style-type: none"> • Need bridges in all areas.

11	<ul style="list-style-type: none"> • Bridge at Lower Zingcuka
10	<ul style="list-style-type: none"> • Change of dipping tank
12	<ul style="list-style-type: none"> • A need of bridge
DEPARTMENT OF HEALTH	
WARD	CHALLENGE
11	<ul style="list-style-type: none"> • Access to clinics
8 & 12	<ul style="list-style-type: none"> • A need for clinics
14	<ul style="list-style-type: none"> • A need of clinic in Mzamomhle
15	<ul style="list-style-type: none"> • A need for a clinic in Cenyulands
6	<ul style="list-style-type: none"> • Clinic in Izidenge
13	<ul style="list-style-type: none"> • A need for a clinic in Kologha and Heckel
SOCIAL DEVELOPMENT	
WARD	CHALLENGE
2	<ul style="list-style-type: none"> • Centre for disables people • A need for a creche
11	<ul style="list-style-type: none"> • Creche is needed at Lower Zingcuka
1	<ul style="list-style-type: none"> • Renovation of Creche is needed in Upper Zingcuka
12	<ul style="list-style-type: none"> • Old age home

	<ul style="list-style-type: none"> • Creche is needed
7 & 8	<ul style="list-style-type: none"> • A need for a creche
15	<ul style="list-style-type: none"> • A site of elderly people centre • A site for a crèche in Cenyuland
6	<ul style="list-style-type: none"> • A need for a crèche in Amatolaville • A need for orphanage home
DEPARTMENT OF SPORT, RECREATION, ARTS AND CULTURE	
WARD	CHALLENGE
4&5	<ul style="list-style-type: none"> • Sport facilities for youth
1,2 & 11	<ul style="list-style-type: none"> • Sport facilities
7&8	<ul style="list-style-type: none"> • A need for sport facilities
9	<ul style="list-style-type: none"> • Renovation of Mgwali cultural centre • Sportfields
12	<ul style="list-style-type: none"> • A need for a cultural centre • Sportfields
15 & 14	<ul style="list-style-type: none"> • Sport facility in White City and Ndlovini • Renovation of Stadium
6	<ul style="list-style-type: none"> • A need of sportfields
13	<ul style="list-style-type: none"> • Sportfields are needed
DEPARTMENT OF ECONOMIC DEVELOPMENT ENVIRONMENTAL AFFAIRS AND TOURISM (DEDEAT)	
WARD	CHALLENGE

4	<ul style="list-style-type: none"> • A funding for a recycling Co-operative in Cathcart
5	<ul style="list-style-type: none"> • Job creation for youth
11	<ul style="list-style-type: none"> • Initiation of co-operatives
10	<ul style="list-style-type: none"> • Wattle eradication • Bridge(Mkhubiso to Ngxondorheni)
	<ul style="list-style-type: none"> • Job creation for youth
8	<ul style="list-style-type: none"> • Job creation for youth
14	<ul style="list-style-type: none"> • Youth development programes
6 & 13	<ul style="list-style-type: none"> • Funding of youth co-operatives
AMAHLATHI LOCAL MUNICIPALITY	
WARD	CHALLENGE
4,	<ul style="list-style-type: none"> • Highmast lights in Cathcart town • Tar road • Abartor • Access roads • Community hall in Mandlakapheli
5	<ul style="list-style-type: none"> • Access roads • Highmast lights
	<ul style="list-style-type: none"> • Extension of electrification
	<ul style="list-style-type: none"> • Employment of youth
	<ul style="list-style-type: none"> • Community halls in Ndlivini and Bomvana

	<ul style="list-style-type: none"> • Renovations of Ngqanda Community hall
	Employment of rangers
	<ul style="list-style-type: none"> • Extension of sites
	<ul style="list-style-type: none"> • Cemetery fencing
	<ul style="list-style-type: none"> • Youth development programmes • Sport facilities
11	<ul style="list-style-type: none"> • A challenge of land invasion • Renovation of Tshoxa Community hall • Sportsfield • Highmast lights • Internal roads • Community hall • Fencing of Lower Zingcuka village • Camps for animals
2	<ul style="list-style-type: none"> • Community hall
	<ul style="list-style-type: none"> • Cleaning of water dams
	<ul style="list-style-type: none"> • Fencing of camps • New roads • Fencing of all villages in all areas • Installation of highmast lights

	<ul style="list-style-type: none"> • Access road between Upper Mnyameni and Lower Mnyameni
1	<ul style="list-style-type: none"> • Community hall
	<ul style="list-style-type: none"> • Cemetery fencing • Sport facilities • Highmast lights in town • Cleaning of dams • Wattle eradication • Free basic service of electricity • Paving of Keiskammahoek town
3	<ul style="list-style-type: none"> • Internal roads • Highmast lights • Cemetery fencing • Cleaning of dams
	<ul style="list-style-type: none"> • Access road in Sandile route
10	<ul style="list-style-type: none"> • Internal roads • Water dams in Rabe Village • Community hall in Rabe Village • Cleaning of 2 dams in Mkhubiso • Community hall in Ngcamngeni • Fencing of camps
7	<ul style="list-style-type: none"> • Land invasion
	<ul style="list-style-type: none"> • Cemetery fencing

	<ul style="list-style-type: none"> • Community halls
	<ul style="list-style-type: none"> • Internal roads
9	<ul style="list-style-type: none"> • A challenge of land invasion
	<ul style="list-style-type: none"> • Cemetery fencing
	<ul style="list-style-type: none"> • Internal roads
	<ul style="list-style-type: none"> • Fencing of animal camps
	<ul style="list-style-type: none"> • A need for water in cemeteries (Mgwali Village)
8	<ul style="list-style-type: none"> • Cemetery fencing
	<ul style="list-style-type: none"> • Community halls
	<ul style="list-style-type: none"> • Internal roads
	<ul style="list-style-type: none"> • Fencing of animal camps
	<ul style="list-style-type: none"> • Renovation of Kei road library
12	<ul style="list-style-type: none"> • .Cemetery fencing
	<ul style="list-style-type: none"> • Community halls especially in Upper Izele
	<ul style="list-style-type: none"> • Internal roads in all areas
	<ul style="list-style-type: none"> • Fencing of camps
	<ul style="list-style-type: none"> • Cleaning and fencing of dams
14	<ul style="list-style-type: none"> • Extension of sites
	<ul style="list-style-type: none"> • Internal roads
	<ul style="list-style-type: none"> • Title deeds at Mlungisi and Mzamomhle
	<ul style="list-style-type: none"> • Highmast lights

	<ul style="list-style-type: none"> • Sportfield in Mzamomhle • A challenge of land invasion
15	<ul style="list-style-type: none"> • Storm Water drains • .Sportfields • Tar road • Highmast lights • Internal roads • Commonage • Dipping tank • Refuse bins • Fencing of Cenyu community hall
6	<ul style="list-style-type: none"> • Internal roads • A land for new sites • Grazing camps • Highmast lights • Fencing of Kubusi village • Extension of paving • Refuse bins (skip bins) • Cemetery cleaning project in Kubusi
13	<ul style="list-style-type: none"> • Highmast lights • Cemetery fencing • Wattle eradication

	<ul style="list-style-type: none"> • Fencing of dam • Internal roads • Fencing of Heckel community hall • Fencing of Mgwali Sportfield • A land for a new cemetery space • Tar road in Kologha
DEPARTMENT OF HOME AFFAIRS	
WARD	CHALLENGE
14	<ul style="list-style-type: none"> • To be assisted with ID smart cards
DEPARTMENT OF ROADS AND PUBLIC WORKS	
WARD	CHALLENGE
4 &5	<ul style="list-style-type: none"> • Roads are bad
1	<ul style="list-style-type: none"> • Access roads in Gxulu need attention
10	<ul style="list-style-type: none"> • Access road in Ngcamngeni
14& 15	<ul style="list-style-type: none"> • Access roads
EDUCATION	
WARD	CHALLENGE
10	<ul style="list-style-type: none"> • Closed school in Ngcamngeni to re-open
6	<ul style="list-style-type: none"> • A request for a secondary school
PUBLIC SAFETY / SAPS	
WARD	CHALLENGE
8,9&12	<ul style="list-style-type: none"> • A need of a police station

- An opening of a satellite police station in Mlungisi Commercial park

CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES

This section reports on the work undertaken to address in a strategic manner the key areas of need identified during the Analysis Phase of the IDP process. In this regard, six key components have guided the formulation of the Municipality's development strategies and associated project identification. These are:

4.1 GUIDING PRINCIPLES

In carrying out its functions the Amahlathi Municipality has been committed to:

- ☐ Co-ordination with other spheres of government.
- ☐ Maximise participation of the community,
- ☐ Recognise the social needs of all communities.
- ☐ Sustainable Socio-economic, Environmental and Political Development.
- ☐ Provide necessary infrastructure within its means.
- ☐ Build investor confidence.

4.2 DEVELOPMENT OBJECTIVES

The Municipal Development Objectives are classified in terms of the **revised** Development Sector Clusters established through the mediation of the Amathole District IDP Framework Committee.

The process of identifying objectives was founded on the objectives developed by Amathole District Municipality, and made use of the Representative Forum to ensure that the objectives identified would enable communities to attain the maximum benefit from all subsequent processes. The following objectives, per sector development cluster, were identified:



4.3 Basic Services Delivery: Engineering Services

Priority Areas

- Improvement of the Roads Network.
- Electrification.

National Strategic Objective/Outcome linked to the National Transformation Agenda

Resuscitation and enhancement of the rail and road networks through partnering with custodian departments and agencies

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
1.1	To ensure provision of a sustainable road network within Amahlathi by 2022 and beyond	Development, implementation and monitor the Roads Infrastructure Masterplan for both tarred and gravel roads	No of Kilometres of gravel roads maintained (dry blading and wet blading)	200 km gravel access and internal roads bladed (100 blading and 100 wet blading)		200 km gravel access and internal roads bladed (100 blading and 100 wet blading)		200 km gravel access and internal roads bladed (100 blading and 100 wet blading)		200 km gravel access and internal roads bladed (100 blading and 100 wet blading)	200 km gravel access and internal roads bladed (100 blading and 100 wet blading)	Director: Infrastructure Services
1.2			No. of KMs of municipal roads re-gravelled	8 km of municipal roads re-gravelled		8 km of municipal roads re-gravelled		8 km of municipal roads re-gravelled		8 km of municipal roads re-gravelled	8 km of municipal roads re-gravelled	Director: Infrastructure Services
1.3			% of Potholes repaired as per departmental inspections	80% Potholes repaired as per		80% Potholes repaired as per		80% Potholes repaired as per department		80% Potholes repaired as	80% Potholes repaired as per department	Director: Infrastructure Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
				departmental inspections		departmental inspections		al inspections		per departmental inspections	ntal inspections	
1.4			No of km of Inspected storm water drains unblocked	2 km of Inspected storm water drains unblocked		2 km of Inspected storm water drains unblocked		2 km of Inspected storm water drains unblocked		2 km of Inspected storm water drains unblocked	2 km of Inspected storm water drains unblocked	Director: Infrastructure Services
1.5			No. of km of roads gravelled	8km of roads gravelled		8km of roads gravelled		8km of roads gravelled		8km of roads gravelled	8km of roads gravelled	Director: Infrastructure Services
1.6			No. of M of roads surfaced	400 m of roads surfaced		400 m of roads surfaced		400 m of roads surfaced		400 m of roads surfaced	400 m of roads surfaced	Director: Infrastructure Services
1.7			KMs of pedestrian walkways constructed	3 KMs of pedestrian walkways constructed		3 KMs of pedestrian walkways constructed		3 KMs of pedestrian walkways constructed		3 KMs of pedestrian walkways constructed	3 KMs of pedestrian walkways constructed	Director: Infrastructure Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
1.8			Number of markets stalls developed	5 markets stalls developed		5 markets stalls developed		5 markets stalls developed		5 market s stalls develop ed	5 markets stalls develop ed	Director: Infrastructure Services
1.9			Number of high mast lights installed	4 high masts lights installed		4 high masts lights installed		4 high masts lights installed		4 high masts lights install ed	4 high masts lights installed	Director: Infrastructure Services
1.10	To ensure connection of electricity to all households within the licensed areas by 2022.	Reduce electricity system losses	% of Faulty reported meters repaired	90% of faulty reported meters repaired		90% of faulty reported meters repaired		90% of faulty reported meters repaired		90% of faulty reported meters repaired	90% of faulty reported meters repaired	Director: Infrastructure Services
1.11		Review and Implementation of the electricity masterplan	Number of household with access to basic electricity	11 kV substations and cable protection switches		Install 9 X 11 Kv switch panels		Install 9 X 11 Kv switch panels		Install 9 X 11 Kv switch panels	Install 9 X 11 Kv switch panels	Director: Infrastructure Services

4.4 Basic Services Delivery: Community Services

Priority Areas

- Community Safety.
- Adequate and sustainable Parks, gardens and recreational facilities.
- Waste Management.
- Environmental Management.
- Cemetery Management.
- Disaster Management.
- Road safety

- Effective Library services

National Strategic Objective/Outcome linked to the National Transformation Agenda

- Promote safer communities- Community safety initiatives by strengthening and expanding a variety of community safety platforms.
- Recreation and leisure.
- Clean environment.

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
1.12	To ensure promotion of Community safety by 2022 and beyond	Development and implementation of Amahlathi Liquor By-Laws.	Approved and gazetted Liquor By-Law	Implementation of Liquor By-Law		Implementation of Liquor By-Law		Implementation of Liquor By-Law		Implementation of Liquor By-Law	Implementation of Liquor By-Law	Director: Community Services
1.13	Upgrade and maintain the existing sports and recreational facilities	Facilitate maintenance and upgrade of sport, community halls and recreational facilities	Number of sport fields maintained	7 sport fields		7 sport fields		7 sport fields		7 sport fields	7 sport fields	Director: Community Services
1.14			Number of recreational facilities maintained	3 recreation facility		3 recreation facility		3 recreation facility		3 recreation facility	3 recreation facility	Director: Community Services
1.15			Number of community halls renovated	2 community halls renovated		2 community halls renovated		2 community halls renovated		2 community halls renovated	2 community halls renovated	Director: Community Services
1.16			Number of sport fields upgraded	1 Sport field		1 Sport field		1 Sport field		1 Sport field	1 Sport field	Director: Engineering
1.17	Ensure that solid waste is managed	Review and Implementation of the Integrated	Reviewed Integrated Waste	Reviewed Integrated Waste		Implementation of the Integrated Waste		Implementation of the Integrated Waste		Implementation of the Integrated Waste	Implementation of the Integrated Waste	Director: Community Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
	in an Integrated environmental friendly and sustainable manner	Waste Management plan	Management Plan	Management Plan		Management plan		Management plan		Management plan	Waste Management plan	
1.18			Number of households and businesses with basic waste collection	6700 households and businesses		7000 households and businesses		7150 households and businesses		7200 households and businesses	7300 households and businesses	Director: Community Services
1.19		Conduct capacity building initiatives	Number of awareness campaigns	4 awareness campaigns		4 awareness campaigns		4 awareness campaigns		4 awareness campaigns	4 awareness campaigns	Director: Community Services
1.20		Development of waste sites in Amahlathi service centre	Number of waste sites developed	1 waste sites developed		1 waste sites developed		1 waste sites developed		1 waste sites developed	1 waste sites developed	Director: Community Services
1.21	To ensure that Amahlathi residence live in a clean and safe environment	Development of Environment Management Strategy and bylaw	Approved environment management strategy	Approved environment management strategy		Approved environment management bylaw		Implementation of environment management strategy		Implementation of environment management strategy	Implementation of environment management strategy	Director: Community Services
1.22		Development of Environment Management Plan	Approved Environment Management Plan	Approved Environment Management Plan		Implementation of environment management plan		Implementation of environment management plan		Implementation of environment management plan	Implementation of environment management plan	Director: Community Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
1.23	To ensure effective and efficient and economical management of cemeteries	Review Cemetery Management Policy	Approved review cemetery management policy	Approved review cemetery management policy		Implementation of cemetery management		Implementation of cemetery management		Implementation of cemetery management	Implementation of cemetery management	Director: Community Services
1.24	To ensure that all disaster incidents are attended	Review and implementation of Disaster Management Plan	Approved Disaster Management Plan	Disaster Management Plan submitted to Council for Approval		Implementation of Disaster Management Plan		Implementation of Disaster Management Plan		Implementation of Disaster Management Plan	Implementation of Disaster Management Plan	Director: Community Services
1.25	To protect life, property, environment and economy from hazards	Conduct integrated capacity building initiatives	Number of awareness campaigns	4 awareness campaigns conducted		4 awareness campaigns conducted		4 awareness campaigns conducted		4 awareness campaigns conducted	4 awareness campaigns conducted	Director: Community Services
1.26	hazards	Development of Integrated Fire Management Plan	Approved Integrated Fire Management Plan	Approved Integrated Fire Management Plan		Implementation of Integrated Fire Management Plan		Implementation of Integrated Fire Management Plan		Implementation of Integrated Fire Management Plan	Implementation of Integrated Fire Management Plan	Director: Community Services
1.27		Establishment of fire stations in Amahlathi service areas	Number of fire stations established	1 fire station constructed (multi-year project Keiskammahoek)		1 fire station constructed (multi-year project Keiskammahoek)		1 fire station constructed (Cathcart)		1 fire station constructed (multi-year project Kei road)	1 fire station constructed (multi-year project Kei road)	Director: Community Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
1.28		Enhance fire safety compliance by ensuring appropriate responses to fire outbreaks	Number of reports indicating responses to fire outbreaks submitted to standing	4 reports indicating responses to fire outbreaks submitted to standing		4 reports indicating responses to fire outbreaks submitted to standing		4 reports indicating responses to fire outbreaks submitted to standing		4 reports indicating responses to fire outbreaks submitted to standing	4 reports indicating responses to fire outbreaks submitted to standing	Director: Community Services
1.29	To promote and ensure safety on municipal and public roads	Conduct road blocks	Number of road blocks conducted	12 road blocks conducted		12 road blocks conducted		12 road blocks conducted		12 road blocks conducted	12 road blocks conducted	Director: Community Services
1.30		Decentralisation of the traffic service	Number of traffic service stations operating in Amahlathi service areas	1 traffic service station operating		1 traffic service station operating		Report on operations of service stations		Report on operations of service stations	Report on operations of service stations	Director: Community Services
1.31		Provision of proper road marking and signage	% of inspected damaged road markings and signs maintained	75% of inspected damaged road markings and signs maintained		75% of inspected damaged road markings and signs maintained		75% of inspected damaged road markings and signs maintained		75% of inspected damaged road markings and signs maintained	75% of inspected damaged road markings and signs maintained	Director: Community Services
1.32	To promote the culture of reading and effective use of library resources	Conduct library activities that promote the culture of reading and effective use of library resource	Number of library activities conducted	4 library activities conducted		4 library activities conducted		4 library activities conducted		4 library activities conducted	4 library activities conducted	Director: Community Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
1.33	Land Administration											

4.5 Local Economic Development

Priority Areas

- Advanced Job Creation.
- SMME Development.
- Town regeneration.
- Infrastructure Development.
- Effective management of the forestry natural resource.
- Improved Tourism management.
- Radical Agricultural transformation.

National Strategic Objective/Outcome linked to the National Transformation Agenda

- Coordinating and monitoring the various economic growth and job creation.
- Opportunity of skills development, jobs and income to economically marginalized communities.
- The development of the economic infrastructure required to enable increased economic growth
- Tourism Product Development & Marketing Of The 4 Tourism Heritage Routes

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	2020/21 Target	2021/22 Target	Custodian
4.1	To improve implementation of the government intervention programme to eliminate poverty by 2022.	Implementation of EPWP and municipal job creation programme	Number of jobs created through public works grant		400 jobs created through public works grant		400 jobs created public works grant		400 jobs created public works grant	400 jobs created public works grant	400 jobs created public works grant	Director: Development and Planning, Engineering and Services, Community Services
4.2			Number of jobs created through municipal funding		600 jobs created municipal funding		400 jobs created municipal funding		400 jobs created municipal funding	400 jobs created municipal funding	400 jobs created municipal funding	Director: Development and Planning
4.3	To stimulate growth of the local economy through robust programmes by 2022.	Capacitation of SMMEs and Co-ops through development and implementation of an incubation programme	Number of Contractors trained		20 Contractors trained		20 Contractors trained		20 Contractors trained	20 Contractors trained	20 Contractors trained	Director: Development and Planning
4.4		Projects of R4million and above to subcontract local contractors	Number of local contractors sub contracted and benefited		3 local contractors sub contracted and benefited		3 local contractors sub contracted and benefited		3 local contractors sub contracted and benefited	3 local contractors sub contracted and benefited	3 local contractors sub contracted and benefited	Director: Development and Planning

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	2020/21 Target	2021/22 Target	Custodian
4.5		At least 70% of procurement budget to be ring-fenced in SCM policy to benefit Amahlathi SMMEs.	70% of procurement budget allocated to local SMMEs		70% of procurement budget allocated to local SMMEs		70% of procurement budget be allocated to local SMMEs		70% of procurement budget be allocated to local SMMEs	70% of procurement budget be allocated to local SMMEs	70% of procurement budget to be allocated to local SMMEs	Director: Development and Planning, Chief Financial Officer
4.6		Stimulate and Strengthen relationship between Amahlathi and local business	Number of engagement programs		2 engagement programs		2 engagement programs		2 engagement programs	2 engagement programs	2 engagement programs	Director: Development and Planning
4.7	To stimulate local economy through revitalisation of Amahlathi service centres	Development of the precinct plan in line with SDF	Approved precinct plan		Draft precinct plan submitted to Council		Precinct plan and implementation plan submitted to Council for approval		Implementation of the precinct plan per implementation plan	Implementation of the precinct plan per implementation plan	Implementation of the precinct plan per implementation plan	Director: Development and Planning
4.8	To stimulate growth of the local economy through robust programmes by 2022.	Co-ordinate provision of road infrastructure to tourist destination within Amahlathi	Number of kilometres of roads bladed to attraction areas		20 Kilometers of roads bladed to attraction areas		20 Kilometers of roads bladed to attraction areas		20 Kilometers of roads bladed to attraction areas		20 Kilometers of roads bladed to attraction areas	Director: Engineering Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	2020/21 Target	2021/22 Target	Custodian
4.9	To ensure value-maximisation of the forestry natural resource in line with local economic development by 2022.	Co-ordinated approach in forestry issues	Council approved forestry strategy		Approved forestry strategy		Implementation of forestry strategy		Implementation of forestry strategy	Implementation of forestry strategy	Implementation of forestry strategy	Director: Development and Planning
4.10	Promotion of Tourism through the establishment of Local Tourism Organisation and CTOs by 2022	Prioritise provision of tourism infrastructure to destinations within Amahlathi.	Number of signage's erected		10 signage erected		10 signage erected		10 signage erected	10 signage erected	10 signage erected	Director: Development and Planning
4.11		Participate in marketing platforms and host events	Number of trainings conducted for LTOs and CTOs		5 trainings		5 trainings		5 trainings	5 trainings	5 trainings	Director: Development and Planning
4.12			Number of tourism events attended		5 events attended		5 events attended		5 events attended	5 events attended	5 events attended	Director: Development and Planning
4.13		Development and implementation of the Heritage and Tourism Strategy within Amahlathi	Approved revitalisation strategy		Development of the strategy		Implementation of the Heritage and Tourism revitalisation strategy		Implementation of the Heritage and Tourism revitalisation strategy	Implementation of the Heritage and Tourism revitalisation strategy	Implementation of the Heritage and Tourism revitalisation strategy	Director Development and Planning

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve the Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	2020/21 Target	2021/22 Target	Custodian
										ion strategy		
4.14	To Stimulate local economy through Agricultural development by 2022	Promotion of communal garden	Number of communal gardens benefiting in the programme		50 communal gardens benefiting in the programme		100 communal gardens benefiting in the programme		100 communal gardens benefiting in the programme	100 communal gardens benefiting in the programme	100 communal gardens benefiting in the programme	Director: Development and Planning
4.15		Promotion of Buyele Masimini programme	Number of farmers provided with maize bags		200 farmers provided with maize bags		300 farmers provided with maize bags		300 farmers provided with maize bags	300 farmers provided with maize bags	300 farmers provided with maize bags	Director: Development and Planning
4.16		Provision of capacity building programs to support existing farmers	Number of farmers supported		2 farmers supported		2 farmers supported		2 farmers supported	2 farmers supported	2 farmers supported	Director: Development and Planning
4.17		Facilitate commercialisation of agriculture	Number of farmers and agricultural cooperatives benefited		2 farmers and agricultural cooperatives benefited		2 farmers and agricultural cooperatives benefited		2 farmers and agricultural cooperatives benefited	2 farmers and agricultural cooperatives benefited	2 farmers and agricultural cooperatives benefited	Director: Development and Planning

4.6 Municipal Transformation and Institutional Development

Priority Areas

- Improved and sustainable labour relations.
- Cost efficient organisational design commensurate to IDP imperatives.
- Improved and conducive performance management culture.
- Improved employee competency and productivity.
- Effective, efficient, economical and credible administration.

National Strategic Objective/Outcome linked to the National Transformation Agenda

- Improving the quality of public services as critical to achieving transformation.
- To work on frameworks for improving performance incentives and the application of consequences for poor performance.
- Improvement of Appropriate Skills.

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
2.1	To attract, retain, build capacity and maximise utilisation of Amahlathi Human Capital by 2022	Implementation of the approved the organisational structure.	Number of programmes implemented as per HR policies and plans	Implementation and enforcement of HR policies and plans		Implementation and enforcement of HR policies and plans		Implementation and enforcement of HR policies and plans		Implementation and enforcement of HR policies and plans	Implementation and enforcement of HR policies and plans	Director: Corporate Services
2.2			% of posts filled as per the approved staff establishment	100% of posts filled as per the approved staff establishment		100% of posts filled as per the approved staff establishment		100% of posts filled as per the approved staff establishment		100% of posts filled as per the approved staff establishment	100% of posts filled as per the approved staff establishment	Director: Corporate Services
2.3			Turnaround time taken to fill vacant position	4 months Turnaround time taken to fill vacant position		4 months Turnaround time taken to fill vacant position		4 months Turnaround time taken to fill vacant position		4 months Turnaround time taken to fill vacant position	4 months Turnaround time taken to fill vacant position	Director: Corporate Services
2.4		Implementation and enforcement of HR policies	Implementation and enforcement of HR policies and plans	Implementation and enforcement of HR policies and plans		Implementation and enforcement of HR policies and plans		Implementation and enforcement of HR policies and plans		Implementation and enforcement of HR policies and plans	Implementation and enforcement of HR policies and plans	Director: Corporate Services

2.5	To develop and implement frameworks to improve performance	Improve functionality of the performance management System	Approved SDBIP aligned to IDPs and budget	Approved SDBIP aligned to IDPs and budget		Approved SDBIP aligned to IDPs and budget		Approved SDBIP aligned to IDPs and budget		Approved SDBIP aligned to IDPs and budget	Approved SDBIP aligned to IDPs and budget	Director: Strategic Services Management
2.6	To develop and implement frameworks to improve performance	Improve functionality of the performance management System	Number of reports on performance reviews conducted (organisational and individual)	Review of the performance management policy		Implementation and continued monitoring		Implementation and continued monitoring		Implementation and continued monitoring	Implementation and continued monitoring	Director: Strategic Services Management
2.7			Number of quarterly organisational performance reported submitted to Council	4 Quarterly Organisational performance reported submitted to Council		4 Quarterly Organisational performance reported submitted to Council		4 Quarterly Organisational performance reported submitted to Council		4 Quarterly Organisational performance reported submitted to Council	4 Quarterly Organisational performance reported submitted to Council	Director: Strategic Services Management
2.8			2018/19 IDP submitted to Council for approval approved by Council	2018/19 IDP submitted to Council for approval approved by Council								Director: Strategic Services Management

2.9			Annual Report submitted to Council	2016/17 Annual report submitted to Council		2018/19 IDP submitted to Council for approval approved by Council		2018/19 IDP submitted to Council for approval approved by Council		2018/19 IDP submitted to Council for approval approved by Council	Director: Strategic Services Management
2.10			Number of individual performance reviews conducted	4 Quarterly individual Performance Reviews conducted		4 Quarterly individual Performance Reviews conducted		4 Quarterly individual Performance Reviews conducted		4 Quarterly individual Performance Reviews conducted	Director: Strategic Services Management
2.11	Develop and implement appropriate capacity building intervention by 2022	Develop programmes (for graduate re-skilling) especially linked to areas of scarce skills)	Number of programmes implemented	Implementation of programmes.		Implementation of programmes.		Implementation of programmes.		Implementation of programmes.	Director: Corporate Services
2.12		Design retention programs linked to areas of scarce skills.	Number of work opportunities created through various interventions	Opportunities created through various interventions		Opportunities created through various interventions		Opportunities created through various interventions		Opportunities created through various interventions	

4.7 Good Governance and Public Participation

Priority Areas

- Records management.
- Effective Public participation and stakeholder management.
- Effective and efficient municipal governance.
- Effective and efficient ICT environment commensurate to the IDP.

National Strategic Objective/Outcome linked to the National Transformation Agenda

- To ensure confidentiality for ethical and accountable institution by 2022
- To improve the quality of public services as critical to achieving transformation.
- Develop effective and sustainable stakeholder relations.
- Establish systems and mechanisms for clean governance.
- Strengthening ICT systems and networks for future generations.
- Effective Communication.

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
5.1	To ensure confidentiality for ethical accountable institution by 2022	Establishment of legal frameworks, standards and ethical principles to protect the confidentiality of data	Number of programmes implemented as per the records management policy		Implementation and continues monitoring		Implementation and continues monitoring	Implementation and continues monitoring		Implementation and continues monitoring	Implementation and continues monitoring	Director: Corporate Services
5.2	To deepen democracy through public participation	Implementation of Public Participation Policies	Number of programmes implemented as per the public participation policies		Implement programmes as per the public participation policies		Implement programmes as per the public participation policies	Implement programmes as per the public participation policies		Implement programmes as per the public participation policies	Implement programmes as per the public participation policies	Director: Strategic Services Management

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
5.3			No of quarterly reports on status of petition Management submitted to Council		4 Quarterly on status of petitions received and submitted to Council		4 Quarterly on status of petitions received and submitted to Council	4 Quarterly on status of petitions received and submitted to Council		4 Quarterly on status of petitions received and submitted to Council	4 Quarterly on status of petitions received and submitted to Council	Director: Strategic Services Management
5.4			No of awareness programmes conducted on civic education for local communities (clusters)		4 awareness programmes conducted on civic education for local communities (cluster)		4 awareness programmes conducted on civic education for local communities (cluster)	4 awareness programmes conducted on civic education for local communities (cluster)		4 awareness programmes conducted on civic education for local communities (cluster)	4 awareness programmes conducted on civic education for local communities (cluster)	Director: Strategic Services Management
5.5	To ensure mainstreaming of special programmes into Amahlathi Municipality programmes	Development, review and implementation of the Special programmes unit action plan	Number of Special programmes on designated groups conducted		10 Special programmes on designated groups conducted		10 Special programmes on designated groups conducted	10 Special programmes on designated groups conducted		10 Special programmes on designated groups conducted	10 Special programmes on designated groups conducted	Director: Strategic Services Management

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
5.6	Coordination of Stakeholder engagement by 2022	Strengthening of IGR structures:	Functionality of stakeholder engagement		Functionality of stakeholder engagement		Functionality of stakeholder engagement	Functionality of stakeholder engagement		Functionality of stakeholder engagement	Functionality of stakeholder engagement	Director: Strategic Services Management
5.7		Implementation of M and E mechanism, in line with the Provincial M and E model (OTP)	No of reports on the implementation of M&E mechanism which is in line with Provincial M and E model (OTP)		1 reports on the implementation of M&E mechanism which is in line with Provincial M and E model (OTP)		1 reports on the implementation of M&E mechanism which is in line with Provincial M and E model (OTP)	1 reports on the implementation of M&E mechanism which is in line with Provincial M and E model (OTP)		1 reports on the implementation of M&E mechanism which is in line with Provincial M and E model (OTP)	1 reports on the implementation of M&E mechanism which is in line with Provincial M and E model (OTP)	Director: Strategic Services Management Director: Strategic Services Management
5.8		Changing the mind-set from compliance to results driven approach	Compliance to MFMA Circular 13 for the development of an SDBIP		Development of a Top layer and Bottom layer 2018/19 scorecard		Development of a Top layer and Bottom layer 2018/19 scorecard	Development of a Top layer and Bottom layer 2018/19 scorecard		Development of a Top layer and Bottom layer 2018/19 scorecard	Development of a Top layer and Bottom layer 2018/19 scorecard	Director: Strategic Services Management
5.9		Development of feedback mechanism between sector based structures and government departments	No of reports on the feedback from sector based structures and		1 report on Encouraged shared services model		1 report on Encouraged shared services model	1 report on Encouraged shared services model		1 report on Encouraged shared services model	1 report on Encouraged shared services model	Director: Strategic Services Management

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
			government departments									
5.10		Encourage shared services model	No of quarterly reports on strengthening of satellite model		1 report on strengthening of satellite model		1 report on strengthening of satellite model	1 report on strengthening of satellite model		1 report on strengthening of satellite model	1 report on strengthening of satellite model	Director: Strategic Services Management
5.11		Strengthening the satellite model	No of quarterly reports on strengthening of satellite model		1 report on strengthening of satellite model		1 report on strengthening of satellite model	1 report on strengthening of satellite model		1 report on strengthening of satellite model	1 report on strengthening of satellite model	Director: Strategic Services Management
5.12		B2B/ war room approach	Number of war room meetings coordinated		15 war room meetings coordinated		15 war room meetings coordinated	15 war room meetings coordinated		15 war room meetings coordinated	15 war room meetings coordinated	Director: Strategic Services Management
5.13	To ensure clean and accountable governance in Amahlathi by 2022	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	Number of reports on internal Audit action plans Annual reports and financial statements to be submitted		AFS and Compliance reports to be submitted		AFS and Compliance reports to be submitted	AFS and Compliance reports to be submitted		AFS and Compliance reports to be submitted	AFS and Compliance reports to be submitted	CFO

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy Achieve To The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
			to AG and treasury									
5.14			Percentage of IMPAC recommendations implemented		100% IMPAC resolutions to be implemented		100% IMPAC resolutions to be implemented	100% IMPAC resolutions to be implemented		100% IMPAC resolutions to be implemented	100% IMPAC resolutions to be implemented	Director: Strategic Services Management
5.15			Number of risk management reports submitted to Audit Committees		Implementation of Audit Committee resolutions		Implementation of Audit Committee resolutions	Implementation of Audit Committee resolutions		Implementation of Audit Committee resolutions	Implementation of Audit Committee resolutions	All HODs
5.16			Annual reports and financial statements to be submitted to AG and treasury		GRAP compliant annual financial statements prepared and submitted to the Auditor-General		GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements developed, updated and submitted to the Risk Committee on quarterly basis		GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements prepared and submitted to the Auditor-General	CFO

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy Achieve To The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
5.17			Development and implementation of risk action plans for 2017/2018 financial year		Risk action plans developed, updated and submitted to the Risk Committee on quarterly basis		Risk action plans developed, updated and submitted to the Risk Committee on quarterly basis	Risk action plans developed, updated and submitted to the Risk Committee on quarterly basis		Risk action plans developed, updated and submitted to the Risk Committee on quarterly basis	Risk action plans developed, updated and submitted to the Risk Committee on quarterly basis	Director: Strategic Services Management
5.18			% implementation of the 2017/2018 risk-based internal audit plan (all scheduled audits implemented)		100% implementation of the 2017/2018 risk-based internal audit plan		100% implementation of the 2017/2018 risk-based internal audit plan	100% implementation of the 2017/2018 risk-based internal audit plan		100% implementation of the 2017/2018 risk-based internal audit plan	100% implementation of the 2017/2018 risk-based internal audit plan	
5.19			No of Anti-corruption and Fraud programmes conducted		4 Anti-corruption and Fraud programs conducted		4 Anti-corruption and Fraud programs conducted	4 Anti-corruption and Fraud programs conducted		4 Anti-corruption and Fraud programs conducted	4 Anti-corruption and Fraud programs conducted	
5.20	Strengthening Amahlathi ICT systems and networks for	Source Funding from various institutions	% of improved ICT infrastructure		Development and submission of business plans		Improvement and extension of adequate	Improvement and extension of adequate ICT infrastructure		Improvement and extension of adequate	Improvement and extension of adequate	Director: Strategic Services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	2017/18 Target	Budget	2018/19 Target	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
5.21	future generations by 2022				Construction of DR Site		ICT infrastructure			ICT infrastructure	ICT infrastructure	Management
5.22	To promote effective Communication of Amahlathi's business by 2022	Aggressive implementation of Marketing and public Relations Programme to revive public trust and confidence	No. of communication and marketing programmes		Implementation and Communication of the marketing plan		Implementation and Communication of the marketing plan	Implementation and Communication of the marketing plan		Implementation and Communication of the marketing plan	Implementation and Communication of the marketing plan	Director: Strategic Services Management
5.23	Number of reports on operation Masivuselele	Implementation of Public Participation Policies	Number of reports on operation Masivuselele		4 Quarterly reports on operation Masivuselele		4 Quarterly reports on operation Masivuselele	4 Quarterly reports on operation Masivuselele		4 Quarterly reports on operation Masivuselele	4 Quarterly reports on operation Masivuselele	Director: Strategic Services Management

4.8 Municipal Financial Viability

Priority Areas

- Effective and compliance Supply Chain Management
- Effective, compliant and credible Asset Management.
- Effective Revenue Management.
- Prudent and credible budget and financial reporting.

National Strategic Objective/Outcome linked to the National Transformation Agenda

- Strengthen procurement systems so that they deliver value for money
- Address weaknesses in procurement systems to ensure a greater focus on value for money.
- Optimise infrastructure investment and services

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
3.1	To continuously ensure an equitable, economical, transparent, fair and value - add supply chain management system/function	Monitoring and reporting on the performance of service providers	No. of quarterly Service Provider performance reports submitted to the Mayor	4 Quarterly reports		4 Quarterly reports		4 Quarterly reports		4 Quarterly reports	4 Quarterly reports	CFO
3.2		Strict adherence to SCM Regulations	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor	4 Quarterly reports		4 Quarterly reports		4 Quarterly reports		4 Quarterly reports	4 Quarterly reports	CFO
3.3	To maintain an accurate and complete fixed asset register that is compliant with GRAP.	Maintain a fixed asset register that comply with GRAP	Updated asset register for the 2017/2018 financial year	Update asset register for 2017/2018 FY		Update asset register for 2018/2019 FY		Update asset register for 2019/2020 FY		Update asset register for 2020/2021 FY	Update asset register for 2021/2022 FY	CFO
3.4	Ensure 80% expenditure of capital budget	Monitoring and reporting on the spending of the	% expenditure of capital budget	80% expenditure of capital budget		80% expenditure of capital budget		80% expenditure of capital budget		80% expenditure of capital budget	80% expenditure of capital budget	CFO

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
3.5		municipal capital budget by user departments including BTO	No. of Quarterly reports on capital expenditure	4 reports on capital expenditure		4 reports on capital expenditure		4 reports on capital expenditure		4 reports on capital expenditure	4 reports on capital expenditure	CFO
3.6	Ensure 70% collection of income due from consumer debtors by 2022	Collect 60% of billed income	% of billed income collected	60% of billed income collected		60% of billed income collected		65% of billed income collected		65% of billed income collected	70% of billed income collected	CFO
3.7		Review and implementation of the Revenue Enhancement Strategy	Review of the Revenue Enhancement Strategy	Annual review of the Revenue Enhancement Strategy		Annual review of the Revenue Enhancement Strategy		Annual review of the Revenue Enhancement Strategy		Annual review of the Revenue Enhancement Strategy	Annual review of the Revenue Enhancement Strategy	CFO
3.8			% implementation of the Revenue Enhancement Strategy action plan	Annual implementation of the Revenue Enhancement Strategy		Annual implementation of the Revenue Enhancement Strategy		Annual implementation of the Revenue Enhancement Strategy		Annual implementation of the Revenue Enhancement Strategy	Annual implementation of the Revenue Enhancement Strategy	CFO

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
3.9	To ensure unqualified audit opinion	Adherence to all applicable financial legislation and regulations	No. of Monthly Financial reports(Sec 71 reports)	All Financial reports submitted to the Treasury within prescribed timeframes		All Financial reports submitted to the Treasury within prescribed timeframes		All Financial reports submitted to the Treasury within prescribed timeframes		All Financial reports submitted to the Treasury within prescribed timeframes	All Financial reports submitted to the Treasury within prescribed timeframes	CFO
3.10		Preparation and submission of credible and GRAP compliant annual financial statements	GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements prepared and submitted to the Auditor-General		GRAP compliant annual financial statements prepared and submitted to the Auditor-General		GRAP compliant annual financial statements prepared and submitted to the Auditor-General		GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements prepared and submitted to the Auditor-General	CFO
3.11	To prepare a realistic budget in line with the objectives and strategies in the IDP based on a	Coordinate and develop Amahlathi municipality's budget in line development al	Approved budget by the Council	2017/2018 budget prepared and submitted to council for approval		2018/2019 budget prepared and submitted to council for approval		2019/2020 budget prepared and submitted to council for approval		2020/2021 budget prepared and submitted to council for approval	2021/2022 budget prepared and submitted to council for approval	CFO

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	2017/18 Target	Budget	2018/19 Target	Budget	2019/20 Target	Budget	2020/21 Target	2021/22 Target	Custodian
	three-year Medium-Term Revenue and Expenditure Framework (MTREF)	imperatives in the IDP										



CHAPTER 5: PROJECTS

AMAHLATHI INFRASTRUCTURE PROJECTS

5A PROPOSED MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECTS

PROJECT NAME	BUDGET 2017/18	BUDGET 2018/19
AMAHLATHI HIGH MAST LIGHTS	R4,200,000.00	
MLUNGISI SPORTSFIELD	R4,800,000.00	
KKH FIRE STATION	R2,500,000.00	
ETHEMBENI INTERNAL ROADS PH 5	R2,200,000.00	
KEI ROAD INTERNAL ROADS	R2,700,000.00	
NOTHENGGA INTERNAL ROADS	R2,500,150.00	
RHAWINI INTERNAL ROADS	R2,700,000.00	
LANGDRAI INTERNAL ROADS	R2,800,000.00	
ZINGCUKA INTERNAL ROADS	R2,900,000.00	
AMAHLATHI HIGH MAST LIGHTS		R4,000,000.00
GXULU INTERNAL ROADS		R3,597,600.00
CATA INTERNAL ROADS		R3,900,000.00
RABHULA INTERNAL ROADS		R3,800,000.00

NOTHENG COMMUNITY HALL		R3,000,000.00
SURFACING OF MLUNGISI ACCESS ROADS		R4,900,000.00
KHAYELITSHA INTERNAL ROADS		R2,700,000.00
BORDER POST INTERNAL ROADS		R2,800,000.00
SOPHUMELELA INTERNAL ROADS		
SURFACING OF MLUNGISI INTERNAL ROADS		
MZAMOMHLE COMMUNITY HALL		
XHOLORHA ELECTRIFICATION		
TOTAL	R27 300 150	R28 697 600

AMAHLATHI MUNICIPALITY MAINTENANCE PLAN

Ward No.	Road	Length (km)	Activity	District	Budget 2017/18	Budget 2018/19	Budget 2019/20
1	To Be Prioritised	533m Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Keiskammahoek	R 186, 666.67	R 205, 333.33	R 225, 866.67
2	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Keiskammahoek	R 186, 666.67	R 205, 333.33	R 225, 866.67

3	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Keiskammahoek	R 186, 666.67	R 205, 333.33	R 225, 866.67
4	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Cathcart	R 186, 666.67	R 205, 333.33	R 225, 866.67
5	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Cathcart	R 186, 666.67	R 205, 333.33	R 225, 866.67
6	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Stutterheim	R 186, 666.67	R 205, 333.33	R 225, 866.67
7	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	King Williams Town	R 186, 666.67	R 205, 333.33	R 225, 866.67
8	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	King Willams Town	R 186, 666.67	R 205, 333.33	R 225, 866.67
9	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	King Williams Town / Stutterheim	R 186, 666.67	R 205, 333.33	R 225, 866.67
10	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Keiskammhoek	R 186, 666.67	R 205, 333.33	R 225, 866.67
11	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Keiskammahoek	R 186, 666.67	R 205, 333.33	R 225, 866.67

12	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	King Williams Town	R 186, 666.67	R 205, 333.33	R 225, 866.67
13	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Stutterheim	R 186, 666.67	R 205, 333.33	R 225, 866.67
14	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Stutterheim	R 186, 666.67	R 205, 333.33	R 225, 866.67
15	To Be Prioritised	533 Regravelling 13 km Blading & Patching	Regravelling, Blading & Patching	Stutterheim	R 186, 666.67	R 205, 333.33	R 225, 866.67
TOTAL BUDGET TO BE SPENT					R 2, 800 000.00	R 3, 080 000.00	R 3, 388 000.00

5. B (i) MIG PROJECTS BY AMATHOLE DISTRICT MUNICIPALITY

PROJECT NAME	2017/18
Stutterheim Sewer Pipe Replacement	R 5 000 000
Amahlathi Area wide Sanitation Projects (Region 2A)	R 1 000 000
Amahlathi Area wide Sanitation Projects (Region 3)	R 5000 000
Kei Road Settlement	R 1000 000
Stutterheim Water Pipe Replacement	R 5000 000

Cathcart Infrastructure Refurbishment (Water Treatment Works, upgrade, Bulk Upgrade & Pipe Replacement)	R 5 00 000
Stutterheim Water Treatment Works	R 100 000
Kei Road Water Treatment Works	R 100 000
Keiskammahoek Waste Water Treatment Works	R 100 000
Rabula Phase 2 Water Supply	R 1000 000
TOTAL	R18 800 000

5 B (ii) Water Service Infrastructure Grant (WSIG) PROJECTS BY AMATHOLE DISTRICT MUNICIPALITY

PROJECT NAME	2017/18
Gwili Gwili	R 545 514
Refurbishment of Stutterheim Water Treatment Works	R 545 514
Kei Road Water supply	R 1 091 028
Cathcart Sanitation	R 1 636 542
Water Loss Reduction Programme: Stutterheim & Amatolaville	R 1 636 542
Replacing the entire galvanise reticulation system to HDPE reticulation in Amabhele	R 2 727 570
Rabhula Water Supply	R 3 818 598
Rom/ Keilands Water Supply	R 6 546 169

TOTAL	R18 547 477
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5C SECTOR DEPARTMENT PROJECTS

STATUS OF PLANNED PROJECTS BY ESKOM IN 2015/16 & 2016/17 FOR AMAHLATHI

PROJECT NAME	BENEFICIARIES (VILLAGES)	STATUS	COMPLETION DATE/STATUS
AM AHLATHI WARD EXT. 16/17	KHAYELITSHA - 39 NOTHENG A - 17 MBAXA - 36 QUZINI - 5 NONTSHINGA - 1 TOISE - 51 FRESH WATER - 14 JERSEY VALLEY - 40 MALINDANA - 10 HOKWANA - 11 VILISI - 13 NOMPUMELELO - 19	Contractor on site	80 % of work completed remaining scope to be completed by 31.03.2016.
Amahlathi Ward 15/16 Ext Link Line	INFRASTRUCTURE	Contractor on site	31.03.2016. Extension has been approved

Gasela 15/16	GASELA	Contractor on site	31.03.2016. Extension has been approved
Gasela 15/16 Line	INFRASTRUCTURE	Contractor on site	31.03.2016. Extension has been approved
Amahlathi Ward 15/16 Ext.	MAGCUMENI, LOWER RABULA, NOTHENGGA, ZANYOKWE	Contractor on site	31.03.2016. Extension has been approved

PROPOSED PROJECTS FOR 2017/18 BY ESKOM

VILLAGE NAME	NUMBER OF HOUSEHOLD ON DESIGN
Langdraai	29
Keilands	108
Dontsa	11
Ndlovini	4
Nqolo-Nqolo	6
St.Matthews	13
Tshoxa	69
TOTAL	240

AM AHLATHI LM ESKOM AREA ELECTRICIFICATION PROJECTS

No	Project	Ward	Funder	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
1	Langdraai	4	DOE-INEP	29 units				
2	Keilands	5	DOE-SOLAR	140 unit				

3	Dontsa	3	DOE-INEP	11 unit				
4	Ndlovini	3	DOE-INEP	4 units				
5	Nqolo-Nqolo	3	DOE-INEP	6 units				
6	St Mathews	3	DOE-INEP	16 units				
7	Tshoxa	11	DOE-INEP	69 units				
8	Upper Rabula	11	DOE-INEP	15 units				

AMAHLATHI LM NERSA CAPEX UPGRADES

No	Project	Ward	Funder	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
A	Bush Pig Ridge Substation	13	DOE-INEP	5m				
B	Lower Xolora Substation Switches & Tfr	13	DOE-INEP	3m				
D	Cathart informal Housing N6 & Ndlovini 300	5	DOE-INEP			6m		
E	Cathcart Kati Kati 300 Hoosing	5	DOE-INEP				3M	
F	Industrial OH Line upgrade to 120mm ACR	6	DOE-INEP			2m		

G	Cathcart 22/11 Bulk SubSt Mathews	5	DOE-INEP			5m		
H	Old Age Home Substation	13	ALM Capex		1,5m			
I	Park Substation Switches & Trans former	13	ALM Capex		1.5m			
J	Stutterheim bulk Ring feeds Upgrading from 35mm to 95mm	13	ALM Capex		5m	5m	5m	5m

AM AHLATHI LM NER/D/EC124 NERSA OPEX

No	Project	Ward	Funder	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
i	Hospital Mini Sub + L/Cost House RMT	13	DOE-INEP		350 000			
ii	CCart Old Age Home Mini Sub Tshoxa	5	DOE-INEP		330 000			
iii	Amatolaville Minisub	6	ALM OPEX	350 000				
iv	Stut High Scool Mini Sub	13	ALM Capex	350 000				
v	Country Club Substation	13	ALM Capex			350 000		
vi	Kologha Mini Sub	13	ALM Capex		350 000			
vii	New Town Mini Sub Ext + RMT for ADM	13	ALM Capex			500 000		

Department of COGTA has through Municipal Infrastructure Support Agency MISA identified ALM as one of 27 priority areas for intervention in terms of Service Delivery.

Take Note Spatial Development in terms of Electrification

In the absence in applying an coherent service policy in tandem with land use management approach will assist the present challenges in that informal settlement forming haphazardly in both urban and rural areas with result that the provision of services connection on time becomes problematic.

Stutterheim, Cathcart & Amabele licenced to ALM trough NER/D/EC124 to distribute electricity.

Stutterheim gaded as Iel 3 Primary Node and is the main Administrative, Service and Industrial Centre of the ALM. 60% of the Urban Municipal population resides in close proximity of Stutterheim.

PLANNED PROJECTS BY DEPARTMENT OF ROADS & PUBLIC WORKS FOR 2017/18 & 2018/19 FINANCIAL YEAR

No.	Activity	District	Ward	2017/18	2018/19	Stakeholders Involved	Location
1	Regravelling	King - Kei	9	R 4, 500, 000.00		Taxi Association	Freshwater - Ndakana
2	Regravelling	Stutterheim	6	R 3, 496, 000.00		Taxi Association	Isidenge – Main Rd
3	Regravelling	Stutterheim	13	R 2, 300, 000.00		Famers Assoc	Old Xhologha
4	Regravelling	Keiskammahoek	2	R 3, 910, 000.00		Council	Cata
5	Regravelling	Keiskammahoek	1	R 1, 173, 000.00		Council	Lower Gxulu
6	Regravelling	Keiskammahoek	1	R 2, 070, 000.00		Council	Lower Gxulu
7	Regravelling	Keiskammahoek	3	R 690, 000.00		Council	Ngobozana

8	Regravelling	Keiskammahoek	3	R 1, 150, 000.00		Council	Old Dontsa
9	Regravelling	Keiskammahoek	3	R 460, 000.00		Council	Ndlovini
10	Patch Gravelling	Cathcart	5	R 990, 000.00		Council	Henderson Rd
11	Patch Gravelling	King Kei	12	R 450, 000.00		Council	Frankfort
12	Patch Gravelling	Keiskammahoek	10	R 180, 000.00		Community	Qaukeni
13	Patch Gravelling	Keiskammahoek	10	R 315, 000.00		Community	Rabe
14	Regravellinv	Stuttterheim	5	R 2,990 ,000.00		SAPS	To Bolo Police
15	Patch Gravelling	Stutterheim	5	R 180,000.00		Farmers	Near Bolo Farm
16	Patch Gravelling	Stutterheim	13		R 270,000.00	Farmers	Hekele Farm
17	Wet Blading	Cathcart	5		R 345,000.00	Farmers	Cathcart
18	Dry Balding	Cathcart	5		R 150,000.00	Farmers	Happy Valley
19	Patch Gravelling	Cathcart	5		R 1,170,000.00	Farmers	Hogsback
20	Regravelling	Cathcart	4		R 4,910,000.00	Farmers	Lujilo
21	Patch Gravelling	Stutterheim	13		R 2,910,000.00	Farmers	Stutt-Tsomo
22	Bridge X2	King-kei	7		R 1,000,000.00	Council	Mxhalanga
23	Patch Gravelling	Keiskammahoek	2		R 2,500,000.00	Council	Upper Mnyameni
24	Regrvelling & Bridge	Stutterheim	13		R 3,500,000.00	Council	Gubu
25	Regravelling	Keiskammahoek	2		R 1,800,000.00	Council	Upper Ngqumenya
26	Patch Gravelling	Cathcart	5		R 1,500,000.00	Farmers	Toise River

27	Patch Gravelling	Cathcart	5		R 5,000,000.00	Council	MR00703
28	Patch Gravelling	Stuttterheim	13		R 2,500,000.00	Council	Ohlson
29	Patch Gravelling	Stutterheim	13		R 1,500,000.00	Council	Ohlson
30	Patch Gravelling	King-kei	8		R 4,500,000.00	Council	Kei Road
31	Patch Gravelling	King-kei	8		R 2,500,000.00	Council	Kie Road
32	Patch Gravelling	King-kei	9		R 3,900,000.00	Council	Amabele forest

PROJECTS BY DEPARTMENT OF HUMAN SETTLEMENT

RUNNING PROJECTS (14/15 FY)

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	CHALLENGES	PROGRESS TO DATE
KUBUSI	1328	304 units	Running	47 Beneficiaries are still outstanding	30 completed houses, 15 finishing, 135 wall plates, 44 foundations and 270 VIP toilets
MLUNGISI 270	169	Construction 169 new units	Running	Only 125 beneficiaries are approved. 11 sites do not have enough space for house construction within the yards	70 wall plates and 32 foundation

PROJECTS THAT WERE PLANNED FOR 2015/16

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	CHALLENGES	PROGRESS TO DATE
GASELA 75	75	To prepare readiness	New	None	The professional team is preparing project readiness. Layout plan is done. General plan is underway.
KEI ROAD NORTHERN NODE	Unknown	Complete project readiness	New	Not yet funded	Funding application recommended by PACOM. Funding Resolution is prepared
NDAKANA	1300	Complete project readiness	New	None	The Professional Team is preparing project readiness

FRANKFORT	300	Complete project readiness	New	None	The Professional Team is preparing project readiness
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SUBMITTED HOUSING APPLICATIONS

- Cwengcwe 169
- Ngcamngeni 370
- Caba 72
- Eluphondweni 277
- Mbashana 66
- Silositsha 52
- Ramnyiba 367
- Izeleni 1238
- Mbaxa 392
- Mxhalanga 455
- Magqobokeni 54
- Nothenga 26
- Gubevu 312
- Quzini 1432
- Ethembeni 3076

CURRENT HOUSING PROJECTS

PROJECT	NO. OF	PLANNED	STATUS	CHALLENGES	PROGRESS TO DATE
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NAME	SUBS	DELIVERY			
KATIKATI 300	300	Installation of internal services to 300 new erven	New	Insufficient bulk water and overloaded bulk sanitation service capacity	Funding to bulk services, internal services and top structures has been approved. Feasibility Studies, Layout Plan, General Plan, Internal Services Design Geotech Investigation, Foundation Designs are complete. ADM is busy with the designs of bulk services.
CENYU VILLAGE	450	Completion of EIA	New	Delay in approval of SLA	The Professional Team is preparing project readiness. Layout Plan, General Plan, Internal Services Designs Geotech Investigation, Foundation Designs are complete.
CENYULANDS	692	Completion of EIA	New	Delay in approval of SLA	The Professional Team is preparing project readiness. Layout Plan, General Plan, Geotech Investigation, Foundation Designs are complete.
MASINCEDANE	1255	To prepare readiness	New	Delay due to land acquisition	The Professional Team is preparing project readiness. Layout Plan is done, General Plan is underway.

SQUASHVILLE 461	461	To prepare readiness	New	None	The Professional Team is preparing project readiness. Layout plan is done. General Plan is underway.
MTHONJENI 201	201	To prepare readiness	New	None	The Professional Team is preparing project readiness. Layout Plan is done. General Plan is underway.

CLOSED PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	CHALLENGES	OUTSTANDING WORK
STUTTERHEIM DUBA	24	Close out	Out of 24 approved beneficiaries only 22 units were built. Two beneficiaries never received houses, they will be part of the planned Mlungisi 270 project.	The Department needs to remove from the HSS list the names of two beneficiaries that never received houses, to be able to close the
STUTTERHEIM MLUNGISI MPEPO	97	Close out	None	The Regional Office is preparing a PA Com submission to close out the project.
STUTTERHEIM ISIDENGE	634	Close out	None	The Regional Office is preparing a PA Com submission to close out the project.

STUTTERHEIM OLD MLUNGISI	300	Close out	None	The Regional Office is preparing a PA Com submission to close out the project.
STUTTERHEIM AMATOLAVILLE EXT. 9	68	Close out	Expenditure statement indicates that R 109,528.00 on the project has not been claimed although the project is complete.	Unclaimed funds on the expenditure statement need to be rectified to be able to close the project.
CATHCART	560	Close out	Expenditure statement indicates that some funds on the project has not been claimed although Grinaker Housing confirmed that there is no outstanding money owed to them.	Unclaimed funds on the expenditure statement need to be rectified to be able to close the project.
HECKEL DISASTER	12	Close out	Erf 559 on HSS beneficiary list has been allocated to two different people.	Project can be closed out but the beneficiary list needs to be corrected on the HSS.
STUTTERHEIM DUBA	24	Close out	Out of 24 approved beneficiaries only 22 units were built. Two beneficiaries never received houses, they will be part of the planned Mlungisi 270 project.	The Department needs to remove from the HSS list the names of two beneficiaries that never received houses, to be able to close the project.
STUTTERHEIM MLUNGISI MPEPO	97	Close out	None	The Regional Office is preparing a PA Com submission to close out the project.

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

2016/17 PLANNED PROJECTS BY DEPARTMENT OF ENVIRONMENTAL AFFAIRS

AREA	PROJECT	PURPOSE	JOBS	BUDGET	PERIOD
Stutterheim	Kubusie	Clearing alien invasive plants	33	R1 880 000	Multi year
Izele	Rooikrantz	Clearing alien invasive plants	33	R1 880 000	Multi year
Keiskammahoek	Keiskammahoek	Clearing alien invasive plants	33	R1 935 000	Multi year
Stutterheim	Daily Double	Clearing alien invasive plants	36	R 994 993	Multi year
Stutterheim	Kubusie River	Clearing alien invasive plants	6		Multi year
Stutterheim	Working on Fire	Control devastating fires	42	R2 888 000	Multi year

PROPOSED PROJECTS FOR 2017/18 & 2018/19 BY DEPARTMENT OF ENVIRONMENTAL AFFAIRS

	2016/17		2017/18		2018/19		
PROJECT	ALLOCATION	JOB OPPORTUNITIES	ALLOCATION	JOB OPPORTUNITIES	ALLOCATION	JOB OPPORTUNITIES	PURPOSE
Kubusie	R 1 880 000.00	6440	R 1 962 720.00	6569	R 2 021 601.60	6700	CONTROL ALIEN INVASIVE PLANTS
Keiskamma	R 1 940 000.00	6644	R 2 025 360.00	6777	R 2 086 120.80	6912	CONTROL ALIEN INVASIVE PLANTS
Kubusie River	R 564 000.00	3886	R 588 816.00	3964	R 606 480.48	4043	CONTROL ALIEN INVASIVE PLANTS ON WATER COURSES
lindilanga	R 997 920.00	5424	R 1 041 828.48	5532	R 1 073 083.33	5643	CONTROL ALIEN INVASIVE PLANTS
Cumakala River			R 1 200 000.00	5364	R 1 236 000.00	5471	CONTROL ALIEN INVASIVE PLANTS
Working on Fire	R 2 300 000.00	16650	R 2 401 200.00	16983	R 2 473 236.00	17323	INTEGRATED FIRE MANAGEMENT WITHIN AMAHLATHI
Rooikrantz					R 2037456.99	6258	CONTROL ALIEN INVASIVE PLANTS
	R 7 681 920.00	39 044	R 9 219 924.48	45 189	R 11 533 979.21	35028	

PROJECTS BY DEPARTMENT OF ECONOMIC DEVELOPMENT, ECONOMIC AFFAIRS AND TOURISM

The following projects received LRED Grant Funding from DEDEAT during 13/14 and 14/15 FY:

PROJECT NAME	AMOUNT ALLOCATED	PROJECT STATUS
Ikusasa Green	R 3m -2013/14 FY R 1.950 000- 2014/15 FY	Project is doing well in terms of operations but needs support to access land for expansion.
Abenzi Woodhouse	R 3 000 000.00- 2014/15 FY	Doing well but needs additional funding for operations

PLANNED PROJECTS FOR 2016/17 BY DEPARTMENT OF RURAL DEVELOPMENT & AGRARIAN REFORM (DRDAR)

DRDAR IMPLEMENTATION PLAN FOR 2016-17

PROJECTS	BUDGET
Eluphindweni Rural development project in ward 13 (overhead irrigation system on 21 ha)	R 2 500 000.00
Irrigation scheme development Operations planned <ol style="list-style-type: none"> 1. Zanyokwe: Repair pack shed floor, repair potato sorter, Repair of cooler room and inputs to plant maize 2. Cata Irrigation scheme plant lucerne and supply mechanization, seed and fertilizer 	R 1 776 000.00

3. Rhonaskap Repair of the underground irrigation pipes, repair fencing, Bush clearing and lucerne seed and fertilizer	
Vaal drainage in Keiskammahoek 1. The installation of a drainage pipe on the Bottom end of Unit 3 to drain excess irrigation and rain water from Vaaldraai	R 500 000.00
Dipping tanks renovations 1. Ngxondorheni 2. Langdraai 3. Lower Gxulu 4. Upper Rabula 5. Kom Village	R202 500.00
Dam scooping: 1. 2 dams at Mgwali 2. 1 dam at Gwili-Gwili 3. 1 dam at Mtwaku 4. 1 dam at Lower Gxulu	R 375 000.00
Borehole renovations: 1. 2 boreholes at Goshen 2. 1 borehole at Kei Road with a LRAD farm	R 250 000.00

3. 1 Borehole at Mtwaku	
4. 1 borehole at Zanyokwe	
Letzima household food security To support 66 households in Amahlathi will concentrate on Wards that are not benefiting from the Cropping program	R398 438.00
Cropping programme (333ha) 1. Projects planned 1. Mtwaku 75 ha 2. Sinako 25 ha 3. Ndakana 50 ha 4. Verhoyi 25 ha 5. Donqaba 30 ha 6. Sokupa 10 ha 7. Xolorha small farmers 25 ha 8. Zanyokwe irrigation scheme 93 ha	R 1 039 736.00
Total	R 5 541 174.00

2016/17PROJECTS BY DEPARTMENT OF RURAL DEVELOPMENT & AGRARIAN REFORM (DRDAR)

CROPPING PROGRAMME (MAIZE)

WARD	PROJECT NAME
02	SINAKO
03	MTHWAKU
09	NDAKANA
17	SOKUPA
19	VARHOYI & MGODLENI CO-OP
06	SMALL HOLDERS
10	ZANYOKWE IRRIGATION
TOTAL BUDGET	R 2 170 000.00 (FOR 680 ha)

LIVESTOCK: INFRASTRUCTURE OF DIPPING TANKS

WARD	PROJECT NAME (R 80 000 per dip tank)
05	KEI LANDS
12	LOWER NQOLOSA
11	GWILIGWILI
02	LOWER ZINGCUKA

09	LUCERNE production of R 400 000
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- Dam scooping: Zanyokwe (Ward 10) : R 250 000

SIYAZONDLA PROJECTS

WARD	PROJECT NAME	WARD	PROJECT NAME	WARD	PROJECT NAME	WARD	PROJECT NAME
1	Silithemba Youth Dev. Unit	2	Khulani Poultry	3	Cata Home Gardens	4	Siyaphambili project
1	Qhamani Home Gardens	2	Masihlume Vegetables	3	Siyavuka		
1	Sakhanya Home Gardens	3	Siyazama Poultry	3	Chumiso	4	Sunshine Veg. project
				3	Vuselela		
1	Lower Gxulu Home Gardens	6	Laphum'ilanga Proj.	10	Lenye Community Garden	4	Khanya Veg. project
1	Chithindlala	6	Nonkuthalo	10	Lenye Food Plots	4	Goshen Trustees
5	Imizamo	6	Masiphakame ni	10	Zukhanye	4	Zonke Bead work

5	Sunshine Veg. project	6	Lindilanga	10	Debe Primary	4	Siyakhula
5	Isihoboti School	7	Vukasime	10	Zanyokwe Primary	4	Daliwe
5	Eluxolweni	6	Masakhe	10	Bumbano	4	Siyaphakama Sewing projects
5	Zivise	7	Sinovuyo Primary School	10	Siyakhana	12	Campbell Mnyila J.P.S
5	Nokukhanya	8	Siyazama	10	Sinethemba	12	Masakhe
5	Siyalingana	8	Frankfort home gardens	11	Bongolethu (Changed to Sophila)	12	Mzamomhle
5	Masibulele	8	Gxothi-ndlala	11	Vukani Makhosikazi (Changed to Bongolethu)	12	Sophumelela
5	Sinakho	8	Border Post	11	Water for food (Changed to Masiphumelele)	13	Siyazama
5	Masilime	8	Vulingqo-ndo	14	Magwal UPWF	13	Zamazama
5	Khulani	9	Ilithalethu WG	14	Hluma Home Gardens	13	Caba Home gardens
5	Lithemba	9	Someleze WC	14	Zamani	13	Masivuke
5	Nceduluntu Lwethu	9	Nompandlana	14	Vukuzenzele	20	Hlumisani
5	Masimanyane	9	Zweni	15	Zanoxolo	20	Sinekamva CCS Group

5	Masibambe			15	Cenyu primary	20	Sinako
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(2)PROGRAMME NAME	(3) MUNICIPALITY	(4) PROJECT NAME	(5) PROJECT NUMBER	(6) ENTERPRISE/ INDUSTRIAL SECTOR	(7) PROJECT DETAILS AND COMPLEXITY
CASP	Amahlathi	Eluphindweni	Ward 13 (1)	High Value Crop Chilli Pepper	Irrigation & Electricity
CASP	Amahlathi	Mzamowethu	Ward 14 (1)	Livestock	Water supply
CASP	Amahlathi	Makhuzeni Farm	Ward 11 (1)	Vegetable	Electricity

PROJECTS RENDERED BY DEPARTMENT OF SOCIAL DEVELOPMENT

2013 – 2014 FINANCIAL YEAR

PROJECT NAME	LOCATION /WARD	NATURE OF THE PROJECT	YEAR TO BE FUNDED	AMOUNT
Qingqa Mntwana	Ward 11 – Keiskammahoek	Disposable nappies	2012- 2013	R3 million
Geoshen Piggery	Carthcart (Youth Programme)	Piggery	2013/14	Will depend on the quotations submitted

2014/2015 IMPLEMENTED PROJECTS

1. Victim empowerment programme

AREA	PROJECT NAME	BUDGET
Cathcart town (ward 5)	Ikhwezi Women's support centre	R519 800.
Mlungisi township: Ward 16	Kusile White door centre of hope	R99 100
ward 2	Eluncedweni White door centre of hope	R253 800
Toise village: ward 5:.	Toise White door centre of hope	R151 000

Poverty alleviation and sustainable livelihood programme

AREA	PROJECT NAME	BUDGET
Ndakana: ward 14:.	Amazibula organic agricultural project	R500 000
Border post: ward:.	Masizameni food project	R368 000
Goshen	Empumelelweni household food gardens	R 400 000

2015/16 IMPLEMENTED PROJECTS

Poverty alleviation and sustainable livelihood

NAME OF PROJECT	PROGRESS
1. TIYO SOGA(WARD 16): R100 000(TOP UP)	15 FAMILIES HAVE BEEN TRAINED IN ORGANIC FARMING, AND THEY ARE IMPLEMENTING ORGANIC FARMING IN THEIR HOUSEHOLD FOOD GARDENS.

2. MASIPHATHISANE MBAXA (WARD 19): R100 000(TOP UP).	THE FUNDING WAS USED FOR TRAINING ON POULTRY AND TO RENOVATE THE POULTRY STRUCTURE. THE PROJECT IS GENERATING ITS OWN INCOME.
3. CATHCART COMMUNITY NUTRITION DEVELOPMENT CENTR(WARD 4 AND 5): R287 000	200 POOR PEOPLE ARE PROVIDED WITH NUTRITIOUS MEALS FOR SIX DAYS PER WEEK.

Victim empowerment programmes: 2015.

Name of Project	Progress
1. IKHWEZI WOMEN SUPPORT CENTRE: WARD 4: R600 000.	1. AN AMOUNT OF R300.000 (FIRST TRANCHE) WAS PAID TO THE ORGANISATION.
2. KUSILE WHITE DOOR CENTRE OF HOPE: WARD 15: R200 000.	2. AN AMOUNT OF R200.000 WAS PAID TO THE ORGANISATION.EXPENDITURE IS R190.000
3. TOISE WHITE DOOR CENTRE OF HOPE: WARD 5: R200 000.	3. AN AMOUNT OF R200.000 WAS PAID TO THE ORGANISATION.EXPENDITURE IS R185.000
4. FRANKFORT WHITE DOOR CENTRE OF HOPE: WARD 8: R200 000.	4. AN AMOUNT OF R200.000 WAS PAID TO THE ORGANISATION.EXPENDITURE IS R192. 000
5. ELUNCEDWENI WHITE DOOR CENTRE OF HOPE: WARD 2: R280 000.	5. AN AMOUNT OF R280 .000 WAS PAID TO THE ORGANISATION.EXPENDITURE IS R266 000.

2016/17 Planned Projects

Poverty alleviation and sustainable livelihood

Name of project	Amount
1. GUBEVU YOUTH IN AGRICULTURE: WARD 18: HOUSEHOLD FOOD GARDENS.	R25 000
2. COMMUNITY NUTRITION DEVELOPMENT CENTRE: WARD 4 AND 5.	R100 00

Victim empowerment programmes.

Name of project	Amount
1. IKHWEZI WOMEN SUPPORT CENTRE: WARD 4.	R300.000.
2. KUSILE WHITE DOOR CENTRE OF HOPE: WARD 15.	2. R200.000.
3. TOISE WHITE DOOR CENTRE OF HOPE: WARD 5.	3. R200.000.
4. FRANKFORT WHITE DOOR CENTRE OF HOPE: WARD 8.	4. R200.000.
5. ELUNCEDWENI WHITE DOOR CENTRE OF HOPE: WARD 2.	5. R200.000.

PROPOSED PROJECTS BY DEPARTMENT OF SAFETY 2017/18

Activity	Police Station area	Budget
Crime awareness campaigns	Moyeni ;Peddie; Keiskammahoek Willowvale; Stutterheim Mooiplaas ; Fort Beaufort ; Bolo Jan Msobomvu	R180 000
Unannounced visits	Keiskammahoek; Stutterheim Centane; Fort Beaufort Idutywa; Hamburg; Peddie Butterworth; Kei Rd; Hogsback Komga; Seymour, Kubusie Drift	NCI
Service Delivery evaluations at police station	Keiskammahoek	NCI

CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM

6.1 INTRODUCTION:

Amahlathi Local Municipality is committed (in line with the Local Government: Municipal Systems Act No 32 of 2000) to pursuing its vision through meeting the municipal objectives framed in its IDP document. In so doing, it seeks to harvest synergies through aligning the activities and developing the relevant competencies of its employees through the setting, monitoring, assessment and rewarding of the achievement of municipal objectives. The municipality seeks to maximise, in a sustainable way, delivery in terms of these set outcomes, the growth of talent and capabilities and fairly rewarding exceptional performance while taking corrective measures where set performance standards are not met. The Municipality commits itself to providing a fair and transparent mechanism to guide the activities of each employee, identifying and creating opportunities for staff development, and implement a seamless performance measurement structure through which performance shall be assessed at all three levels, namely, municipal, departmental as well as individual levels.

Amahlathi Local Municipality shall at the outset of each performance cycle which shall coincide with the financial year, develop and/or populate an institutional balanced score card with municipal objectives derived from the municipality's IDP and/or SDBIP. The objectives shall include timeframes, quality requirements and measurable milestones. The measured deliverables will be clustered under Balanced Score Card dimensions. Section 56 Managers shall account individually and collectively for progress on the set objectives. While performance bonuses for employees on fixed-term contract shall primarily be based on their individual performance contracts, institutional performance shall be an important factor in the final determination of the employees' performance bonuses. The municipality has developed Performance Management System Policy Framework which was adopted in 2011 and is reviewed annually in line with IDP processes.

6.2 Performance Agreement and Accountability Agreements

A Performance Agreement is a strategic document signed on by the performing employee and the employer. It shall reflect the linking of an individual performance plan to the goals of Amahlathi Local Municipality and an analysis of what will be required to achieve effective performance.

Once organizational objectives and targets have been set, these will be cascaded down to the relevant departments and subsequently to individuals.

- Section 56 Managers shall develop and sign performance agreements and plans that will contribute towards the achievement of the municipality's objectives and targets.
- All senior managers and managers from Task Grade 15 to 18 shall also be signatories to their respective section 56 managers' performance agreements and development plans based on their relevant SDBIP key performance indicators.

- Employees from Task Grade 12 to 14 shall sign Accountability Agreements (AA), Performance Plans as well as Personal Development Plans (PP).
- Employees from Task Grade 1 to 11 shall sign Performance Promises (PP), Action Plans as well as Personal Development Plans.

6.3 Purpose of the Performance Management System:

This Performance Management System seeks to establish a systematic way through which both organizational and individual performance appraisal is to be done. The municipality is under pressure to perform due to scarcity of resources, community accountability and customer expectations. While the organizational performance is to be assessed, it is in fact the people inside the organization, working together towards a common goal who are responsible for the achievement of the organizational targets.

These are components of the same system that have to complement each other, failing which the system will not be stable and will not hold together.

The municipality performance targets are cascaded to constitute the performance targets of the municipal manager who by order of delegation develop these into performance targets of each manager.

The adopted approach of Score Cards will make use of the following perspectives: -

- ✦ Municipal Transformation and Institutional Development
- ✦ Service Delivery and Infrastructure Development
- ✦ Municipal Financial Viability
- ✦ Good Governance and Public Participation.
- ✦ Local Economic Development.

The scorecard approach will be used at the municipal / organizational level, which will level the strategic priorities, as determined by the council from year to year.

At the second level the scorecard will capture the performance of the relevant Department and this will be a service scorecard. The service scorecard will show a comprehensive picture of the performance of the department.

At the municipal level it will be more a governance perspective that will be portrayed while at department level will be stakeholder related to simplify the reporting system to the Manager. The components of the service scorecards will be:

1. Service outcomes, which sets out the developmental outcomes that the department is to impact upon.
2. Service deliverables, which sets out the products and services that the department will deliver.

3. Resource management, which sets out how the department will manage its human and financial resources, information and infrastructure.
4. Stakeholder relations, which set out how the department will improve its relationship with the stakeholders.

6.4 Performance Assessment

Performance review meetings are an integral part of the monitoring process. These reviews must take place as often as is practical and or required by circumstances. Performance at the individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise, as well as to:

- a) Determine progress and/or identify obstacles in achieving objectives and targets;
- b) Enable supervisors and employee to deal with performance-related problems;
- c) Identify and provide the support needed;
- d) Modify objectives and targets; and
- e) Ensure continuous learning and development.

The Assessment shall be performed as follows:

- a. Quarterly performance assessment shall be conducted for all contracted employees within 14 days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:

INTERVAL	PERIOD	EVALUATION DEADLINE
First quarter (July	(July – September)	14 of October
*Second quarter	(October – December)	14 of January
Third quarter	(January – March)	14 of April
*Fourth (last) quarter	(April – June)	14 of July

- b. The quarterly assessment shall be performed between the Employee and his/her immediate superior.
 - c. The assessment shall be based on actual achievement of the Indicators agreed for each deliverable or output.
 - d. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the Indicator, on the following scale:
- 1.1 Achievement Levels
 - The achievement levels indicated in the table below serve as a benchmark for appointments, succession planning and development interventions.

- Individuals falling within the Basic range are deemed unsuitable for the role of senior manager, and caution should be applied in promoting and appointing such persons.
- Individuals that operate in the Superior range are deemed highly competent and demonstrate an exceptional level of practical knowledge, attitude and quality. These individuals should be considered for higher positions, and should be earmarked for leadership programs and succession planning.

ACHIEVEMENT LEVELS	RATING	ACHIEVEMENT LEVELS
Basic	1-2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

6.5 LINKING PERFORMANCE TO A REWARD SYSTEM

6.5.1 Rewarding Employee Performance – Municipal Manager and section 56 Managers

A performance bonus, based on affordability may be paid to the employees, after:

1. the annual report for the financial year under review has been tabled and adopted by the municipal council
2. an evaluation of performance in accordance with the provisions of the Regulation
3. approval of such evaluation by the municipal council as a reward for a level of performance deserving of a performance bonus in terms of the bonus criteria

The evaluation of the manager's performance shall form the basis for rewarding outstanding performance and correcting below par performance.

- a. In recognition of outstanding performance, a performance bonus ranging from **5% to 14%** of the all-inclusive remuneration package may be paid to a Municipal Manager and Managers directly accountable to him or her.
- b. The performance bonus percentages are determined by calculating the overall rating using the applicable assessment rating calculator.
- c. The quantum of the bonus payable shall be as follows:

If (Bonus Score > = 130 - 133) bonus = 5%
If (Bonus Score > = 134 -137) bonus = 6%
If (Bonus Score > = 138 -141) bonus = 7%
If (Bonus Score > = 142 - 145) bonus = 8%
If (Bonus Score > = 146 - 149) bonus = 9%
If (Bonus Score > = 150 - 153) bonus = 10%
If (Bonus Score > = 154 - 157) bonus = 11%
If (Bonus Score > = 158 - 161) bonus = 12%
If (Bonus Score > = 162 - 165) bonus = 13%
If (Bonus Score > = 166 - plus) bonus = 14%

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the Organizational scorecard, and CCR is the result of an assessment on it's own. The following table depicts the split as follows:

Component	Weighting	Source
Score for departmental performance	80%	SDBIP scorecard score
CCR score of a manager	20%	CCR appraisal result

A. Core Competency requirements

- The competency framework further involves six (6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level.
- There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.
- The competency framework is underscored by four (4) achievement levels that act as benchmark and minimum requirements for other human capital interventions, which are, recruitment and selection, learning and development, succession planning, and promotion.

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS

LEADING COMPETENCIES :		Achievement Level	Weight	SELF-SCORING - HOD	FINAL SCORE MM
Strategic Direction and Leadership	• Impact and Influence	Superior	8.3		
	• Institutional Performance Management	Advanced			
	• Strategic Planning and Management	Competent			
	• Organisational Awareness	Basic			
People Management	• Human Capital Planning and Development	Superior	8.3		
	• Diversity Management	Advanced			
	• Employee Relations Management	Competent			
	• Negotiation and Dispute Management	Basic			
Programme and Project Management	• Program and Project Planning and Implementation	Superior	8.3		
	• Service Delivery Management	Advanced			
	• Program and Project Monitoring and Evaluation	Competent			
		Basic			
Financial Management	• Budget Planning and Execution	Superior	8.3		
	• Financial Strategy and Delivery	Advanced			
	• Financial Reporting and Monitoring	Competent			
		Basic			
Change Leadership	• Change Vision and Strategy	Superior			
	• Process Design and Improvement	Advanced			
	• Change Impact Monitoring and Evaluation	Competent			
		Basic			
Governance Leadership	• Policy Formulation	Superior	8.3		
	• Risk and Compliance Management	Advanced			
	• Cooperative Governance	Competent			
		Basic			

CORE COMPETENCIES	Achievements Levels	Weight	SELF-SCORING - HOD	FINAL SCORE MM
Moral Competence	<i>Superior</i>	8.3		
	<i>Advanced</i>			
	<i>Competent</i>			
	<i>Basic</i>			
Planning and Organising	<i>Superior</i>	8.5		
	<i>Advanced</i>			
	<i>Competent</i>			
	<i>Basic</i>			
Analysis and Innovation	<i>Superior</i>	8.3		
	<i>Advanced</i>			
	<i>Competent</i>			
	<i>Basic</i>			
Knowledge and Information Management	<i>Superior</i>	8.3		
	<i>Advanced</i>			
	<i>Competent</i>			
	<i>Basic</i>			
Communication	<i>Superior</i>	8.3		
	<i>Advanced</i>			
	<i>Competent</i>			
	<i>Basic</i>			
Results and Quality focus	<i>Superior</i>	8.3		
	<i>Advanced</i>			
	<i>Competent</i>			
	<i>Basic</i>			
Total	100%			

B. Performance Evaluation Committee for S57/56 Managers

The Evaluation Panel Committee evaluates Section 56 employees' (including the Municipal Manager's) performance through approval of their final performance ratings, based on the Performance Evaluation Committee's recommendations.

The 2006 Municipal Performance Regulations prescribe the composition of the Evaluation Panel and also stipulates in detail how the evaluation process should be undertaken.

For purposes of evaluating the annual performance of the Municipal Manager (Organization), The Honorable Mayor must establish an evaluation panel, herein referred to Honorable Mayor's Review Panel, constituted of the following persons:

- Honorable Mayor;
- Chairperson of the Audit committee
- Member of the Executive Committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Honorable Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal manager (HoD /Department), the Municipal Manager must establish an evaluation panel, herein referred to Municipal Manager's Review Panel, constituted of the following persons:

- Municipal Manager;
- Chairperson of the Performance audit committee
- Member of the Executive Committee
- Municipal Manager from another municipality.

The Evaluation Panel committee will then prepare a report with the recommendations to the Honorable Mayor for the payment of Bonuses of the Municipal Manager and S56 Managers.

6.5.2 Rewarding Employees below Section 56 Managers

The Employee's assessment will be based on his or her performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key Performance Areas (KPA's), and relevant Competency Requirements respectively. The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the organizational scorecard, and CCR is the result of an assessment on its own.

a. Exceeding Expectation

Employees who consistently exceed the set standards and deliver exceptional work shall be rewarded in the manner to be determined by the Municipal Council as follows:

Rating (score)	Rating (%)	Rating Definition	<i>Non-financial rewards</i>
1-2	100%	Basic	Bronze Medal and 2 special leave days
3	101-116	Competent	Silver Medal and 3 special leave days
4	117-132	Advanced	Gold Medal and 4 special leave days
5	132+	Superior	Platinum Medal and 5 special leave days

b. Performing Below Expectation

Employees who consistently perform below the required standard which in this case is below 100% shall be assisted in boosting their competence through training, close coaching, supervision etc. Should their performance not improve, counselling shall be undertaken.

c. Dealing with Unacceptable Performance

In the case of unacceptable performance, the municipality shall:

- Provide systematic remedial and/or developmental support to assist the employee to improve his/her performance; and
- If after appropriate performance counselling has been undertaken, the necessary guidance and/or support provided and reasonable time allowed for improvement, performance still does not improve, the municipality may consider invoking incapacity proceedings against the employee which may result in the termination of the employee's contract of employment.

6.6 DISPUTE RESOLUTION MECHANISM

Any dispute about the nature of the employee's Performance Agreement, whether it relates to the key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated as follows:-

In the event that consensus between the parties cannot be reached, the fact of non-consensus together with the necessary evidence shall be referred as follows:

- a. In the case of the Municipal Manager, the MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the employee.
- b. In the case of Section 56 Managers reporting directly to the Municipal manager, the Mayor, within thirty (30) days of a formal dispute from the employee.
- c. The MEC for Local Government and the Mayor, respectively, shall have the final say with regard to the Municipal Manager's and the Section 56 Managers' assessment respectively.
- d. In the case of staff other than the Municipal Manager or the Section 56 Managers, the fact of non-consensus together with the necessary evidence shall be escalated in line with the municipality's dispute resolution mechanism as embodied in the relevant Collective Agreement.

6.7 INPUT TO INDIVIDUAL DEVELOPMENT PLAN

- a. The gaps between actual performance and the expected level of performance shall be reviewed by the employee and immediate superior from the perspective of identifying opportunities for training and skills development.
- b. Where such opportunities are identified, they shall be documented and submitted to the Director of Corporate Services, who shall make recommendations to the immediate superior for suitable training interventions to address such skills gaps.
- c. These recommendations will then be processed in terms of the Municipality's Training Policy.

6.8 INPUT TO SUCCESSION PLAN

- a. Each Department will be required to compile a Succession Plan, identifying those employees with the demonstrated potential to advance to more senior positions and estimated timeframes within which the identified employees will be suitably skilled and experienced to take on the additional responsibility of more senior positions.
- b. Only employees whose performance scores are either 4 or 5 must be put on a succession planning programme.
- c. The relevant Section 56 Manager shall liaise with the Corporate Services Director to identify areas where the skills of the employee concerned can be utilized, and strategies to be followed in accommodating the aspirations of the employee within the municipal requirements.

6.9 ROLE OF COUNCIL

In line with the Municipal Systems Act (Act No. 32 of 2000), the Municipal Council commits to participating in the development of its performance management system through the Executive Committee and shall:

- a. Oversee the development of the municipality's performance management system.
- b. Assign responsibilities in this regard to the Municipal Manager who shall submit the proposed system to the Municipal Council for adoption, and establish mechanisms to monitor and review the performance management system.

6.10 MONITORING, REVIEW AND REPORTING

Entails reporting Quarterly to the Audit Committee, Council and the public. In addition, a quarterly report and evidence files are also prepared and sent to Internal Audit to be audited, prior it being sent to council and the performance audit committee.

Reviews/auditing - is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to section 45, of the Systems Act, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General. The Municipality will therefore have to establish frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems

CHAPTER 7: PROGRAMME INTEGRATION

7.1 SECTORAL PLANS & PROGRAMMES

There are a number of sector plans that have been developed for the Municipality which have been adopted by the council of Amahlathi municipality. An analysis that was done found others to be still relevant and the municipality is in the process of reviewing those which were found to be outdated.

List of Adopted Sector Plans

- ☐ Human Resources Recruitment Policy
- ☐ Employment Equity Plan
- ☐ Workplace Skills Plan
- ☐ Human Resources Policies
- ☐ Performance Management System Policy Framework
- ☐ Communication Policy
- ☐ Revenue Enhancement Strategy
- ☐ Communication strategy
- ☐ Audit Committee Charter
- ☐ Waste Management Plan
- ☐ Tourism Master Plan
- ☐ HIV/AIDS Plan

☐ Spatial Development Framework

☐ Environmental Management Plan

New Plans and Reviewed Plans

☐ Keiskammahoek Local Development Framework

☐ Stutterheim Local Development Framework

☐ Housing Chapter

☐ Communication strategy

☐ LED Strategy

☐ Rezoning Schemes

☐ Agricultural Plan

Department	Plan	Status	
		Year Adopted	Review Year
Budget Treasury And Office	Budget Policy	28 May 2015	15/16
	Credit Control Policy	28 May 2015	15/16
	Indigent Policy	28 May 2015	15/16
	Rates Policy	28 May 2015	15/16

	Virement Policy	28 May 2015	15/16
	Tariff Policy	28 May 2015	15/16
	Petty Cash Policy	28 May 2015	15/16
	Housing and Rental Policy	28 May 2015	15/16
	Customer Care Policy	28 May 2015	15/16
	Financial Sytems back-up Policy	28 May 2015	15/16
	Supply Chain Management Policy	28 May 2015	15/16
	Asset Policy	28 May 2015	15/16
	Cash Management and Investment Policy	28 May 2015	15/16
	User Account Management Policy	28 May 2015	15/16
	Fruitless and Wasteful Expenditure	28 May 2015	15/16
	Irregular Expenditure Policy and Procedure Manual	28 May 2015	15/16
Corporate Services	1. Long Service Allowance Policy	17-18 Nov 2014	2014/15
	2. Bereavement Policy	17-18 Nov 2014	2014/15
	3. Standby Allowance	17-18 Nov 2014	2014/15
	4. Smoking Policy	17-18 Nov 2014	2014/15
	5. Records Management Policy	17-18 Nov 2014	2014/15
	6. Travel Allowance Scheme for Managers	17-18 Nov 2014	2014/15

	7. Employee Assistant Policy	30-31 Mar 2015	2014/15
	8. Occupational Health and Safety Policy	30-31 Mar 2015	2014/15
	9. Leave Policy	30-31 Mar 2015	2014/15
	10. Telephone and Cellular Phone Usage Policy	30-31 Mar 2015	2014/15
	11. Staff Retention Policy	30-31 Mar 2015	2014/15
	12. HRD Strategy	10 Sept 2015	2015/16
	13. Scarce Skills Policy	10 Sept 2015	2015/16
	14. Civic Funeral Policy	10 Sept 2015	2015/16
	15. Subsistence and Travel Policy	10 Sept 2015	2015/16
	16. Fleet Management Policy	10 Sept 2015	2015/16
	17. Recruitment and Selection Policy	10 Sept 2015	2015/16
	18. Bursary Scheme Policy	Will be done on 03-04 Mar 2016	2015/16
	19. Dress Code	Will be done on 03-04 Mar 2016	2015/16
	20. Job Evaluation Review Policy	Will be done on 03-04 Mar 2016	2015/16
	21. Policy on Policy Development	Will be done on 03-04 Mar 2016	2015/16
	22. Acting Allowance Policy		2014/15

	23. Housing Rental Allowance Policy		2014/15
	24. Code of Conduct for staff members		
	25. Induction Training and staff orientation		
	26. Disciplinary Procedure and Code Collective Agreement		
	27. Substance Abuse Policy		
	28. Employment Equity Plan	June 2007	-
	29. Workplace Skills Plan	June 2011	
Community Services	HIV/Aids Plan	2006	Adopted
	Environmental/Commonage Management Plan	2015	Adopted
	Integrated Waste Management Plan	May 2006	2013 Adopted
	Cemetery Policy	2015	Adopted
Development And Planning	Amahlathi Spatial Development Framework (overarching SDF)	2012	2016
	⑧ Keiskammahoek Local Spatial Development Framework	2011	2016
	⑧ Stutterheim Local Spatial Development Framework		
	⑧ Mlungisi Local Spatial Development Plan	2010	2016 2016

	⑧ Amabele / Ndakana Local Spatial Development Framework	2009 Currently being developed	Consider to consolid ate with Amahlath i SDF
Development And Planning	Tourism Master Plan	2008	Currently being reviewed.
	Led Strategy	2012	-
	Housing Sector Plan	2013	Currently being reviewed
	Land Invasion Prevention Policy and By-law	2014	2015
	Agricultural Plan	2011	-
	SMME Strategy	Currently being developed	-
	Street Trading Policy	2013	-
Strategic Management Services	Performance Management Systems Policy Framework	June 2011	June 2014
	Communication Policy	Developed	
	Public Participation Policy	June 2014	July 2015
	Petitions Framework	June 2014	
	Petitions Policy	Currently being developed	2016
	Code of Conduct	Currently being developed	2016

Office Of The Municipal Manager	Audit Charter	May 2011	-
Engineering Dept. (Electricity section)	<ul style="list-style-type: none"> • Private Protection Equipment (PPE) for Electricity • Electricity By Law • Bush Clearance & Maintenance Within Power line & Servitudes • Planting, Pruning, Removal and Treatment of Street Trees 	Currently being developed	
Engineering Dept.: Roads	<ul style="list-style-type: none"> • Roads Maintenance Policy 	Currently being developed	

This chapter outlines the key strategic priorities of the Amahlathi Municipality, as they have been “translated” into priority projects and programmes for implementation.

It is important to understand that these sectoral plans and programmes relate directly to the main developmental issues of concern to the Amahlathi Municipality (as outlined in Chapter Two), and the Objectives and Strategies for development that were formulated in response to the identified issues. Of note, too, is the fact that the Municipal Performance Management System is guided by the Municipality’s Objectives and Strategies in structuring assessments, as well as the achievement / implementation of projects and programme actions.

The following Programmes and Sector Plans are addressed in this Chapter: -

1. Housing sector Plan
2. Disaster Management Plan
3. Integrated waste Management Plan
4. Transport Plan

7.2 HOUSING SECTOR PLAN

The Amahlathi Housing Sector Plan 2013-2018 has been completed and is currently being reviewed with the support from Department of Human Settlements.

During the development of the HSP a desktop analysis was undertaken in an attempt to establish the housing needs demand status in Amahlathi. The previous Integrated

Development plan, Census 2001, Community Survey 2007 and the census 2011 were considered. As an outcome of the socio-economic profiling and household type analysis it is estimated that approximately 11 000 housing units are required in Amahlathi LM. The process also incorporated an analysis of the current settlement forms and patterns, levels of engineering services.

A strategy for meeting the estimated housing backlog has been proposed and the implementing bodies are suggested at being the ALM, Amathole district municipality and the ECDoHS. In certain areas training of the Amahlathi Housing Unit Officials has been proposed and this shall be provided by the Eastern Cape Department of Human Settlement. For effective implementation, facilitation and monitoring of the current and future housing projects an organogram has been proposed in the document. An analysis of the current staffing arrangement has also been undertaken.

Lastly, due to empirical evidence it is proposed that housing projects should be linked to other related infrastructure projects such as roads, electrification rollout programmes. It is important to consider that the Housing Department proposes an integrated approach to housing delivery. This means that the alignment of engineering and community services programmes with housing projects is important if the housing project implementers and ALM are to provide integrated and self-sustaining settlements.

The housing sector plan also indicates land parcels that are under claim but at present none of these land parcels shall hinder the planned human settlement projects. The plan also makes acknowledgement of the household socio-economic standing of the ALM population in that the majority of residents depend highly on state grants and similarly in terms of housing demand the majority of housing demand is on the RDP programme. It is perceived that should there be growth in economic development of the towns and the household incomes and social standings improve then the housing product that is required would differ accordingly and the municipality together with the department of human settlements would have to acknowledge such and seeks to implement.

7.3 INTEGRATED WASTE MANAGEMENT PLAN

Amahlathi Municipal Integrated Waste Management Plan has been completed and has been implemented for the past three years. It has been reviewed in 2013 and approved by the Council. It was endorsed by the honorable MEC on the 18th of December 2013.

There are three operational landfill sites;

- Stutterheim is licensed
- Cathcart – process of developing a transfer station
- Keiskammahoek is licensed

There is the By-law that is currently in the process of review and will be adopted by end of June 2015 but it addresses the issue of illegal dumping and will be enforced by the Waste Management Officer.

There are waste management projects such as Recycling and Awareness and or Clean-up campaigns (door to door, schools etc) to address the waste management challenges in Amahlathi Municipality.

There are SALGA and District waste forums attended by the waste management section.

7.4 TRANSPORT PLAN

The Amahlathi Local Municipality Transport Plan will be developed in line with the Amathole District Municipality Transport Plan, which is a legal requirement in terms of current assignment of powers and functions.

It should be noted that proposed capital projects emanating from the Amathole District Municipality Integrated Transport Plan are included in the five-year capital expenditure plan.

7.5 DISASTER MANAGEMENT PLAN

In terms of the current assignment of powers and functions, the Amahlathi Municipality is required to administer and manage the disaster management function. However, given the current capacity constraints, the Amahlathi Municipality actively participates in disaster management processes and procedures within the framework of disaster management support provided by the Amathole District Municipality. Communication between the two Municipalities is therefore a critical element in the current disaster management procedures.

In line with the District Municipality's role to capacitate Local Municipalities, a Sub-Regional Disaster Control Centre is to be developed in Amahlathi Municipality. Premises for this Centre have been identified in Stutterheim.

In the interim, the Amathole District Municipality has completed the 1st Phase of a District Disaster Management Plan, which will point the way forward for the Amahlathi Municipality in this regard.

7.6 POVERTY ALLEVIATION PROGRAMME

It is noted that a number of initiatives are critically to the essence of poverty alleviation in the local area. These include the implementation of the Consolidated Land Restitution Programme in Keiskammahoek and the resuscitation of irrigation schemes in the Amahlathi Municipal area.

It is important to note that Local Economic Development within Amahlathi is currently greatly improved in the implementation of economic development initiative.

CHAPTER 8: FINANCIAL PLAN

The purpose of this chapter is to summarize a financial plan that supports the long-term financial sustainability of the Amahlathi Municipality. The financial plan is necessary to ensure that the municipality is able to effectively and efficiently implement its mandate. The financial plan is prepared to assist in the planning of operating and capital expenditure within the municipality and in so doing, maintain financial stability and sustainability. The municipality must make use of its available financial resources in an effective, efficient and economical manner when achieving the targets and objectives of the IDP. Thus the financial strategies specified in the financial plan must play a part in achieving these.

The IDP is the guiding document for the 2017/18 budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the imperatives of the strategic direction. Thus compilation and approval of the 2017/18 Medium-term Revenue and Expenditure Framework (three year budget) was a direct product aligned to the imperatives and strategic direction of the Amahlathi. The link between Government's priorities and spending plans is not an end in itself, but the goal should be to enhance service delivery aimed at improving the quality of life for all the people within the municipality.

In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is only required to encompass planning periods of the next financial year and the two outer financial years thereafter. The financial plan of the Amahlathi will cover key budget focus areas and will also cover the current financial year's information as well as the previous three financial years' audited information.

8.1 FINANCIAL FRAMEWORK

The uniqueness of the area in which the municipality has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The Amahlathi can be categorized as a rural municipality and thus requires significant additional resources and funding to accomplish expected development and service delivery. From a financial perspective the financial viability and sustainability of the municipality remains priority.

8.1.1 Sufficient Revenue base

The ALM requires access to sufficient revenue sources from both its own operations and from government transfers and subsidies in order to perform its duties and responsibilities. The timing of the receipt of the revenue resources is of critical importance as it has a direct impact on the cash flows of the municipality. Without the receipt of revenue, suppliers cannot be paid for services rendered and goods received.

The DORA sets out the funding that will be received from National Government for the 2017/18 to 2019/2020 financial years. The municipal grants and subsidies have declined putting more pressure on municipal expenditure. The debtors' collection rate is monitored on a monthly basis. This information assists the municipality in determining its financial position more accurately and can be used to make decisions pertaining to levels of borrowing if required.

Percentage of income Realized in the past two years

Income Category	2015/16	2014/15
Property Rates	94%	62%
Services Charges	108%	102%
Interest received on investments	111%	154%
Rental of facilities & Equipment	79%	168%
Government Grants & subsidies	125%	121%

8.1.2 Cash flow position and sustainability

The availability of cash and sound cash management is critical for the short, medium and long term existence of the municipality. The Amahlathi operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The debtors' turnover/debtors' days has a significant impact on the liquidity/availability of the cash of the municipality as suppliers are to be paid within 30 days of receipt of the invoice in terms of Section 65(2)(e) of the MFMA, while the average debtors' days exceeds 90 plus days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality. Over the medium to long term the Amahlathi is to attempt to reduce the debtors' days to at least 45 days.

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the Amahlathi's cash reserves. Amahlathi must ensure that its budget is balanced and cash-backed, meaning that the expenditure must be covered by realistically anticipated revenue to be received or collected. Services are to be provided at both an affordable and sustainable level. The service charges levied by the Amahlathi remain at a 6% increase. The Equitable share grant received from National Government is used mainly to provide basic services to poorer households; the equitable share has declined putting more pressure on service delivery. Unfunded mandates remain a financial strain on the Amahlathi's revenue sources.

8.1.3 Accountability and transparency

The Amahlathi is accountable to the taxpayers and communities, who are the providers of the resources, of how resources are utilized, managed and safe-guarded. Hence the IDP and budget processes are open to public participation. Appropriate internal controls are in place in order to prevent and detect prospective corruption. The Amahlathi has reporting procedures to produce accurate financial information for both management and oversight decision purposes.

8.1.4 Development and investment

The manner in which the Amahlathi takes on new debt and manages debt to finance investment in infrastructure related activities has a considerable impact on the solvency and liquidity of the municipality as both the capital and interest portions of the installments are payable for the leased Plant and Machinery. The municipality has settled the historical loan it had with DBSA.

Below is a table depicting the extent of the investment made by the municipality in terms of capital projects to be implemented in 2017/2018 financial year:-

Draft Capital Projects 2017/18		
Vote Number	Project Name	Budget
030-118-4-01-3048	Mlungisi Sportsfield	4 800 000.00
030-118-4-01-3047	KKH Fire Station	2 500 000.00
030-118-4-01-3036	Amahlathi Highmast Lights	4 200 000.00
030-118-4-01-0000	Ethembeni Internal Roads	2 200 000.00
030-118-4-01-0000	Kei Road Internal Roads	2 700 000.00
030-118-4-01-0000	Nothenga Internal Roads	2 345 300.00
030-118-4-01-0000	Rhawini Internal Roads	2 700 000.00
030-118-4-01-0000	Langdraai Internal Roads	2 800 000.00
030-118-4-01-0000	Zingcuka Internal Roads	2 900 000.00
130-148-4-01-0150	Upgrade 11KV	5 000 000.00
		32 145 300.00

8.2 FINANCIAL STRATEGIES

The financial plan of the municipality is intended to enhance the financial sustainability and viability through the following strategic financial objectives:

- Revenue raising strategies;
- Asset management strategies;
- Financial management strategies;
- Capital financing strategies; and
- Operational financing strategies;

8.2.1 Revenue Raising Strategies

Some of the significant programmes and projects that the municipality is implementing are as follows:

- The implementation of the reviewed and approved Rates Policy, Tariff policy, Debt collection and Credit Control policy, Indigent Policy, Budget policy Investment policy etc. These policies outline the relevant procedures of levying tariffs, credit control, debt collection and indigent support. The indigent policy also defines the qualification criteria for indigent status. The tariff policy endeavors to levy affordable and sustainable service charges for services rendered to all consumers within the municipal area.

8.2.2 Asset Management Strategies

The municipality continues to ensure the safe-guarding of its assets as well as sound management of its assets. This is mainly achieved by the following:

- Implementation of the reviewed Asset Management Policy and Strategy. This policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register.
- Further to the policy and strategy, the municipality uses the BAUD Asset Management System in order to capture, track and update the Asset register. This is done to assist in the improved control and management of assets, particularly moveable assets. This system also includes the production of a GRAP compliant asset register.

8.2.3 Financial Management Strategies

Some of the more significant programmes include the following:

- Review of the existing Financial Management System to ensure relevance and readiness for Municipal Standard Chart of Accounts (mSCOA).
- Integration of all computerized systems to ensure accurate, relevant and timely reporting to all stakeholders.
- Update of accounting policies to ensure relevance and compliance with GRAP
- Continue the implementation of public participation in the budget process.
- Monthly monitoring of budget variances through the financial reporting.

8.2.4 Capital Financing Strategies

The grant funding received from national government has a significant influence on the capital investment programmes of the municipality. The municipality is faced with a challenge of continuous under spending in MIG funding which has affected the MIG funding negatively for 2017/18. Better planning is required to ensure that municipal projects are implemented as planned. The table below indicates the percentages of capital expenditure for the past two years.

Detail	Year 2015/16	Year 2014/15
Capital Expenditure	89%	56%

8.2.5 Operational Financing Strategies

In the budget for the financial year 2016/2017, a R40 million from accumulated surplus was used to finance the deficit on the operating account. At the end of the 2015/2016 financial year the payroll costs excluding remuneration of councillors were 34% of total expenditure, while the 2016/17 budget yields a percentage of 44%.

For the 2016/17 financial year, the total expenditure, excluding capital expenditure, amounted to R235 037 000. The repairs and maintenance expenditure as a percentage of total operating expenditure remains below 8%. This is mainly as a result of the salaries for staff being employed to perform maintenance duties being part of the employee costs and not repairs and maintenance.

The current expenditure trends have informed the following assumptions:

- that payroll cost will increase at 7% pa;
- that other operating expenditure will not increase due to budget constraints;

The municipality remains grant dependent with its revenue base comprised of 52% grant income and 48% own revenue. The municipality has valued its properties for the valuation cycle (2014 – 2018) and the valuation roll is implemented with effective from 1 July 2014. Revenue collection for other service charges is decreasing whilst

the revenue generated on electricity service charges is increasing. While there is an increase in revenue generated on electricity service charges there is an increase in distribution losses and Bulk purchases. This has a negative impact on collections which is indicative of cash flow constraints in 2016/2017 financial year and the years to follow. The budget for 2016/17 is based on a credible and cash-backed basis taking into consideration the collectable revenue.

8.3 THREE (3) YEAR FINANCIAL PLAN

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. With the compilation of the 2017/18 MTREF, each strategic department had to review the business planning process, setting of priorities and targets. The extensive business planning process as undertaken with the compilation of the 2017/18 MTREF has essentially been refined and further aligned incorporating key measurable objectives and targets to ensure the planning process translates into actual performance.

Description	2017/2018	2018/2019	2019/20
Operating Revenue			
Property rates	16 771 392	17 727 361	18 720 094
Service charges	51 802 080	54 754 799	57 821 067
Investment revenue	6 800 000	7 187 600	7 590 106
Transfers recognised - operational	101 163 700	100 292 800	100 645 900
Other own revenue	49 083 347	49 601 099	50 138 760
Total Operating Revenue(Excluding Capital Transfers)	225 620 519	229 563 659	234 915 927
Operating Expenditure			
Employee costs	113 567 743	119 847 938	126 456 756
Remuneration of councillors	13 243 862	13 998 762	14 782 693
Depreciation & asset impairment	26 000 00	27 482 000	29 020 992
Finance Charges	100 000	105 700	111 619
Materials and bulk purchase	28 000 000	29 596 000	31 253 376
Other expenditure	44 708 914	38 533 259	33 290 491
Total Operating Expenditure (Excluding Capital Expenditure)	225 620 519	229 563 659	234 915 927

8.4 SUMMARY OF AUDIT OUTCOMES

AMAHLATHI 4 Year Audit Outcomes	2012/13	2013/14	2014/15	2015/16
Clean Audit Opinion Unqualified opinion, with no findings				
Unqualified Audit Opinion Unqualified opinion, with findings	Unqualified		Unqualified	Unqualified
Qualified Audit Opinion Qualified opinion, with findings		Qualified		
Adverse Opinion Adverse opinion, with findings				
Disclaimer of Opinion Disclaimer of opinion, with findings				

The municipality has continued to improve on its audit outcomes and has maintained an unqualified audit opinion for two consecutive years. This positive result is a result of the dedication of the staff to maintain and improve on the audit outcomes. In addition the municipality develops action plans to manage the resolution of the audit findings. Furthermore, Amahlathi has developed an Audit Action Plan in responding to findings raised by the Internal Audit and the Auditor General.

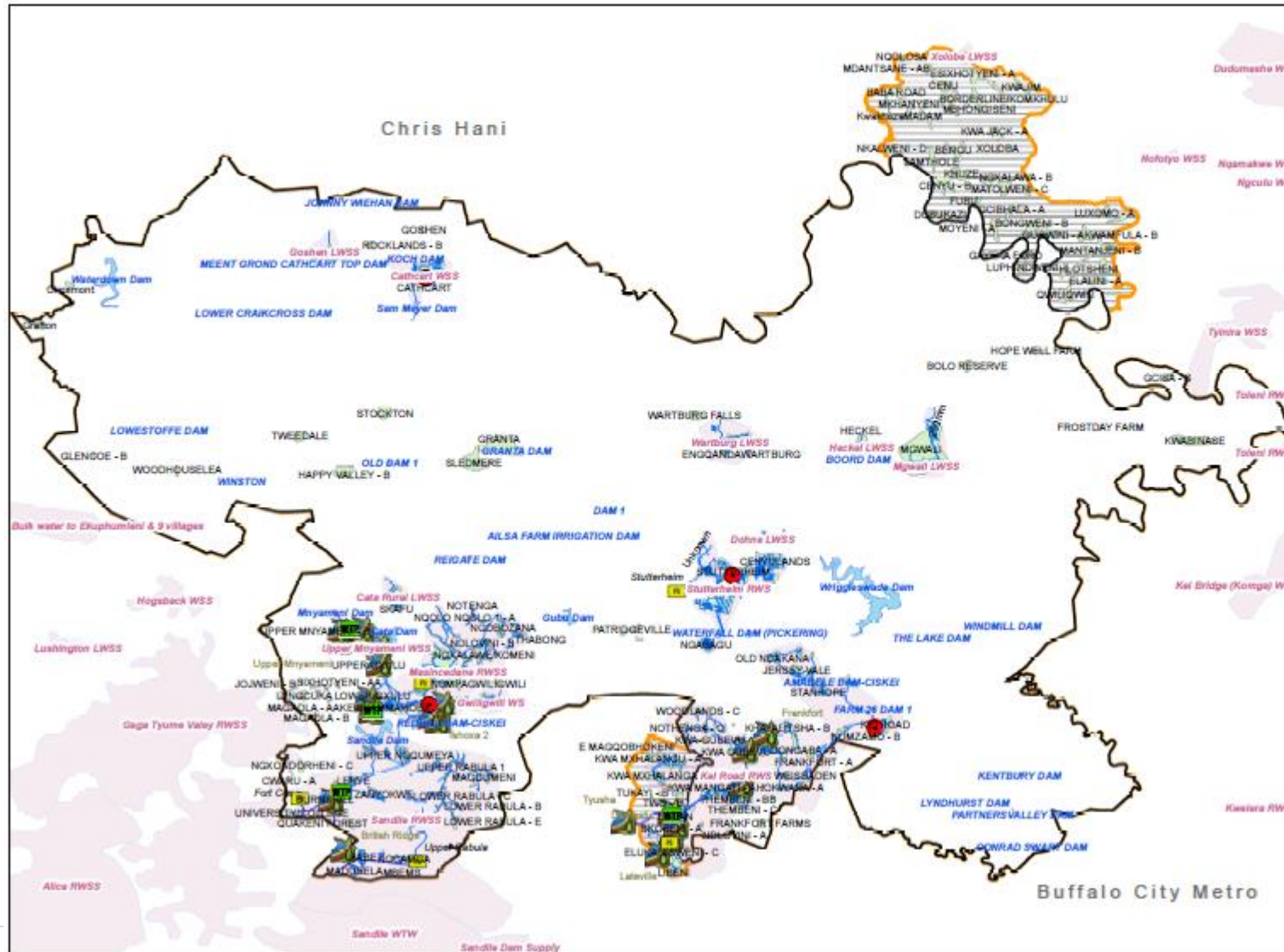
CHAPTER 9: AM AHLATHI DEVELOPMENT PLANS

THERE ARE FOUR SPATIAL DEVELOPMENT PLANS:-

1. Amahlathi Spatial Development plan that was adopted in 2006 reviewed and adopted in 2013.
2. Ndakana Spatial development plan has been developed in 2015.
3. Mlungisi Spatial Development plan that was adopted by the council on May 2009 and will be consolidated with Stutterheim SDF.
4. Keiskammahoek was adopted in 2011 and will be consolidated with the Stutterheim SDF review.



AMATHOLE NEW DEMARCATONS - AMAHLATHI



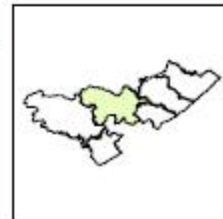
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Date: June 2018

Wessels Park,
3-23 Philip Paine Road
Chantunet, 5240

Tel: 043 782 0412;
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Projection:
Transverse Mercator
Spheroid: WGS 84

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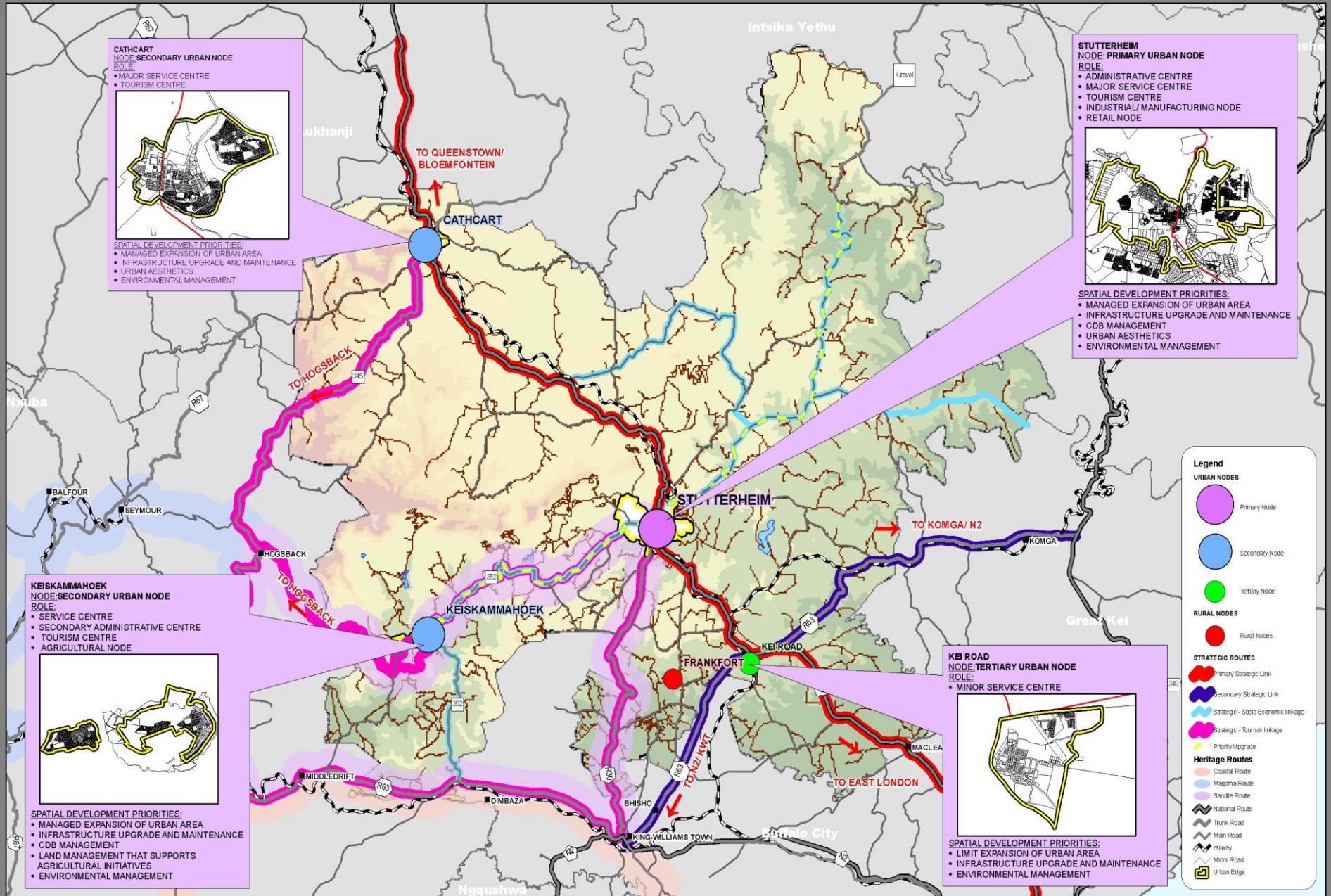




TITLE: NODES AND ROUTES

AM AHLATHI SPATIAL DEVELOPMENT FRAMEWORK

PLAN NO.:5.1



CHAPTER 10: IDP & BUDGET PROCESS PLAN

SECTION ONE: IDP PROCESS PLAN

1. INTRODUCTION

On the 31st May 2016, Amahlathi Municipality adopted its 2016/17 Integrated Development Plan (IDP) for the municipality. The IDP was developed in accordance with requirements set out in the Municipal Systems Act (32 of 2000) and Local Government Municipal Planning and Performance Management Regulations (2001).

Section 28 (1) of the Municipal Systems Act no. 32 of 2000 states that each municipal council must, within a prescribed period after the start of council's elected term, adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. The way in which the IDP process will be undertaken is outlined in Process Plans which all municipalities must prepare. These Process Plans need to comply with this Framework Plan to ensure alignment and co-ordination between district and local municipalities as stipulated in the Municipal Systems Act.

The Local Government: Municipal Planning and Performance Management Regulation, 2001 provides elaborately on the contents of the Integrated Development Plan and the processes the Municipality must subject the IDP process into when doing its development or review.

1.1 Legal context

According to Section 27(2) of the Municipal Systems Act, the framework plan binds both the district municipality and the local municipalities. The Act states that the framework plan must at least cover the following issues:

- Identify plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;
- Identify matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;
- Specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
- Determine procedures:
 - i) For consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
 - ii) To effect essential amendments to the framework.

The Municipal Finance Management Act (MFMA) is very clear in respect to time-frames for the IDP and the budget. The MFMA requires the budget and IDP schedule (or the IDP Process Plan) to be adopted by Council by the end of August, the budget and IDP to be tabled before the council in March and Budget and IDP to be adopted by council in May (section 21 and 24).

1.2 Elements of IDP development

The IDP reviewal process is mainly geared towards picking up on early-warning sign for corrective action whenever it is required. The Performance Indicators are flowing from the IDP and constitute the heart of the Performance Management System. The above lay the basis for the review of the Integrated Development Plan.

Aside from the statutory imperative, it is necessary for Amahlathi Municipality to review its IDP in order to:

- Ensure the IDP's relevance as the municipality's strategic plan
- Inform other components of the municipal business processes, including institutional and financial planning and budgeting
- Inform the cyclical inter-governmental planning and budget processes

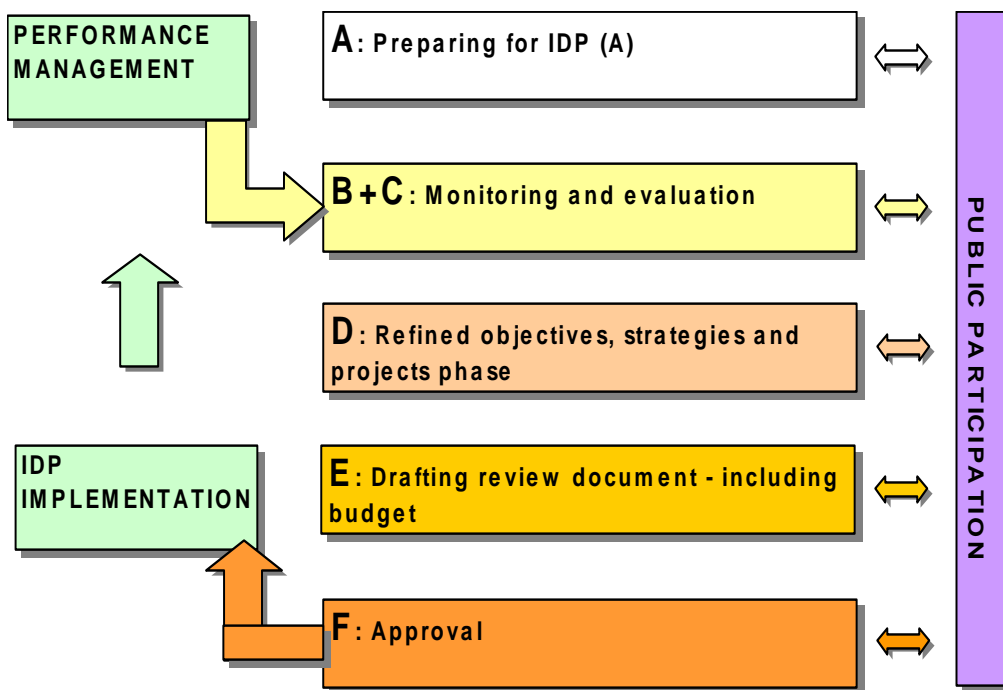
In the IDP review cycle changes to the IDP may be required from these main sources:

- Comments from the MEC, if any;
- Incorporation of the most recent descriptive data
- Review and refinement of the objectives and strategies
- Review and refinement of the projects
- Amendments in response to changing circumstances; and
- Improving the IDP process and content.

The significant development, which in all probabilities will have a huge impact on the IDP, is the Community Based Planning. The Community Based Planning is a planning instrument, which is geared towards the enhancement of the community participation component of the IDP. Of particular concern has been the inability of the IDP to translate community participation into an organic process.

1.3 IDP Process

This process describes a continuous cycle of planning, implementation and review as can be seen in the figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the reviewed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated for consideration in the next IDP review (DPLG, IDP Guide Pack, Guide IV).



Each of these steps is reflected in the Action Plan which outlines the time frames and activities within which these steps should take. Because the roll out of the PMS is part of the review process, it is also included in the Action Plan.

2. ORGANISATIONAL ARRANGEMENTS

Four structures will guide the IDP Review Process within the Amahlathi Municipal Area

- 2.1 IDP & Budget Steering Committees
- 2.2 Inter-Governmental Relations
- 2.3 IDP Representative Forums

2.1 IDP & Budget Steering Committee

The Mayor of a municipality must establish a Budget Steering committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act (MFMA) The Budget Steering Committees shall be comprised as follows guided by MBRR.

- (a) the councilor responsible for financial matters;
- (b) the municipal manager;
- (c) the chief financial officer;
- (d) the senior managers responsible for at least the three largest votes in the municipality;
- (e) the manager responsible for budgeting;
- (f) the manager responsible for planning and any technical experts on infrastructure.

An IDP & Budget Technical Working Committee (Task Team) that would function as a technical working team shall be composed of the following members:

- Municipal Manager – Chairperson
- Strategic Planning Manager
- Planning & Development Manager
- Chief Financial Officer
- Engineering Manager
- Corporate Services Manager
- Community Services Manager
- Senior Manager Budget
- IDP & PMS Manager
- Senior Accountant Budget and Reporting, to provide secretariat

The steering committee would provide a technical support to the IDP Driver to ensure a smooth planning process. It is supposed to guide the process. This means that amongst other things it will be responsible for:

- Establishment of the Representative Forum
- Define criteria to choose members of the Forum
- Inform public about the establishment of the forum, request submissions of applications from stakeholders and communities (indicate objectives, activities and number of members)
- Identify additional stakeholders from unorganized groups, e.g. potential academics, advocates, doctors and resource persons.
- Submit proposed groups/ members to the Council for consideration

2.2 *Inter-Governmental Relations*

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings will sit on a quarterly basis and are an information-sharing vehicle where government departments and the municipality give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programmes and projects. It therefore serves as a feeder to the IDP and should sit before the IDP Rep forums.

Only heads of government departments sit on these meetings, failing which representatives sent by these heads, the honourable Mayor, Executive committee members, Municipal Manager, All Amahlathi Head of departments, IDP & PMS Manager, Communications Manager and ADM Communication/ Public Participation representative.

2.3 *Integrated Development Plan Representative Forum*

The most critical structure established for this process, especially for purposes of ensuring maximized participation of different interest groups and sectors, is the IDP Representative

Forum. The rationale behind the establishment of this committee is to ensure that communication channels are kept smooth and efficiently.

The function of the IDP Representative Forum includes the following:

- The Representative Forum will have to ensure that every activity and decisions taken in the IDP development process are communicated to the communities.
- They are also to monitor and ensure that all decisions that are taken with regards to routes that the IDP must take from time to time are followed to the latter.
- They are expected at all times to reflect and safeguard the community inputs. This means that they are the mouthpiece of the communities.
- They represent the interests of their communities.
- Provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government.
- Participate in the process of setting and monitoring key performance indicators.

Ward/PR Councillors, Traditional Leaders and Ward Committees: Their responsibility is to ensure that at all times their mandates in the Integrated Development Forum comes from communities which they represent particularly on issues affecting them. The Ward/PR Councillors, Traditional Leaders and ward Committees are further expected to communicate deliberations of the IDP Representative Forum and always ensure that feedback is given to the communities on progress registered. The minutes on the forums convened are always reported to the Council for considerations.

Ward Planning Forum: Voices of the community responsible for social mobilization, stressing the need to engage with local government to secure services and resources. This forum will champion the planning review processes at a ward level.

District Municipality: The main role of the Amathole District Municipality is to provide technical inputs and assistance on the processes.

2.4 Schedule of meetings

In addition to various meetings, the following meetings are required for the IDP Review Process:

STRUCTURE	DATE
IDP/Budget Steering Committee Meeting	20 July 2016
	13 September 2016
	11 October 2016

	28 November 2016
	12 January 2017
	06 February 2017
	07 March 2017
	09 May 2017
Ward based planning (Mayoral community visits on priority need)	04-21 October 2016
IDP & Budget Representative Forum Meeting	20 September 2016
	24 November 2016
	15 March 2017
	16 May 2017
Intergovernmental Relations Forum (IGR)	11 August 2016
	16 November 2016
	16 February 2017
	10 May 2017
Annual Report public hearings	01 – 10 November 2016
Commencement of Departmental Strat Plans	29 November 2016
Technical Strat Plan	30-31 January 2017
Institutional Strat Plan	15-17 February 2017
IDP/Budget Public Hearings	06 – 10 April 2017

3. MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION

The following public participation mechanisms are proposed for each and every milestone.

Preparation Phase

Adverts on Newspaper

Announcements on Local Radio Station

Monitoring and Evaluation Phase

Representative Forum Meetings

Objectives, strategies and

Representative Forum Meetings

Projects Phase

Reviewed IDP Phase

Public Hearings

Representative Forum Meetings

Approval Phase

Adverts on Newspaper

Announcements on Local Radio Stations

Representative Forum Meetings

Public Hearings

3.1 Public Participation Strategy

Chapter 4 of the Municipal Systems Act will guide in the implementation of the public participation policy for the IDP process. In order to ensure that all stakeholders have the opportunity to be represented on the Representative Forum, the following forms of media will be used are:

- Forte FM
- Daily Dispatch
- Eastern Cape Today
- What's New
- Community Newspapers

To ensure that the needs of unorganized groups are represented as well, advocacy groups and or Non-Governmental Organizations (NGOs) will be used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the languages to be used are:

- English
- Xhosa

4. BINDING PLANS AND LEGISLATION

National legislation can be distinguished between those that deal specifically with municipalities arising from the Local Government White Paper on the one hand and sector planning legislation on the other.

The Municipal Structures and Systems Acts are specific to municipalities. The Systems Act has a specific chapter dedicated to IDPs and is the driving piece of legislation for the development of IDPs. Arising from the Systems Act, the IDP Regulations need to be complied with.

National sector legislation contains various kinds of requirements for municipalities to undertake planning. Sector requirements vary in nature in the following way:

- Legal requirements for the formulation of a discrete sector plans (e.g. a water services development plan).
- A requirement that planning be undertaken as a component of, or part of, the IDP (like a housing strategy and targets).

- Links between the IDP and budget process as outlined in the Municipal Finance Management Bill.
- Legal compliance requirement (such as principles required in the Development Facilitation Act – DFA – and the National Environmental Management Act – NEMA).
- More a recommendation than a requirement, which is deemed to add value to the municipal planning process and product (in this case, Local Agenda 21).

These are highlighted in the table below:

CATEGORY	SECTOR REQUIREMENT	NATIONAL DEPT	LEGISLATION/POLICY
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water Affairs and Forestry	Water Services Act
	Integrated Transport Plan	Department of Transport	National Transport Act
	Waste Management Plan	Department of Environmental Affairs & Tourism	White Paper on Waste Management
	Spatial planning requirements	Department of Rural Development and Land Reform	Land Use Management Act
Requirement for sector planning to be incorporated into IDP	Housing strategy and targets	Department of Human Settlements	Housing Act (Chapter 4, Section 9)
	Coastal management issues	Department of Environmental Affairs & Tourism	
	LED	Department of Economic Development, Environmental Affairs and Tourism, Department of Local Government and Traditional Affairs	Municipal Systems Act
	Integrated Infrastructure Planning	Department of Local Government and Traditional Affairs	
	Spatial framework	Department of Rural Development and Land Reform, Department of Local Government and	Municipal Systems Act, Land Use Management Act Bill
	Integrated Energy Plan	Department of Minerals & Energy	White Paper on Energy Policy, December 1998
Requirement that IDP complies with	National Environmental Management Act (NEMA) Principles	Department of Economic Development, Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)

CATEGORY	SECTOR REQUIREMENT	NATIONAL DEPT	LEGISLATION/POLICY
	Development Facilitation Act (DFA) Principles	Department of Rural Development and Land Reform	Development Facilitation Act
	Environmental Implementation Plans (EIPs)	Department of Economic Development, Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)
	Environmental Management Plans (EMPs)	Department of Economic Development Environmental Affairs	National Environment Management Act (107 of 1998)
	IDP/ budget link	National Treasury	Municipal Finance Management Act
Value adding contribution	Local Agenda 21		

The National Development Plan should be also considered during the review phase.

Each local municipality and the district municipality needs to include those planning documents that have been approved by Council or other strategies that might be relevant to the IDP process in their process plans.

5. PROGRAMME OF ACTION

The action programme will be broken into five phases

- Preparation phase
- Monitoring and evaluation phase
- Objectives, Strategies, Projects phase and Scorecards
- Consolidate Reviewed IDP and Budget
- Approval phase

6. MECHANISM AND PROCEDURE FOR ALIGNMENT

Processes at the District Municipality level inform the alignment process. The framework plan is the guiding document. The municipality was part of the process of drawing up the framework plan together with other Municipalities that are under the Amatole District Municipality.

7. EXISTING DOCUMENTS

- Legally Binding Documents
 - Municipal Systems Act

- Municipal Finance Management Act
- Other Documents
 - Spatial Development Framework
 - Amahlathi LED Strategy
 - Tourism Strategy
 - Indigent Policy
 - Integrated Waste Management Plan
 - Environmental Management Plan
 - Agricultural Plan
 - Revenue Enhancement Plan
 - Housing Sector Plan
 - Employment Equity Plan
 - Workplace Skills Plan
 - Employee Performance Management Policy Framework
 - Community Safety Strategy
 - Disaster, Risk Management and All Hazards Contingency Plan
 - Tariffs Policy
 - Rates Policy
 - Credit Control and debt write-off Policy
 - Cash Management and Investment Policy
 - Asset Management Policy
 - Budget Policy
 - Customer Care Policy
 - Supply Chain Management Policy
 - Communication Strategy
 - Petition Policy
 - Public Participation Policy

8. SOURCES OF FUNDING

FUND	SOURCE	AMOUNT
IDP PROCESS PLAN	ALM	R650 000.00
STRATEGIC PLANNING	ALM	R440 000.00
ANNUAL REPORT	ALM	R180 000.00
TOTAL		R 1 075 000.00

SECTION TWO: BUDGET PROCESS PLAN

1. INTRODUCTION

The concept of a 3-year budget is now well-entrenched in the Council's budgeting process and has been improved upon over the last number of years. Guidelines issued on budget processes by National Treasury from time to time have helped to refine and improve our systems.

The budget proposals for the 2018 MTREF should be informed by Council's Integrated Development Planning Process, particularly in terms of objectives, outputs and targets envisioned for the next 3 years. In this way, budget proposals and the Integrated Development Plan will be properly aligned.

Better budgeting enhances service delivery. This is the main message underlying the Municipal Finance Management and Budgeting Reform Programme and the MFMA. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. The performance management system gives effect to the emphasis on improved transparency and accountability for the management and use of public resources.

The *Budget Process Plan* is issued to the Council, Executive Committee, Municipal Manager and various departments for the preparation of their 2018 MTREF budget proposals. It sets out the tasks to be performed and timeframes for each process. It is imperative that the timeframes are strictly adhered to in order to finalise the budget on time.

2. BUDGET PROCESS

The Medium Term Revenue and Expenditure Framework (MTREF) details 3-year rolling expenditure and revenue plans for Amahlathi Municipality. The MTREF budget process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programmes

The budget process allows Council to:

- **Strengthen and evaluate the alignment between medium and long-term plans and funding proposals**
- **Revise its policy priorities, macroeconomic framework and resource envelope**
- **Evaluate departmental plans and allocate available resources in line with policy priorities**
- **Obtain the required authority from Council to spend [service delivery]**
- **Align parameter setting with budget outcomes and resource allocations.**
- **Link the Integrated Development Planning Process with the budget process**

The purpose of the 2018 budget process will be the completion of a medium-term expenditure framework that apportions resources in line with Council's policy priorities for the next three years. How this will be achieved is described below.

2.1.1 Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

Drafting these three-year plans will guide the policy prioritisation and budgeting process for the 2018 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process.

2.1.2 Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year, the budget parameters are set in September 2016 with the IDP/Budget Steering Committee and IDP/Budget Task Team.

FORMULATING AN MTREF DIFFERS FROM ANNUAL BUDGETING. IN ANNUAL BUDGETING, THE AMOUNT ALLOCATED TO SPENDING PROGRAMMES IS ADJUSTED INCREMENTALLY, WITH HARDLY ANY ALIGNMENT TO POLICY PRIORITIES. AN MTREF PROVIDES THE "LINKING FRAMEWORK" THAT ALLOWS EXPENDITURES TO BE "DRIVEN BY POLICY

Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections [if applicable at this stage].

THE RESOURCE ENVELOPE THAT FUNDS THE NEW PRIORITIES CONSISTS OF THE TWO OUTER FORECAST YEARS OF THE 2017 MTREF. THIS IS THE STARTING POINT FOR THE NEW BUDGET AND PLANNING PROCESS AND IS USED AS A BASIS TO DETERMINE THE

The allocation of resources to the different sections and departments will be largely determined by Council's policies and priorities, which are reviewed during the process of developing the MTREF/budget and will take into account the various departments responsibilities for service delivery.

The timeline for critical budget decisions in the policy review stage of the process is outlined in table 1.

Table 1: Process plan timeline

July – August	Establishment of Budget Steering Committee, IDP and budget process plan review and table to council before 31 August
September	Setting of Parameter
October to November	Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity (functions to be considered)
November to January	Aligning the budget to Council policy priorities
December	Mid-year review process, Costing of personnel requirements, Submission of Budget Proposals
January	Mid- year review approved by council not later 25th January , Consolidate budget submissions
February	Revised Budget Approved by council not later than 28th February
February	Consolidation of budget

March	Exco approval and tabling the Draft budget to Council not later than 31st March
April – May	Public consultation on the IDP and Budget – Council Approval not later than 30th May
June	Submission to National Treasury within 10 days

3. COMPILING MTEF BUDGET PROPOSALS

3.1.1 Budget Principles

Budgeting within the Medium Term Expenditure Framework is based on a set of core principles that relate to:

- Fiscal policy and the budget framework
- Policy priorities and public expenditure
- Political oversight of the budget process
- **Budgeting for service delivery**

3.1.2 Fiscal policy and the budget framework²

Medium-term spending plans of the various clusters for the period 2017/18 to 2019/20 will be prepared within the context of Council's macroeconomic and fiscal framework.

As part of a three-year rolling budget process, the budget framework is revised each year. Additional resources for new expenditure will form part of the macroeconomic forecast. Growth in external funding particularly for capital projects is important if Council is to meet the objectives established in the IDP. Council is dependent on the Equitable Share to provide free basic services and support to the indigent in terms of council's Indigent support Policy.

The MTREF set out in the 2016 budget will define the budget baseline for the 2018 MTREF. The various role-players will have to examine the fiscal implications of new spending pressures and match them to available resources.

3.1.3 Policy priorities and public expenditure

Strengthening the link between Council policy priorities and expenditure is at the core of medium-term budgeting. Expenditure allocation translates policy priorities into the delivery of services to communities, and is therefore a key tool for accomplishing Council's goals.

3.1.4 Political Oversight of the Budget Process

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. The Mayor has established a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

Political oversight of the budget process is essential to ensure that:

- The political executive is responsible for policy and prioritisation
- **Policy priorities are linked to cluster spending plans and the delivery of quality services**

The Budget process commences with parameter and policy assessment and formulation.

Budgeting is primarily about the choices and trade-offs that Council has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Council to manage the tension between competing policy priorities and fiscal realities.

3.1.5 Budgeting for Service Delivery

Strengthening the link between Council's priorities and spending plans is not an end in itself. The goal is to improve delivery of services and ultimately the quality of life of people throughout Amahlathi.

Better budgeting, as mentioned in the introduction, leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. It is important to emphasise the role of performance management which serves to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the IDP.

MEASURABLE OBJECTIVES ARE DEFINED AS SPECIFIC, QUANTIFIABLE RESULTS OR OUTCOMES THAT CAN BE ACHIEVED WITHIN A FORESEEABLE TIME PERIOD. THEY SERVE AS A ROADMAP FOR ACHIEVING THE INSTITUTIONS GOALS AND DEFINE THE ACTUAL IMPACT ON THE MUNICIPALITY RATHER THAN FOCUSING ON THE LEVEL OF EFFORT THAT IS EXPENDED. THEY ARE TOOLS TO ASSESS THE

The municipality must develop and approve measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's IDP. These measurable performance objectives must inform the Service Delivery and Budget Implementation Plan which must be approved by the Mayor within 28 days after the approval of the budget.

AMAHLATHI LOCAL MUNICIPALITY

ACTION PLAN FOR IDP/PMS/BUDGET



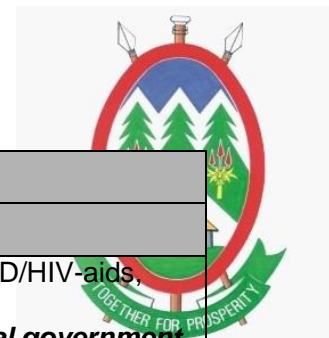
MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
JULY 2016	<ul style="list-style-type: none"> Preparation of the Draft IDP / Budget and PMS Process Plan. Engagement with District and Budget Office for alignment purposes. IDP/Budget Steering Committee IDP Process Plan tabled to Council for approval. 	<ul style="list-style-type: none"> Publicizing Approved SDBIP for inspection and information Signing of new performance contracts for Section 57 Managers 2015/16 Final S57 Managers' Performance Assessments. Submission of Q4 SDBIP Reports Quarter 4 performance report submitted to Council 	<ul style="list-style-type: none"> Preparation of the Draft IDP / Budget and PMS Process Plan. Engagement with District and Budget Office for alignment purposes.
AUG 2016	<ul style="list-style-type: none"> Self-assessment to identify gaps in the IDP process. Council Meeting (Budget & IDP Process Plan, Annual Performance Report, Financial Statements and Draft Annual Report) Submissions to AG, MEC and Treasury etc. (Annual Performance Report, Annual Financial Statements and Draft Annual Report) 	<ul style="list-style-type: none"> Submission of Performance Agreements to EC- Cogta Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council Quarterly Audit Committee meeting (for the last quarter of 15/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) Evaluation Panel Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b) Submission of draft annual report (MFMA Circular 63) 	<ul style="list-style-type: none"> Establish Budget Steering Committee Establish the Budget Task Team. The team would be representative of each department. Departments will requested to confirm nominations to the team. The BTO will be the coordinator and facilitator of the team. Review the budget processes undertaken for the previous year budget preparation, and adapt the processes to address deficiencies and develop improvements. Ensure that technical systems, procedures and standardised documentation are in place. Review allocation of powers and functions for possible changes impacting on next budget. Determine the financial position of the municipality and assess its financial capacity and potential Impacts on future strategies and budgets.

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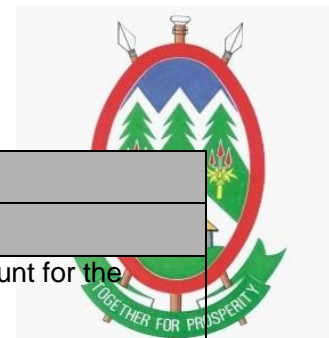
MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
			<ul style="list-style-type: none"> Present the budget process plan to the Executive Committee for adoption
SEPT 2016	<ul style="list-style-type: none"> Advertisement of the IDP/Budget/PMS Process Plan Review and updating of the IDP Vision, Mission and Objectives. IDP/Budget Steering Committee Meeting Advertise to resuscitate the IDP Rep Forum IDP Rep Forum meeting (22 September) 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> Budget team to make suggestions on any structural changes to the budget. The Executive Committee to establish the future directions and priority areas for the municipality to guide the budget allocations. Set parameters for the next three years based on market trends and other information available: <ul style="list-style-type: none"> Tariff increases Salary increases General expenses Repairs and Maintenance Key changes to be reflected considering all strategies and studies Develop priority areas Reflect on all factors that could potentially impact on future budgets Confirm existing and set new policy priorities for next three years. Determine the funding/revenue potentially available for next three years. Investigate and make recommendations regarding any possible additional sources of funding/revenue. Each Cluster Champion to submit to the finance department all funding available to the cluster for the next three years from National, Provincial (DORA) and District. <p><i>This could for example include:</i></p> <ul style="list-style-type: none"> Infrastructure Grants Recurrent Grants Equitable Share

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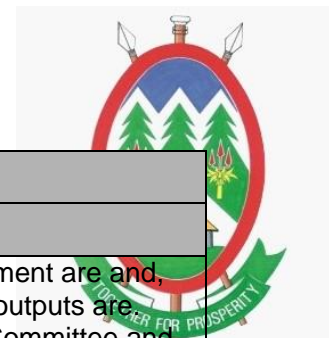
MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
			<ul style="list-style-type: none"> Other (e.g. Disaster Management/LED/HIV-aids, DOT) <p>NB - funding identified is to be as per local government financial year and not National financial year.</p> <ul style="list-style-type: none"> Determine the most likely financial outlook and identify need for changes to fiscal strategies. Refine funding policies including tariff structures, if necessary
OCT 2016	<ul style="list-style-type: none"> IDP/Budget Steering Committee Meeting Process Plan and the role of the Steering Committee Develop agenda for Rep forum Priority needs assessment (Ward Community visits) Council Adopts Audited Annual Report 	<ul style="list-style-type: none"> Submission of Q1 Reports by HOD's Q1 Reports tabled to Council (for first quarter of 16/17) MPPR Reg. 14 Sect 57 Managers' quarterly informal assessments (for first quarter of 16/17 on the 14th of October) 	<ul style="list-style-type: none"> Review and update pricing strategies of National Regulators e.g. NERSA HOD's to assess the Human Resource component of the operating budget for the next year and the two following years and make submissions to the BTO. Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing. The submissions on HR would then be considered by the Municipal Manager in consultation with each HOD, to be facilitated by the finance department. The submissions on the HR component of the budget to be provided to the HR department. The HR Department would then be responsible for determining the costs associated with the submissions. This information is then captured by the finance department. The BTO will then consider whether the costs are within the parameters set for salary costs and refer back to the HOD,s and Municipal Manager if necessary

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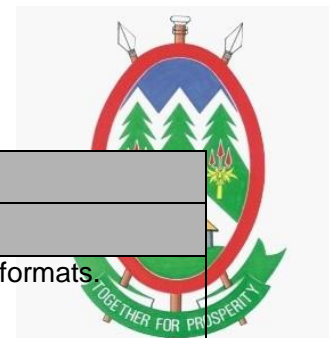
MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
			<ul style="list-style-type: none"> HR to calculate the required budget amount for the Leave Gratuity Fund.
NOV 2016	<ul style="list-style-type: none"> IDP/Budget Steering Committee Meeting Rep forum meeting (24th November) Budget Assumptions & Strategies Identification of priority needs. Departments to submit situation analysis and or status quo for IDP review Commencement of Departmental Strat plans (29th November) 	<ul style="list-style-type: none"> Quarterly Audit Committee meeting (for the first quarter of 16/17) MFMA Sect 166 & MPPR Reg. 14(3)(a) Annual Report Public hearings (01st to 10th November) 	<ul style="list-style-type: none"> Departments are to scientifically determine operating income/costs linked to the budget for the next three years under the budget categories:- <ul style="list-style-type: none"> General Expenses Repairs and maintenance The finance department will be instrumental in determining budget figures for:- <ul style="list-style-type: none"> Insurance Interest and redemption Provision for bad debts Interest earned Contributions Remissions Administration charges Depreciation These costs are to be submitted to the BTO for inclusion in a line item budget designed for three years. The templates will be provided by the BTO. Departments are to consider projections on past performance and adjusted for known factors, known commitments and asset maintenance requirements. Adjust plans to align with resources available and policy priorities. Departments are to submit text summaries for each cost/functional Centre on what is contained in the operating budget, what are the major changes, what

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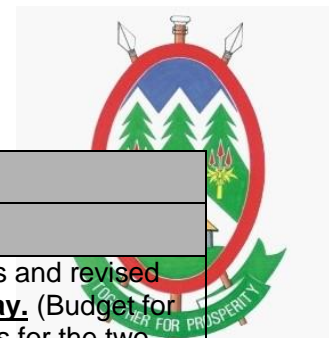
MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
			<p>are the major functions of the department are and, what the key objectives/measurable outputs are.</p> <ul style="list-style-type: none"> ▪ BTO to confirm dates for Executive Committee and Council meetings for the next calendar year in order to ensure legislative compliance. ▪ Departments are to submit any changes to the current year budget for inclusion in the adjustment budget.
DEC 2016	<ul style="list-style-type: none"> ▪ Submit Situation Analysis to Council with Community priority needs 	<ul style="list-style-type: none"> ▪ Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA ▪ Council adopts Final Annual Report and Oversight report ▪ Final Annual report and oversight report submitted to Treasury and Cogta 	<ul style="list-style-type: none"> ▪ The submissions are to be consolidated by the finance department with all working papers that would have been submitted in support of the proposed budget. ▪ The BTO will keep a central file on all budget assumptions. ▪ The BTO will consolidate all submissions on the adjustments budget and prepare a Draft Adjustment Budget if necessary
JAN 2017	<ul style="list-style-type: none"> ▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ IDP/Budget Steering Committee Meeting ▪ Technical Strategic Planning Session (30-31st January) 	<ul style="list-style-type: none"> ▪ Submission of Q2 Reports by HOD's ▪ Sect 57 Managers' formal quarterly assessments (for second quarter of 16/17 on the 16th of January) ▪ Municipal Manager submits Midterm/Midyear Report to the Mayor with recommendations (in terms s72 MFMA) ▪ Midyear Reports submitted to Treasury (provincial and National) ▪ Midterm/Midyear Report is published ▪ Review SDBIP and publicize any amendments 	<ul style="list-style-type: none"> ▪ Continue finalisation of detailed plans and budgets. ▪ Review tariffs and charges and develop options for changes to be included in draft budget. ▪ Incorporate changes in preliminary budget to take account of consultations on tariffs. ▪ Refer to IDP process for project identification per cluster. ▪ Projects are to be linked to strategies. ▪ Submit Mid-year performance review to council by 25th January. ▪ Submit Adjustments budget, if necessary, for current year to Executive Committee.
FEB 2017	<ul style="list-style-type: none"> ▪ Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. 	<ul style="list-style-type: none"> ▪ Quarterly Audit Committee meeting (for the second quarter of 15/16) MFMA Sect 166 & MPPR Reg. 14(3)(a) ▪ Review PMS policy framework 	<ul style="list-style-type: none"> ▪ Submit Adjustments Budget for current year to Council not later than the 28th February. ▪ Submit Adjustment Budget to National and Provincial Treasury.

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MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
	<ul style="list-style-type: none"> ▪ Institutional Strategic Planning Session (15th-17th February) ▪ IDP/Budget Steering Committee Meeting 		<ul style="list-style-type: none"> ▪ Finalise detailed Draft Budget in uniform formats
MARCH 2017	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee ▪ IDP Rep Forum (15th March) ▪ Submission of draft IDP and Budget 2017/18 to council ▪ Submit Strategic Session Report to Council 	<ul style="list-style-type: none"> ▪ Draft SDBIP's for 2017/18 developed and for incorporation into draft IDP 2017/18 FY ▪ Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> ▪ Review and workshop all budget related policies ▪ The draft budget is presented to the Executive Committee. ▪ Finalise budget for next three years in prescribed format. ▪ Executive Committee adopts Budget. ▪ Mayor tables the Draft Budget to Council by <u>31 March.</u>
APR 2017	<ul style="list-style-type: none"> ▪ Publicize Draft IDP and Budget (Invite Local Community to make written comments in respect of the IDP and Budget) ▪ IDP/Budget Steering Committee ▪ Public participation process launched through series of public hearings on the IDP and Budget (06th-11th April) ▪ Review written comments in respect of the Budget and IDP 	<ul style="list-style-type: none"> ▪ Submission of Q3 Reports by HOD's ▪ Sect 57 Managers' informal quarterly assessments (for third quarter of 16/17 on the 14th of April) ▪ Quarter 3 performance report submitted to Council 	<ul style="list-style-type: none"> ▪ Council debates budget and updated IDP. ▪ Advertise Budget and IDP, inviting comments and undertake community consultation on budget and updated IDP. ▪ Receive and analyse additional inputs from community and other stakeholders. ▪ Incorporate feedback from community and other stakeholders and if required revise the budget previously tabled to Council.

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MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
MAY 2017	<ul style="list-style-type: none"> IDP/Budget Steering Committee Rep forum meeting (16th May) Adoption of the 2017/18 Budget and IDP by Council. 	<ul style="list-style-type: none"> Community input into organization KPIs and targets 	<ul style="list-style-type: none"> Municipal council approves budget, tariffs and revised budget related policies and IDP by 30 May. (Budget for current year and notes budget projections for the two years thereafter)
JUNE 2017	<ul style="list-style-type: none"> Publicize IDP and Budget Submission of the Final IDP to EC- Cogta, Treasury (National and Provincial) 	<ul style="list-style-type: none"> Reminder to be sent to HOD's to submit their Q4 SDBIP Reports in terms of s41 MSA Submission of final SDBIP to The Honorable Mayor for approval s53 MFMA 	<ul style="list-style-type: none"> Publish budget, tariffs and IDP for 2017/2018. Complete and submit the returns required by National Treasury. Forward an electronic and hard copy of Budget to Provincial and National Treasury and relevant provincial departments. Print the budget for public and internal distribution.