



ANNUAL REPORT 2017/2018



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CHAPTER 1

MAYOR'S FOREWORD AND EXCECUTIVE SUMMARY

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1.MAYOR'S FOREWORD



The time to pause and reflect on the successes and challenges of our service delivery mandate has arrived. It is an honour and privilege to present the annual report of Greater Letaba municipality for the 2017/18 financial year to community and all its stakeholders. This report is published in terms of the Municipal Finance Management Act No 56 Of 2003; it is a culmination of decisions which were taken by the council for the year under review.

The Local Government: Municipal Finance Management Act 56 of 2003 requires municipalities to prepare an annual report for each financial year. The 2017/18 municipal financial year commenced on the 1st July 2017 and ended on the 30th June 2018. It is fundamental to indicate that transparency is one of the trademarks of democratic South Africa and Greater Letaba Local Municipality with no exception. As we consistently report every year, the Annual Report has outlined the state of the municipality. It also unveils the activities undertaken to achieve the predetermined objectives as set out in the Integrated Development Plan, against the approved budget. It has also touched on key issues which the Auditor-General has highlighted for ratification in the Auditor-General South Africa (AGSA) report for 2017/18 financial year where the municipality received Unqualified Audit Opinion which is a step ahead from a qualified audit opinion received last financial year.

The Annual Report aims at enhancing governance, transparency and promoting accountability. It is a means of ensuring on-going planning, monitoring and evaluation which begins with the formulation and annual review of the IDP.

In line with section 152 of the constitution, the Annual Report looks on the period under review, measures the performance of the municipality in various areas and presents an opportunity to citizens and stakeholders to assess the progress of the municipality. The municipality works in collaboration with governments departments and other entities to provide the desired services to the communities of Greater Letaba Municipality.

In conclusion, I would like to express my sincere gratitude to all Councillors, Officials, the entire community of Greater Letaba and all stakeholders for their dedication, support and co-operation, which enabled the institution to record all service delivery progress in the year under review. Citizens and stakeholders are thus invited to study the Annual Report in order to give inputs and feedback that comes in an informed manner. This will strengthen our ability to deliver services as we forge ahead.

CLLR MATLOU M.P
MAYOR



1.2. MUNICIPAL MANAGER'S FOREWORD

All municipalities are legislatively expected to report annually on their activities and decisions taken by both municipal councils and management. This allows all local government stakeholders and the South African public at large to be properly informed about the affairs of local government, which is in line with the dictated of the Constitution of the Republic of South Africa, 1996.

Greater Letaba Municipality strives to undertake developmentally oriented planning as enshrined in the Constitution and section 23 of the Municipal Systems Act, No.32 of 2000. Guidelines and regulatory frameworks have been developed to enable municipalities to adopt a result-based approach to manage service delivery. Different mechanisms were employed to monitor and assess the achievement of general key indicators, performance targets that are consistent with development priorities, objectives and strategies as set out in the IDP. It is therefore imperative to reflect on improvements made to service delivery performance and achievements, challenges which will subsequently determine the corrective actions to be embarked upon to enhance service delivery in the 2018/19 financial year.

i) Basic Service Delivery

In fulfilling the constitutional mandate, it was imperative that the municipality align services to the IDP indicators and council priorities. The municipal strategic objectives were reviewed in such a way that they are in line with the IDP analysis phase. Proposed programmes, projects and IDP Key Performance Indicators are in line with the municipal strategic objectives as outlined in the table of strategic guidelines of the IDP document.

ii) Municipal Transformation & Institutional Development

The municipality operated with a total of six (6) functional departments, namely, Technical Services, Development and Town Planning, Community Services, Corporate Services, Budget and Treasury Office and Municipal Manager's office. The staff establishment was amended and adopted with the IDP and the

budget. Out of a total of 319 posts that are in the approved staff establishment, 220 filled in the financial year 2017/18. Training interventions identified were implemented and the progress made is indicated in the report.

iii) Local Economic Development

Growing the economy is government's utmost priority. The municipality contributed to growing the economy by creating 935 job opportunities within the municipal area through Community Work Programme and internal projects.

iv) Municipal Financial Viability

The municipality updates its valuation roll on a regular basis for revenue enhancement. The Budget and Treasury directorate commenced its financial year without the Chief Financial Officer (CFO) for almost six months which made council to appoint someone to act on CFO position.

V) Governance structures

All governance structures, namely, Council, EXCO, Section 80 and MPAC, Audit and Ward committees were fully functional. The Municipality had a functional Audit Committee for 2017/18 Financial year. Although the contract of the Audit Committee ended in the third quarter of 2017/18 and immediately new Audit Committee was appointed during the 4th Quarter of 2017/18. The risk management committee has been constituted and risk assessment was conducted and culminated in the development of the risk register. The IDP representative forum was fully functional and all the meetings were held as planned. Various mandatory structures such as LLF, Training committee, OHS Employment Equity committee were established and functional.

Key Challenges for the 2017/18 financial year

Despite the achievements alluded above, there were challenges cutting across the key performance areas that had impacted on improved service delivery. The challenges amongst others include the following:

- The municipality has not achieved some of the Service Delivery Budget Implementation Plan (SDBIP) planned targets
- Failure to appoint in time service providers for some projects
- PMS is not cascaded to lower levels of the workforce

- Non-adherence to Procurement plan
- All section 54 & 56 Managers posts were vacant for more than six months during the year under review though the municipality managed to make appointment in the third quarter and by fourth quarter all seniors posts were filled.
- Not all By-laws were reviewed, only SPLUMA and Electricity by- laws developed and reviewed.

The municipality performs functions that are outlined in the IDP of the municipality. The IDP and the budget with pertinent policies were adopted and implemented. Performance Management System for section 54 and 56 managers is in place. Challenges that were encountered in carrying out municipal functions through implementation of the IDP and SDBIP will be depicted in the report. The municipality fulfilled its obligation of preparing Annual Financial Statements (AFS) and the audit was conducted which resulted in an unqualified audit opinion. The audit for 2017/18 by AGSA resulted to twenty-five (25) queries which will be tabled in Audit action for intervention.

While the revenue base of the municipality didn't improve drastically the implementation of the project to enhance collection is in progress around Modjadjiskloof, the introduction of the property rates has made some improvements and it is reliable source of income. The municipality is counted among the municipalities that are financial stable in the district and the province. The municipality through the management team and all employees properly strive to promote the principles of efficiency, effectiveness and economy. The municipality was able to account to other spheres of government on grants allocated to the municipality during the financial year.

The municipality was rated as functional in terms of Back to Basics programme. The municipality received all its allocations but didn't manage to collect own generated revenue as projected hence the adjustment budget in February 2018

Section 54 and 56 managers' positions are filled with well qualified personnel. Audit Committee for 2017/18 financial year was functional. The Institution continued to fill in critical positions with human capital to ensure that the municipality achieve its objectives. All essential committees that are key in terms of achieving institutional goals are in place. Institutional policies and strategies were reviewed and job descriptions were also reviewed.

DR INNOCENT SIROVHA
MUNICIPAL MANAGER

1.3. MUNICIPAL OVERVIEW

Greater Letaba Municipality is composed of the following hubs: Sekgopo, Sekgosese, Mokwakwaila, Ga-Kgapane and Modjadjiskloof where the main Office is situated. The Municipality's main economic focus for turning around the local economy is through tourism (baobab tree, Modjadji dynasty and Nature reserve), agriculture, forestry and agro-processing industries.

Community consultation as championed by the Speaker's Office, Cllr. M.D Makhananisa and Mayor's Office, Cllr. MP. Matlou is at the heart of good governance in the Municipality to enhance community participation and informed decision making. As a result, the 2017/18 financial year has seen Greater Letaba Municipality expanding its service delivery in terms of infrastructure development through paving of gravel roads, construction of community hall and sport complex, and erection of high mast lights and electrification in rural areas and spent 100% on MIG, 100% on EPWP and 100% on FBE.

The Greater Letaba Municipality continued with its mandate to increase creation jobs to its local community through EPWP projects as outlined in the report. During the IDP/Budget process our community has again given the municipality a mandate to continue to implement projects in line with Government priorities, hence the infrastructure development has again outlined the main priority of the municipality. With all this achievement the municipality has also manage to appoint all Directors for all directorates which is an achievement and the Municipal Manager.

The Municipality's sewerage system in Modjadjiskloof is still managed through a suction tanker. The municipality has since the completion of the sewer project allocated budget on annual basis for revamping of the streets damaged during construction. The main challenge faced by the municipality in all areas is shortage of water.

1.3.1 A short description of the municipality

Greater Letaba Municipality (GLM) is located in the north-eastern part of the Limpopo Province in the jurisdiction area of Mopani District Municipality. Greater Letaba Municipality shares borders with Greater Tzaneen Municipality in the south, Greater Giyani Municipality in the east, Molemole Municipality in the west and Makhado Municipality in the north as depicted in the map:

Greater Letaba Municipal area is one of the smaller municipal areas in terms of land area, and characterized by contrasts such as varied topography, population densities (low in the south, relatively dense in the north-east), prolific vegetates in the south (timber) and sparse in the north (bushveld). Although resources within the boundaries of the Municipality are scarce, the proximity of natural resources (dams, tourist's attractions, intensive economic activity, and nature reserves) to the borders of the municipality creates the opportunity for capitalization.

The "gates" to the municipal area are considered to be Sekgopo in the west and Modjadjiskloof in the south. The land area of Greater Letaba Municipality extends over approximately 1891km². The Greater Letaba Municipality incorporates the proclaimed towns of Modjadjiskloof, and Ga-Kgapane, situated in the extreme south of the municipal area, and Senwamokgope towards the north-west of the area of jurisdiction. There are also 131 rural villages within the municipal area and 39 out of 131 number kilometres paved in Hill & kerk; Modjadji Ivory route; Sekgopo Moshate-Maboying; Sekgopo Lebelula; Shawela, Ditshoshing; Jamela; Sefofotse; Sedibeng; Mothobekgi; Ntata; Shamfana; Ratjeke; Matipane; Matshwi; Seatlaleng; Khekhuting; Shotong; Mokwasele; Ramphenyana; Mohlakong; Makaba; Las Vegas; Mamphakathi; Rapitsi; Sephukhubye; Thakgalane; Mamaila phaphadi; Thlothlokwe; Madulenga; Medingen; Maapana; Senwamokgope and Sehlakong and that we also have few villages tarred i.e. Rotterdam, Ga-kgapane, Sekhiming, Mpepule, Wholesale road, Nakampe and sehlakong.

1.3.2 Social Analysis

The socio-economic analysis will focus on the population size, age and gender profiles as well as the educational levels of the population. Information on the Socio-economic status of Greater Letaba Municipality was mainly gathered from census conducted by STATSSA in 2011. The majority of the municipal population is indigents.

1.3.3 Population and Household Size

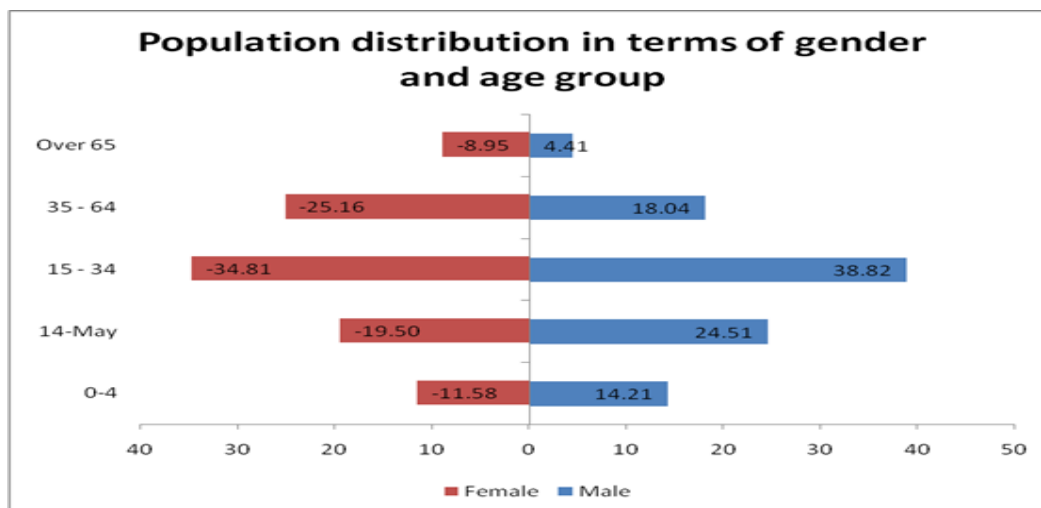
Table 1.1: Population distribution in terms of Gender and Age Group

Population		Households	
Census 2011	Census 2016	Census 2011	Census 2016
212 701	218 030	58 262	67 067

1.3.4 Age and Gender Profile

The population of Greater Letaba Municipality is very young with 39.3% of the people younger than 35 years of age. From the Pyramid below, it is evident that, in the age group 15-34 the percentage of males is high as compared to females. While in the age group 35-64 there is high percentage of females than males.

Figure 1.1: Population distribution in terms of gender and age group



Source: Census 2011

1.3.5 People with Disability and types of disability

Greater Letaba Municipality has 3993 people with disability.

Table 1.2 Disability by type

Types of disability			Total
Sight	345	134	479
Hearing	392	102	494
Communication	421	143	564
Physical	729	567	1296
Intellectual	1	32	33
Emotional	493	432	925
Multiple	145	57	202

1.3.6 Educational Profile

Education level: About 28, 5 % of the population in Greater Letaba Municipality has no educational background.

Table 1.3: Levels of education in Greater Letaba and Mopani District

LEVEL OF EDUCATION	GREATER LETABA	%	MOPANI	%
Grade 1/sub A (completed or in process)	7627	5.6	31711	5.4
Grade 7/standard 5	15877	11.7	64097	10.9
Grade 11/standard 9/form 4/NTC II	15919	11.8	68420	11.7
Attained grade 12; out of class but not completed grade 12	6419	4.7	30580	5.2
Grade 12/Std 10/NTC III (without university exemption)	10159	7.5	52920	9.0
Grade 12/Std 10 (with university exemption)	754	0.6	10195	1.7
Certificate with less than grade 12	1430	1.1	10497	1.8
Diploma with less than grade 12	1562	1.2	7780	1.3
Certificate with grade 12	952	0.7	6448	1.1

Diploma with grade 12	2777	2.1	13095	2.2
Bachelor's degree	1479	1.1	6879	1.1
BTech	78	0.1	999	0.2
Post graduate diploma	317	0.2	2431	0.4
Honour's degree	459	0.3	2043	0.3
Higher degree (masters/PhD)	72	0.1	1127	0.2
No schooling	38459	28.5	146863	25.1
Out of scope (children under 5 years of age)	28068	20.8	113316	19.4
Unspecified	2334	1.7	8115	1.4
Institutions	494	0.4	8476	1.5
Total	135165	100	585991	100

Source: 2011, STATSSA.

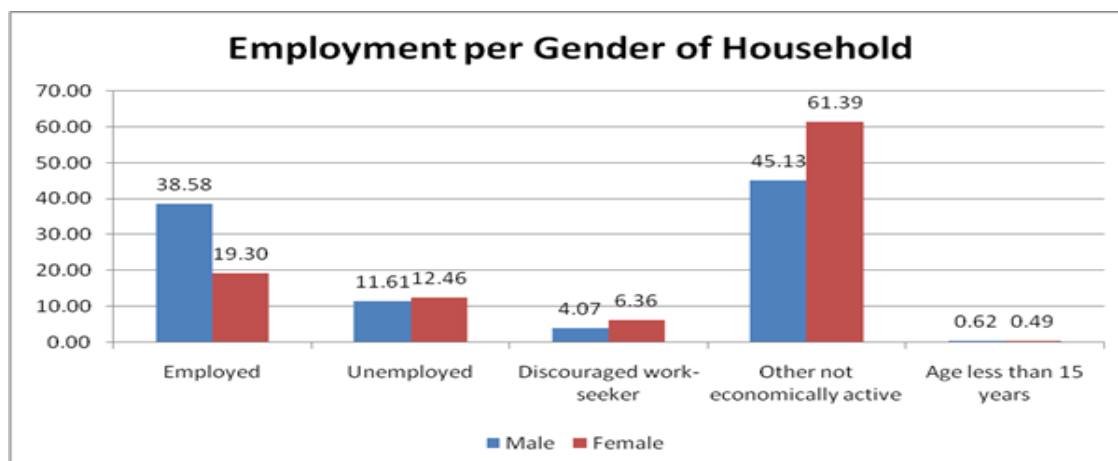
The percentage of illiteracy is estimated at 28,5%, which shows a decline in the level of illiteracy by 17,3%. The progress thereof is satisfactory; the level of illiteracy is still worrying since it impacts on the employability of the population. The number of existing schools in the municipality is inadequate some of them being in poor conditions.

Areas affected are: Mohokoni, Thlothlokwe, Mothobeki, Taulome, Nkwele-motse, Mandela Park, Makaba, Chabelang B, and Motlhele.

1.3.7 Employment Profile

The graph below presents the employed population of Greater Letaba according to gender of households. The statistics on the graph below shows that 9719 of male people are employed as compared to small number of 6383 of female people. And the STATSSA also depict number of youth employed and number of disability employed Female people, unemployed, discouraged work-seeker and economically inactive are mostly affected as indicated on the chart below.

Figure 1.3: Employment per gender of household



Source: Census 2011

1.3.7.1 Employment and Unemployment Rate

The percentage of people employed by formal sector is high and constitute 63.78 % followed by informal sector with 23.95 %. The Pie chart also indicates that private households contribute 9.26 % of employment.

1.3.8. Infrastructure Analysis

1.3.8.1. Multipurpose Community Centres

There are two multipurpose centres at Mokwakwaila and Soetfontein. These multipurpose centres play a critical role in ensuring that information regarding government activities is made accessible to the community. Key elementary services by government and parastatals are provided to communities through the centres.

1.3.8.2 Community facilities

There are three community libraries at Modjajdiskloof, Kgapanne and Soetfontein. There are six stadiums at Sekgopo, Kgapanne, Lebaka, Senwamokgope, Shaamiriri and Mokwakwaila. And also additional community halls at Ward-5; Ntata and Mohlele.

1.3.8.3. Water

The general state of water supply within the municipal area is not up to standard and therefore requires urgent intervention to improve the situation. The municipality often experiences unfortunate situation whereby communities are obliged to utilise contaminated water collected from natural sources like rivers and springs for domestic use, which is health hazardous. Cases of Bilharzias diseases have been reported in areas like at Lemondokop as a result of contaminated water being used by desperate community members. It is imperative that additional water supply resources be provided and also that the existing resources be extended and refurbished with the assistance of the Mopani District Municipality (MDM) which is the Water Services Authority (WSA) in the area. GLM is the Water Services Provider (WSP) according to the agreement signed with the MDM in the 2011/2012 financial year. Greater Letaba municipality made attempt to reclaim the status of been Water Service Authority in 2017/18 financial year though the application is not yet approved.

•Free Basic Water

The threshold for provision of Free Basic Water is a maximum of six (6) kilolitres per household per month. The municipality has 5804 households which reside in the proclaimed towns and they do not pay for the first 6kl of water as reflected in their service accounts. There is a total of 130 villages which receive unmetered free water supply, which is presumed to be above the FBW threshold. In areas where there are deficiencies in water availability, water supply is supplemented by water tankers without cost.

•Free Basic Electricity

The maximum allowable consumption for Free Basic Electrification is 60kw per household per month. The municipality has received 86 applications (for the municipality's licensed area) for FBE of which all beneficiaries are currently collecting. ESKOM administers applications and collection of FBE in areas under their distribution licence. The number of applications received by ESKOM in 2017/18, 3888 of which 1607 beneficiaries were collecting.

•Street Lighting

The municipality has a strategic intention of locating street lights or high mast lights in areas which are at entry to the municipal area or / and affected adversely by crime. Areas which are provincial, district and local growth points, areas which have economic activities especially even after sunset are also targeted for lighting. A total of one hundred-fifty (150) high mast lights were erected between 2009/2010 and 2013/2014, 2015/2016 and 2017/2018 financial years benefiting 209 villages. A vast increase in street lighting assets requires the municipality to adjust the budget for related operations and maintenance accordingly.

1.3.8.4. Transport Infrastructure

- **Road Networks and Backlogs**

Transportation infrastructure makes a major contribution to the facilitation of economic activities. A major progress has been made in improving the condition of the roads in the municipality. The municipality has a total of 1228.8 km road network.

- **Public transport**

Greater Letaba municipality public transport access is accessible to communities; some villages take less than 10 minutes' walk to access public transport. Whereas some takes more than 10 minutes to access public transport which is above service norm and standards

1.3.8.5 Access to Health Care

STATSSA indicates that, within the Greater Letaba Municipal area, 42% of communities reside within 20 km of a hospital, 4% of communities reside within 10 km of a Health Centre and 91% of communities live within 5 km of a clinic. With the exception of the very low Health Centre statistic, Greater Letaba compares favourably with the other local municipalities in the Mopani District. The distance norm to rate accessibility does not take into consideration other restrictive factors, such as bad state of roads, and therefore health facilities are in all probability less accessible to communities than reflected by the Department of Health criteria.

1.3.8.6 Library facilities

Greater Letaba Municipality has three libraries within its area of jurisdiction. Library contributes significantly to the education of the Greater Letaba population. The Modjadjiskloof library, Soetfontein library, Ga-Kgapane library are currently operational. There Libraries in Mokwakwaila, Sekgopo Maphalle and Shotong are completed. Rotterdam Library designs are completed

1.3.8.7 Heritage Sites

Greater Letaba Municipality has a number of heritage sites:

Modjadji Cycad forest

Rain Queen White House

Lebjene Ruins

There is a need in Greater Letaba Municipality to promote Selobedu language and popularize heritage site such as Manokwe cave that is still under construction and other caves which are found within the Greater Letaba Municipality

1.3.8.8 Thusong Services Centres

Municipality has two Thusong Centres which are currently operational. The Centres are at Mokwakwaila and Soetfontein in Sekgosese area. There is a backlog in terms of establishment of additional Thusong Centres in Sekgopo and Rotterdam. The establishment of these Centres would empower the poor and disadvantaged through access to information, services and resources from governmental organization, parastatals and business.

1.4 Executive Summary

- **Vision**

Greater Letaba Municipality's vision is

“To be the leading municipality in the delivery of quality services for the promotion of socio-economic development”

- **Mission**

To ensure an effective, efficient and economically viable municipality through: Promotion of accountable, transparent and consultative and co-operative governance; promotion of local economic development and poverty alleviation; strengthening cooperative governance; provision of sustainable and affordable services and ensuring a compliant, safe and healthy environment.

- **Values of Greater Letaba Municipality**

The values of Greater Letaba Municipality

- Teamwork
- Commitment
- Integrity
- Value for money
- Consultation
- Transparency
- Accountability
- Courtesy
- Innovation

Greater Letaba municipality derives its existence from the objects of local government as entailed in section 152(1) of the Constitution of the Republic of South Africa:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- Encouraging involvement of communities and community organizations in the matters of local government.

In the process of delivering services to the community, the municipality follows the five years strategic

Agenda as adopted by national government, namely;

- *Municipal Transformation and Organisational Development*
- *Basic Service Delivery and Infrastructural Development*
- *Local Economic Development*
- *Financial Viability and Management*
- *Good Governance and Public Participation*

In addition to the Five Years Strategic Agenda, the municipality operates within the framework of the following municipal strategic priorities:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Massive program to build economic and social infrastructure.
- Comprehensive rural development strategy linked to land and agrarian reform and food.
- Security.
- Strengthening the skills and human resource base.
- Improve the health profile of all our people.
- Intensify the fight against crime and corruption.
- Build cohesive, caring and sustainable communities.

In its vision statement, the municipality asserts to be an outstanding agro-processing and eco-cultural tourism hub while providing sustainable and affordable services to all. Greater Letaba municipality provide core services geared to uplifting the social and economic standards of the communities by actualizing the following mission and values.

1.5 Other Municipal Context

The dawn of democracy which was ushered by the establishment of municipal council as dictated by chapter 7 of the Constitution of Republic of South Africa, came with its own challenges that affected the new council, staff and residents of Greater Letaba Municipality, however the aim of the new council was to ensure a smooth transformation with minimum circumstances hampering service delivery to its residents.

• *The Integrated Development Plan*

In compliance with Section 34 of the Municipal Systems Act (Act No.32 of 2000) read in conjunction with Chapter 2 of the Local Government: Municipal Planning and Performance Management Regulations, no.R.796/2001, the Greater Letaba Municipality has developed an Integrated Development Plan which is revised annually, accompanied by organisational review and Performance Management System review.

The IDP is the municipality's strategic planning document which guides and informs all planning and development within the municipality and a tool that enables the municipality to work towards achieving development goals as outlined in the constitution. The IDP informs and is integrally linked and co-ordinated with the municipality's budgeting and performance management process.

The Municipality's long-term vision details the development priorities and cross cutting issues which contribute towards achieving the vision, strategies, programmes and projects; which are linked to a detailed budget and are all contained in the IDP. The Municipality has developed its objectives, strategies, projects and programmes in terms of IDP themes. There are:

- *Provision of Infrastructure and Services*
- *Creation of liveable towns and rural areas.*
- *Local Economic Development*
- *Community empowerment & redistribution.*

The Greater Letaba Municipality's IDP community consultation processes were extensive during the 2017/2018 financial year. This was used as a comprehensive feedback gathering session where approximately 10 budget consultations were held across the municipality which was attended by approximately 1800 people.

1.6. Achievements

- The Electricity Master Plan developed and functional
- The municipality has invested in the infrastructure development in areas such as street paving at Maphalle Landfill site, Sekgopo; Ditshoshing, Ntata, Mmaphakhathi, Las Vegas, Kgapane Storm Water and sport complexes at Lebaka, Madumeleng/Shotong, Mamanyoha, Rotterdam and Kgapane Stadium
- The transfer stations in Senwamokgope and Ga-Kgapane are fully functional.
- Rehabilitation of Modjadjiskloof main street (Botha Street) in partnership with South African National Roads Agency Limited (SANRAL).
- The Grants allocated to the Municipality were spent as follows
 - MIG: 100%**
 - FMG :100%**
 - EPWP: 100%**
 - FBS: 147%**
- All section 54 & 56 Managers posts were vacant for more than six months during the year under review though the municipality managed to make appointment in the third quarter and by fourth quarter all seniors posts were filled.
- The Municipality receives an unqualified audit opinion for 2018/19 financial year.

1.7 CHALLENGES

- The Municipal
- Not all by-laws were reviewed, only SPLUMA and Electricity by-laws developed and reviewed.



CHAPTER 2

GOVERNANCE

2.1 Introduction

Good governance has eight major characteristics namely, participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. The municipality through its Anti-fraud and corruption policy and Labour Relations policy has ensured that corruption is minimised and corrective disciplinary actions are taken.

2.2 Governance Structures

The municipality during the financial year 2017/18 focused on governance and related matters. The Council decision-making and oversight functioning including the administrative tools were regarded as fundamental to enable effective and efficient decision-making and oversight. Twenty-nine (29) policies were implemented covering the entire administrative ambit to enforce compliance to legislations.

Section 151 (3) of the constitution of the Republic of South Africa stipulates that municipalities have the right to govern, on their own initiative, the local government affairs of their communities, subject to provincial legislations. The Constitution further specifies in section 155 (2) that, “national Legislation must define different types of municipalities that may be established within each category.

2.2.1 Political Structure

In realizing the ideals referred to above, Greater Letaba Municipality was established as a category B municipality in terms of Section 12 of the Municipal Structure’s Act No. 117 of 1998. It was established as a municipality with a collective executive system combined with a ward participatory system as per provision of Section 9 (b) of the Municipal Structures Act.

During the 2017/18 financial year, Councillor Matlou MP served as the Mayor of Greater Letaba Municipality; Cllr MD Makhananisa the Speaker of Council while Cllr Mampeule P.J as the Chief Whip. The African National Congress had 30 ward councillors and 16 PR Councillors, Economic Freedom Fighters had 9 Proportional Representative (PR) Councillors, Congress of the People had 2 PR

Councillors, Democratic Alliance had 2 PR councillors and LIRA party had 1 each PR Councillor. The total number of councillors for Greater Letaba was 60.

Municipality's Political Structure 2017/2018

**Honourable Mayor
Cllr Matlou M.P**



SPEAKER

Cllr M.D MAKHANANISA



CHIEFWHIP

Cllr MAMPEULE P.J



EXECUTIVE COMMITTEE MEMBERS



Cllr Selowa G
Head Health & Social services



Cllr MP Masela
Head Economic Development, Housing & Spatial Planning



Cllr Maeko Nkwana
Head Corporate Services & Shared Services



Cllr ND Modiba
Head Finance



Cllr TJ Rababalela
Head Water services



Cllr RP Mosila
Head Infrastructure



Cllr MM Mabeba
Head Agricultural & Environment



Cllr Rasetsoke S
Head Sports, Recreation, Arts & Culture



Cllr D Raphokwane
Head Public Transport & Roads

The executive committee which is the principal committee of council is chaired by the Mayor, receive reports from different portfolio committees of the council which are forwarded to council with recommendations if they cannot dispose the matter in terms of delegated powers. The Chief Whip plays his whipping role during party caucus. The 09 out of 10 Traditional Leaders participate in council in line with the provisions of Section 81 of the Municipal Structure's Act.

2.2.2 Municipal Committees

Section 160 (c) of the constitution stipulates that, "a municipal council may elect an executive committee and other committees, subject to national legislation." Section 79 and 80 of the Municipal Structures Act No. 32 of 2000 gave effect, to this provision by establishing the following committees with each committee headed by full time Councillors and chaired by chairpersons.

Table 2.1: Municipal Committees

Committees	Heads	Chairpersons
Corporate and Shared Services	Cllr Maeko Nkwana M	Councillor Moroatshehla PD
Finance	Cllr Modiba ND	Councillor BE Ngobeni
Infrastructure	Cllr Mosila RP	Councillor Malatji SS
Economic Development, Housing and Spatial Planning	Cllr Masela MP	Councillor Mankgeru MM
Water & Water Services	Cllr Rababalela TJ	Councillor Selowa N
Health and Social Development	Cllr Selowa M.G	Councillor Lebepe MA
Public Transport and Roads	Cllr Raphokwane D	Councillor Kgapane
Sports, Recreation, Arts and Culture	Cllr Rasetsoke S.M	Councillor Ramaano
Agricultural and Environment	Cllr Mabeba M.M	Councillor Ngoveni M.P

All committees are constituted by all councillors representing different political parties, officials and traditional leaders. Section 80 committees are established as and when required as outlined in the Act. The committees operate under the auspices of council and are delegated certain powers and duties to execute.

3. Municipal Public Accounts Committee (MPAC)

Greater Letaba Municipality has established Municipal Public Accounts Committee in line with the National Guidelines and the stipulations in Section 79 of the Municipal Structures Act No.117 of 1998 and the committee comprises of the following members:

Table 2.2: MPAC Committee

Name	Gender
Councillor Manyama M.I	Male : Chairperson
Cllr Maake M.R	Female
Cllr Manyama M.S	Male
Cllr Monaiwa M.P	Male
Cllr Monyela K.B	Female
Cllr Ralefatane M.E	Male
Cllr Selema P.W	Male
Cllr Mathedimosa M	Female
Cllr Mohale P.J	Female
Cllr Ramoba M	Male
Cllr Maenetsa M.B	Female

•Municipal Council

Council is a structure that is vested with executive and legislative authority. Council is chaired by the Speaker who must among other functions ensure that council meetings are conducted in line with council

rules and orders and those they meet quarterly. The Council of Greater Letaba Municipality is stable. 4 Ordinary meetings were held as legislated & 9 special councils' meetings held for 2017/18 financial year.

Table 2.3: Statistical report on attendance of Meetings.

COMMITTEE / STUCTURE	MEETINGS SCHEDULED	MEETINGS HELD	STATUS
Council	4	13 (4 Ord & 9 Spec)	Target Exceeded
EXCO	4	13 (4 Ord & 9 Spec)	Target Exceeded
Corporate & Shared Services	11	11 (10 Ord & 1 Spec)	Target achieved
Infrastructure	11	09 meetings held	Below Target
Local Economic Development	11	08 meetings held	Below Target
Public Transport And Roads	11	11 meetings held	Below Achieved
Health and Social Services	11	11 meetings held	Target Achieved
Environment & Agriculture	11	13 meetings held	Below Exceeded
Sports, Arts and Culture	11	07 meetings held	Below Target
Water Services	11	12 meetings held	Target Exceeded
Finance	11	12 meetings held	Target Exceeded
Audit Committee	4	5(4 Ord & 1 Spec)	Target Exceeded
MPAC	14	17 meetings held	Target Exceeded

•Portfolio Committees functionality

The Portfolio Committee system which was established in terms of S79 of the Local Government: Municipal Structures Act, No.117 of 1998, supports the Greater Letaba Municipality Council. Each Portfolio Committee meets once a month. Their core function is to look at specific issues that relate to each Portfolio, research issues and find necessary facts before those issues could be discussed by Councillors who sit in each of the Portfolio committees. The Committee deliberates on issues and make

recommendations to EXCO and Council, for the latter to take the final decisions. The Portfolio Committees for GLM are indicated above.

•Audit Committee functionality

The Audit Committee, consisting of independent, external members listed below. The committee is required to meet at least 4 times per annum as per the Audit Committee Charter. The municipality appointed its own audit committee members in accordance with the Municipal Finance Management Act no 56 of 2003 Section 166(2). All 4 ordinary meetings and 1 special audit committee to consider the annual financial statements and AG report were held. The Audit Committee submitted three (03) reports to Council in 2017/18.

Names	Designation	Number of meetings held	Number of Meetings Attended	Number of Apologies rendered	% of attendance
Shilenge RR	Audit Committee chair	5	3	2	60%
Ms Mabuza J	Audit Committee member	5	5	0	100%
Mr Sebola T	Audit Committee member	5	5	0	100%
Mr Ngobeni S	Audit Committee member	5	4	1	80%
Adv. Malatji T	Audit Committee member	0	0	0	0% (resigned)
Mr Hlomane H.G	Audit Committee member	5	3	2	60%

Table 2.4: Statistical report on the attendance of Audit Committee meetings

2.3. Administrative Governance Structure

Section 160 1 (d) of the constitution stipulates that, “A Municipal Council may employ personnel that are necessary for the effective performance of its function.” To give effect to this provision, council has appointed a Municipal Manager who is the head of administration and also as the accounting officer for the municipality as outlined in Section 82 of the Municipal Structures Act.

The Accounting Officer of Municipality during in 2017/18 were as follows **TG Mashaba** (contract ended 31 July 2017), **Mhangwana D** (seconded by COGSTA contract ended 31 March 2018) and **Dr Innocent Sirovha** (appointed in April 2018). Council further appointed managers who directly account to the Municipal Manager in consultation with the Municipal Manager in line with the provision of Section 56 of the Municipal System's Act No. 32 of 2000. The administrative structure of the municipality has been reviewed and adopted by council on the 30th of May 2018 as required by Section 66 of the Municipal Systems Act. Greater Letaba Municipality has five directorates or departments namely, Corporate Services, Community Services, Budget and Treasury Office, Technical Services and Development and Planning.

The Municipal Manager's post was vacant since July 2017 and filled in April 2018. The Directors positions have been vacant for more than six months and Director Technical Services, Director Community Services and Planning and Development were appointed in February 2018, Director Corporate Services was filled in March 2018, and the Chief Financial Officer was appointed in April 2018. And Director Development Planning has been vacant since the approval of the Organogram. Each department and the office of the Municipal Manager have specific functions that they perform to give effect to Council's mandate as enshrined in Section 152 of the Constitution of the Republic of South Africa.

The municipality has an approved 2017/18 IDP that informs the Budget and SDBIP. All Managers and the Municipal Manager have duly signed employment contracts and performance agreements in the financial year 2017/18. The management team's mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitation of the transformation process by providing strategic advice and of support for the Mayor, Speaker, Council committee, EXCO and Municipal Council.

The municipal's head office is located at Modjadjiskloof 44 Botha Street. To ensure accessibility of services to the public, there are three sub-offices which are located at Ga-Kgapane, Mokwakwaila and Senwamokgope.

The following individuals were members of the municipality 's top management:

POSITION	NAME
Municipal Manager	Dr Sirovha KI
Chief Financial Officer	Mrs Mankgabe MF
Director: Corporate Services	Dr Letsoalo MB
Director : Community Services	Dr Mokoena MD
Director Technical Services	Mr Malunagana ME
Director : Development & Town Planning	Mr Sewape MO

Municipality's Administration Structure 2017/18



Dr Sirovha KI
Municipal Manager



Mr Malungana M.E
Director Technical
Services



Dr Letsoalo MB.
Director Corporate
Services



Mrs Mankgabe MF
Chief Financial Officer



Dr Mokoena M.D
Director Community
Services



Mr Sewape MO
Director Development &
Town Planning

The Greater Letaba Municipality administration has been organized into six directorates. The management team's mission is to oversee, coordinate and manage the transformation and strategic agenda of the municipality as well as facilitate the transformation process by providing strategic advice and project support to the Mayor, Speaker and Municipal Manager thereby ensuring that there is political and administrative unity. Each directorate including the Municipal Manager's office, contain a set of operational divisions.

As part of the Institutional transformation and in an endeavour to strengthen and build an efficient administration, alternate delivery mechanisms are reviewed in order to ensure improved services to communities. In order to enhance operational efficiency, an organisational structure review was undertaken and adopted by Council.

•The Municipal Manager's Office

The overall purpose of the office is to provide strategic administrative support to the council.

The municipality has six directorates which account to the Municipal Manager as the head of administration as stipulated in Section 55 of the Municipal Systems Act, no 32 of 2000.

The Municipal Manager's Office renders the following functions:

- *Risk and internal audit.*
- *Performance Management System.*
- *Communication and events.*
- *Disaster services.*
- *Infrastructure development and planning.*
- *Community services and social development.*
- *Corporate services.*
- *Budget and treasury*

2.4. Intergovernmental Relations

Intergovernmental Relations issues are handled by the Mayor's Office which is responsible for developing, promoting and implementing all the international, national and local citizenship relationships to maintain a positive profile of Greater Letaba, nationally and internationally.

2.5. Public Accountability and Participation

•Communication

Local Government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments, all impose an obligation on Local Government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all. The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made

in the above-mentioned legislation for them to exercise their right in this respect. The municipality is committed to the principle of Batho Pele.

Good customer care is of fundamental importance to the municipality. The municipality has a Communication Strategy which links the people to the municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

COMMUNICATION ACTIVITY	YES/NO
Communication Unit	Yes
Communication strategy	Yes
Communication policy	Yes
Language policy	Yes
Whistle Blowing Policy	Yes
Customer Satisfaction Survey	Yes
Functional Complaints Management system	Yes
No. of Newsletters issued in 2017/18	Yes
No. of public participations held as per Section 16 of the Municipal Systems Act (MSA)	10
No. of Imbizos held	4
No. of newspaper articles/notices published	16

•Ward Committees

The municipal council has established 30 functional Ward committees in line with Section 73 of the Municipal Structures Act. The term of office corresponds with the term stipulated in section 24 of the Local Government Laws Amendment Act No. 19 of 2008. The committees are chaired by ward councillors and have powers and functions to make recommendations on any matter affecting their ward to all structures of council through the ward councillors as specified in Section 74 of the Act. Ward committees give effect to public participation as outlined in chapter 4 of the Municipal Systems Act by assisting Ward councillors in mobilizing, organizing consultative meetings and activities, disseminating

information and encouraging participation from residents in the ward. Ward committees have a budget to cater for their out of pocket expenditure. Ward committees are required as per the plan to submit monthly reports to office of the speaker.

In addition to ward committees, the SDBIP were made public. The SDBIP contained projected financial and service delivery Indicators and deliverables. Members of the public were invited to participate in the Oversight process related to the Annual Report. In order to promote public accountability and participation, members of the public were invited to attend all meetings of the Council meetings. Furthermore, public participations were also conducted through Mayoral Budget and IDP Imbizos. These were held prior to developing the draft budget in order to provide feedback to the community the implementation of projects in the current financial year and to stimulate the needs of the community in order to provide input for the new financial year.

2.6. Corporate Governance

The municipality has functioned in accordance with the political, statutory and other relationships between its political structures, political office bearers and administration and its community. It has exercised its authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution. The administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution. It has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. It sought to achieve the integrated, sustainable and equitable social and economic development of its area. These functions are listed in Chapter 5 of the Local Government: Municipal Structures Act, 1998, as amended, (“the Structures Act”).

2.6.1. Risk Management

Risk management forms part of management’s core responsibilities and it is an integral part of the internal processes of the municipality. When properly executed risk management provides reasonable assurance, that the municipality will be successful in achieving its goals and objectives. MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The municipality is aware of the impact of risk on service delivery; as such it has developed extensive risk mitigating measures for both strategic and operational risks that have been identified. The King III report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented, can create and sustain stakeholder value. The following are risks that the municipality have identified during the 2016/17 financial year.

Table 2.5: Major risk identified during risk assessment workshop.

No	Risk title	Mitigation Action	Action owner
1	Lack of revenue generation	Conduct surveys to single out schools, businesses, clinics and start billing property rates Service the acquired land Implementation of revenue enhancement strategy	Finance and planning department Technical department Finance department
2	Inability to collect debt (Under collection of outstanding debts)	Implementation of credit control policies (cutting off/disconnecting of services) Gazetting by-laws Hand over collection of debts to private collection agencies	Finance department Legal department Finance department
3	Poor (accumulated) infrastructure maintenance	Development of infrastructure maintenance plan Prioritization of infrastructure maintenance funding during budget planning Allocation 8% of Equitable shares Re-engineering organization structures	Technical department Technical department Finance department Corporate services
4	Land invasion	Development of land invasion strategy Provision of serviced land Filling of vacancies (Land use management unit)	Planning department Technical department Corporate services

5	Regulatory entry barriers for new investors(blocking investors)	Establishment of task team including relevant stakeholders Development of LED strategy	Development and town planning
6	Fraud, theft and corruption	Disclosure of financial interest Declaration of interest and recusals in formal/official meetings where business decisions are taken. Pre-employment screenings Vetting of cash handling positions, SCM, senior management, assistant directors and security Implementation of fraud prevention plan	Corporate services All officials Risk Management Risk Management All directors
7	Reliance on consultants	Re-engineering organizational structure Develop and Implement Staff performance management system Develop management /Leadership Succession Plans	Corporate services PMS Corporate services
8	Cyber attacks	Perform infrastructure vulnerability assessment and inspection of network traffic Turning off all unused services Traffic monitoring and analysis Invest in IT security and applying the latest security patches Updated Anti-Virus program	IT manager

2.6.2. Anti-Corruption and Fraud

The municipality has an approved Anti-fraud and corruption policy in place to deal with matters relating to fraud and corruption within the municipality. In addition, the Labour Relations and Whistle blowing policies were implemented.

2.6.3. Supply chain Management

The municipality's Supply Chain Management (SCM) unit is a support function for all directorates within the municipality to ensure provision of efficient, transparent, fair, equitable and cost effective procurement services hence assisting them to implement their service delivery priorities. In terms of the MFMA SCM regulations, the SCM unit is established to implement the SCM policy adopted by council. It has operated under the direct supervision of the Chief Financial Officer. The supply chain management policies were adopted by Council and published on the website.

2.6.4. By-laws

The Municipal Systems Act of 2000, Section 11 (3) (m) provides Municipal Councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. During the financial year 2017/18 the municipality did not adopt or implement any new by-laws, only reviewed Electricity and SPLUMA By-Laws.

2.6.5. Website

The municipal website (www.greaterletaba.gov.za) is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies. The website is maintained by State Information Technology Agency (SITA). The municipality's website is functional and operational.

Documents published on the Municipality's	Yes/No
Annual and adjustments budgets and all budget-related documents / reports	Yes
All current budget-related policies	Yes
The annual report (2016/17) published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2017/18) □	Yes
All service level agreements 2017/18	No
All long-term borrowing contracts (2017/18)	N/A
All supply chain management contracts above a prescribed value of R200 000 for 2017/18 □	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2016/2017	No
Public-private partnership agreements referred to in section 120 made in 2017/2018 □	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2017/18 □	Yes
Integrated Development Plan (IDP) 2017/2018 □	Yes
Service Delivery Budget Implementation Plan (SDBIP) 2017/2018 □	Yes

2.7. Governance Highlights

- MPAC was able to hold two (2) public hearing on annual performance report, a strategic retreat session, regular project visits, and meetings with the management team.
- The municipality managed to support emerging farmers through training and providing them with financial assistant.

Contact Person: Ramahala T		Phone no: 0726688131		Email address: Thulir@glm.gov.za		
Description	"A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))"	"B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))"	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	n/a	1	1	1	1
Chief financial officer	1	n/a	1	0	1	1
Senior managers	4	n/a	4	2	2	2
Any other financial officials	33	n/a	33	24	n/a	24
Supply Chain Management Officials						
Heads of supply chain management units	1	n/a	1	0	n/a	1
Others						
Other officials and Councillors	39	n/a	39	28	n/a	28
Finance Interns	12	n/a	12	12	n/a	n/a
TOTAL	91	n/a	91	67	4	57
Comments: Greater Letaba Municipality has met and far exceeded the target for implementation of the MFMA Municipal Regulation on minimum competency levels. The municipality went an extra mile by training employees from other sections, Finance Interns and Councillors. 34 have not yet met the prescribed competency levels.						



CHAPTER 3

SERVICE DELIVERY PERFORMANCE

3.1: Introduction

This chapter focuses on service delivery on a service by service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on community needs and resource deployment. A brief narrative of all the services provided by the municipality and the performance highlights for the year is also highlighted.

The Annual Performance Report (APR) is a legislative requirement prescribed by section 46(1) and (2) of the Municipal Systems Act (MSA), 32 of 2000. The municipality has complied with legislation by submitting its APR to the Auditor General, Cooperative Governance Human Settlement Traditional Affairs and National and Provincial Treasury by the 31 of August 2018. The APR, amongst other documents, form part of the consolidated Annual Report of the Municipality which must be submitted to Council by the end of January on an annual basis. The analysis of the APR is aimed at evaluating the quality of the actual results delivered by programmes in the attainment of the Municipality's strategic objectives. Prior to the analysis of APR, the Audit Findings regarding performance should be taken into consideration; this would give a greater understanding to any shortfalls identified, especially the non-achievement of targets.

3.2. Performance Highlights

The municipality has almost achieved 75 % of planned targets and this resulted in some projects rolled over to the 2018/2019 financial year.

OVERALL ORGANISATIONAL PERFORMANCE	
Municipal Transformation and Organisational Development	77%
Basic Service Delivery	69%
Local Economic Development	100%
Municipal Financial Management Viability	75%
Good Governance and Public Participation	86%
OVERALL ORGANISATIONAL PERFORMANCE	75%

The root cause of the failure to achieve 25% of its planned target as per the SDBIP was due to s mainly due to low collection of revenues and lack of capacity to enhance revenue strategy especially on infrastructure resources. It is worth noting that in some instances of under-performance, delays in decision making has resulted in targets not being met. It can also be indicated that poor project management, contract management and monitoring and evaluation resulted in the underperformance of the capital programs.

SEE ANNEXURE

3.5. Service Delivery Backlog as at June 2018

It is critical to comment on the progress in eliminating backlogs in service delivery for the key services for the key functions of water, electricity, sanitation, refuse removal and roads. In Greater Letaba Municipality these functions are located in the Infrastructure Development and Planning and Community Services directorates.

Table 3.2: Service Delivery Backlog

Service	Households	Access	% Access	Backlog	% Backlog
Water	58 261	43 696	75%	14 565	25%
Sanitation		48 412	83%	9 849	17%
Electricity		56 905	97.6%	3 458	3%
Housing		55 443	95%	2 818	5%
Roads		484 km	40%	729 km	60%
Waste (Proclaimed area)		4 654	8%	55 459	92%



CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Introduction

The quality of human capital is important in any organization. It will determine the success and progress that has to deliver services and support overall business strategy. To succeed there is a need to develop a holistic approach to the implementation of transformational issues like equity, human resource development, staff retention and succession planning, management of HIV/AIDS in the workplace

4.2 Managing municipal workforce levels

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In Managing a Municipal Workforce effectively, it is important that employee policies, procedures and contracts are in place. The municipality had a total number of 29 policies in place:

- Ward Committees Policy
- HIV/AIDS Policy
- Smoking Policy
- Skills Development Policy
- Recruitment and Selection Policy
- Transport Control Policy
- Sexual Harassment Policy
- Cellular Phone Allowance Policy
- Contract of Employment Policy
- Labour Relations Policy
- Conditions of Service Policy
- Occupational Health and Safety Policy
- Notebook/ Laptop Policy
- Back up Policy
- Hardware and Software Policy
- IT Security Policy
- Credit Control Policy
- Indigent Policy
- Language Policy
- Anti-Fraud and Corruption Policy
- Employees Assistance Program Policy
- Protective Clothing and Allowance Policy
- Policy on the writing off of irrecoverable debts
- Property Rates Policy
- S&T and Car Allowance Policy
- Internet Acceptable Use Policy
- IT password Policy
- Email Acceptable Use Policy

The policies indicated above are in place and need to be monitored and implemented as a measure of creating controls for effective and efficient implementation of services.

4.3. Staff Establishment

The municipality has 319 posts in terms of the approved organogram for 2017/18 financial year and had 220 posts filled as at 30 June 2018. It is worth indicating that the municipality has a vacancy rate of 31%. The vacancy rate is due to posts that were never filled, retirements, demise and resignations. Below are statistics of all employees per directorate including Interns.

Table 4.1: Total Staff Establishment as at 30 June 2018

Directorate	Approved Posts	Filled	Vacant
Municipal Manager's Office	23	16	7
Corporate Services	48	38	10
Budget and Treasury	42	33	09
Technical Services	81	56	25
Community Services	114	70	44
Development and Town Planning	11	7	4

Total	319	220	99
Interns	09		

4.3. Staff Turnover Rate

A high staff turnover rate may be costly to a municipality and can negatively affect productivity, service delivery and institutional memory. Below is a table that displays staff turnover rate within the municipality: The staff turnover rate for 2016/2017 was 2,42% which is higher as compared to 2017/2018 which is 6,8%. The municipality in 2016/2017 financial year had a relatively small number of employees leaving relative to the employees of the municipality; whereas 2017/2018 had a higher number of termination because of (3) demise, (6) resignations and (6) retirements. The resignations were due to greener pastures. The municipality shall appoint an Employee Health and Wellness Practitioner as a way of mitigating the increasing staff turnover rate.

Financial Year	Filled posts as at 30 June 2018	Terminations	Turnover Rate
2016/2017	206	06	2.4%
2017/2018	220	15	6.8%

4.5. Employment Equity

Table 4.2 below outline employment equity status of the municipality per occupational categories. The empowerment of the previously disadvantaged groups is relatively low with African females at 45% and 33% on Senior / Top management in 2017/2018. The municipality has regressed because in 2016/2017 it was 75% females at Senior/ Top Management. The remaining challenges in this area are the representation of women. The overall percentage of females in the municipal workforce is 45%.

Table 4.2 Workforce profile per occupational category as at 30 June 2018

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	1	0	0	0	0	0	0	0	1
Senior management	3	0	0	0	2	0	0	0	5
Professionally qualified and experienced specialists and mid-management	21	0	0	1	12	0	0	1	35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	18	0	0	0	20	0	0	0	38
Semi-skilled and discretionary decision making	30	0	0	0	29	0	0	0	59
Unskilled and defined decision making	44	1	0	1	36	0	0	0	82
TOTAL PERMANENT	117	1	0	2	99	0	0	1	220
Temporary employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	117	1	0	2	99	0	0	1	220

4.5. Capacitating the municipal workforce

•Training of the Employees

During the financial 2017/18 Greater Letaba Municipality managed to train some of the employees in different training fields. The training included amongst others the following staff categories:

- Municipal Manager and Directors
- Professionals and Legislators,
- Senior officials and managers
- Clerks
- Labourers
- Councillors

The training programmes included the following:

- IT Technical Support Learnership
- Municipal Governance
- Hygiene and Office cleaning
- Special Computer Training for people with disability
- Report Writing
- Strategic Performance Management
- Councillor Induction
- Project Management Learnership
- MFMP
- Project Management
- Audit Cradle from the grave
- First Aid for first aiders
- Customer Care Excellency
- Records Management
- Handle and dispose of waste
- ORHVS

4.6. Performance Management System

This chapter outlines briefly how Greater Letaba Municipality managed its performance. Performance Management is a powerful tool that can be used to measure the performance of an organisation. It involves setting of desired strategic objectives, outcomes, indicators and targets, alignment of programmes, projects and processes directly to its individual components such section 57 managers as stipulated in the performance regulations of 2006.

In terms of Chapters 5 and 6 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), local government is required to:

- *Develop a performance management system.*
- *Set targets, monitor and review performance, based on indicators linked to the Integrated Development Plan (IDP).*
- *Publish an annual report on performance for the councillors, staff, the public and other spheres of government.*
- *Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.*
- *Conduct an internal audit on performance before tabling the report.*
- *Have the annual performance report audited by the Auditor-General.*
- *Involve the community in setting indicators and targets and reviewing municipal performance.*

Greater Letaba Municipality's performance management system aims at ensuring that all the departments within the municipality are working coherently to achieve optimum desired results. This is done by planning, reviewing, implementing, monitoring, measuring and reporting on its activities.

The development of Greater Letaba Municipality's Performance Management Framework was guided by different pieces of legislation which include amongst others the following: *Constitution of the Republic of South Africa, Chapter 7 of Act 108 (1996)*

- *White Paper on Local Government 1998*
- *Municipal Systems Act, 2000 (Act No. 32 of 2000)*
- *Municipal Finance Management Act, (Act No. 56 2003)*

- *Regulation 393 of 2009: Local Government Municipal Finance Management Act Municipal Budget and Reporting Regulation*
- *Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager (2006)*
- *Municipal Planning and Performance Management Regulations (2001)*
- *Batho Pele Principles*
- *Municipal Structures Act 1998 (ACT no 117 of 1998)*

Greater Letaba Municipality has adopted a balance scorecard methodology which is a strategic performance management tool. The balance scorecard is used to keep track of the execution of activities by staff within their control and monitor the consequences arising from these actions. The balance scorecard creates a clear link of activities across all levels of municipality. The main objective of the balanced scorecard is to achieve synergy across the Municipality, maximise internal business process efficiencies, and to maximise efficient allocation of financial and human resources. By using the balance scorecard Greater Letaba Municipality managed to come up with strategic objectives that were transformed into a strategic map which emphasizes the municipality's main strategic intent.

Community Perspective	<i>The municipality checks if it is achieving the needs of the community</i>
Financial Perspective	<i>The municipality checks if it is delivering services in an economic, efficient and effective manner</i>
Internal Processes Perspective	<i>The municipality checks if its business processes are assisting in achieving its desired goals</i>
Learning and Growth Perspective	<i>The municipality checks if it has good skills and knowledge to achieve the needs of the community</i>

Organisational performance and employee performance are related to each other and this starts from the planning phase. At an organisational level the Service Delivery and Budget Implementation Plan (SDBIP) was developed for the purpose of monitoring the overall organisational performance. The Performance Agreement of section 54 & 56 managers was derived directly from the SDBIP. The SDBIP

yields a set of indicators and targets which became an undertaking of the municipality to account to the community.

•Performance Management Tools

This section outlines the performance management tools that Greater Letaba Municipality used to assess its performance.

•Integrated Development Plan

Greater Letaba Municipality has developed an Integrated Development Plan which was adopted by council. The performance management system is designed to monitor and evaluate the progress made in the implementation of the municipality's IDP objectives, taking into account the timeframe of projects and budget. The IDP is the strategic document of the municipality that gives direction in terms of service delivery objectives. Performance objectives, indicators, outcomes and targets are derived from the IDP.

•Performance Management Policy Framework

Greater Letaba Municipality has developed and adopted a Performance Management Framework that serves as a guiding document in the implementation of performance management system within the institution.

•Service Delivery and Budget Implementation Plan

In terms of the Municipal Finance Management Act, Act No. 56 (2003) the municipality must develop the SDBIP taking into consideration the Integrated Development Plan and the Budget of the municipality. Greater Letaba Municipality developed the SDBIP which was approved by the Mayor. The SDBIP yields specific indicators and targets which are derived from the IDP. The SDBIP is a link between integrated development plan, performance management system and the budget. The SDBIP serves as a contract between Council and the community. It outlines the Council's objectives and outcomes to be undertaken by Council. Through the SDBIP Council commit itself to the community in terms of services to be rendered. Administration also commit to council on the services they will render to the community.

•Performance Agreements and Performance Plans

The Local Government Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers (R805, 2006) indicate that Section 57 managers must be appointed in terms of a written employment contract and a separate performance agreement. Regulations R805 regulate employment contracts, performance agreements including performance plans and job descriptions of Municipal Managers and managers directly accountable to Municipal Managers. Greater Letaba Municipality developed performance agreement that were duly signed.

The purpose of a performance management agreement is to:

- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality.
- Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.
- Specify and plan for competency gaps as set out in a personal development plan (PDP), which forms an annexure to the performance agreement (a PDP for addressing developmental gaps which have been identified during the previous financial year and must form part of the annual revised performance agreement).
- Monitor and measure performance against set targeted outputs.
- Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job.
- In the event of outstanding performance, to appropriately reward the employee depending on the availability of resources.
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

•Performance Calculators

The 2001 Regulations Chapter 13 indicates that:

- (1) A municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets as set.
- (2) The mechanisms, systems and processes for monitoring in terms of sub regulation (1) must:
 - a) provide for reporting to the municipal council at least twice a year;
 - b) be designed in a manner that enables the municipality to detect early indications of under-performance; and
 - c) provides corrective measures where under-performance has been identified.

Greater Letaba Municipality has developed performance calculators that are used to monitor the performance of the institution and Section 54 & 56 Managers. Monitoring is the key stage when implementing performance management system.

•Reports

The Greater Letaba Municipality continuously produce reports giving feedback regarding the performance of the institution and the departments. The reports mainly focus on the priorities of the organisation, performance objectives, indicators, targets, measurements and analysis. The reports include amongst others the following:

•*Monthly / Quarterly IDP and SDBIP reporting*

In terms of Section 1 of the MFMA, Act 56 of 2003 a municipality must develop a SDBIP with detailed projections for each month of the revenue to be collected, by source, as well as the operational and capital expenditure, by vote. The SDBIP must be reported on a quarterly basis. In complying with this requirement, the municipality compiled monthly, quarterly IDP and SDBIP reports.

•*Mid-year budget and report*

The accounting officer is required to prepare and submit a midyear performance report, which must be submitted to the Mayor, Provincial and National Treasury (Section 72 of the MFMA). Greater Letaba Municipality prepared a Mid-Year Budget and Report as per legislative requirement.

•*Performance report*

Section 46 of the Municipal Systems Act No. 32 of 2000 requires a municipality to prepare a performance report for each financial year. The reports must cover the following:

- Performance of the municipality and of each external service provided during that financial year;*

- *Comparison of the performances referred to in the above paragraph with targets set for and performances in the previous financial year; and*
- *Steps and Interventions to be taken to improve on the performance*

Greater Letaba Municipality prepared performance reports that reflected how the municipality performed institutionally and departmentally.

•Annual report

Section 121 requires the municipality to prepare an annual report for each financial year. Greater Letaba Municipality has managed to compile an annual report.

•Oversight report

Section 129 requires the council of a municipality to consider the municipality’s annual report. It further indicates that within two months from the date of tabling of the annual report, council must adopt an oversight report containing the council’s comments. An oversight report for the municipality was compiled.

•Assessment of Section 54 &56 Managers

The 2006 regulations on Municipal Manager and Managers directly reporting to the Municipal Manager depict how the assessment of section 54 & 56 managers should unfold. It identified four assessments per annum, namely:

Quarter	Panel formation
First Quarter (July to September) – Informal Assessment	No need to constitute a panel of assessors
Second Quarter (October to December) – Formal Assessment	Panel shall be constituted as follows: Assessment of Municipal Manager <ul style="list-style-type: none"> •Mayor •Municipal Manager or Mayor from another municipality •EXCO Member •Ward Committee Member •Chairperson of Performance Audit Committee Assessment of Directors <ul style="list-style-type: none"> •Municipal Manager from another municipality •EXCO Member •Municipal Manager •Chairperson of Performance Audit Committee

Third Quarter (January to March) - Informal Assessment	No need to constitute a panel of assessors
Fourth Quarter (April to June) - Formal Assessment	<p>Panel shall be constituted as follows:</p> <p>Assessment of Municipal Manager</p> <ul style="list-style-type: none"> ●Mayor ●Municipal Manager or Mayor from another municipality ●EXCO Member ●Ward Committee Member ●Chairperson of Performance Audit Committee <p>Assessment of Directors</p> <ul style="list-style-type: none"> ●Municipal Manager from another municipality ●EXCO Member ●Municipal Manager <p>Chairperson of Performance Audit Committee</p>

4.7 Municipal Workforce Expenditure

Disclosure regarding the 2017/2018 remuneration packages for the Mayor, Councillors and Section 57 Managers were as follows:

Table 4.3: Remuneration packages- 2017/18

Designation	Total Salaries & Wages
Mayor	R795 913.00
Full-Time Councillor-Speaker	R 636 731.00
Full-Time Councillor-Chief whip	R 596 936.00
Executive Councillors	R 333 108.00
Councillors	R 251 877.00
Municipal Manager	R 540 394
Chief Financial Officer	R 469 346
Technical Services Director	R 387 457
Corporate Services Director	R 300 160
Community Services Director	R 458 387
Planning & Development Director	R 387 457

4.8 Organisational Development Performance Highlights

- Submission of Workplace skills plan and Annual training reports before the 30th April 2018.

- Enrolling all finance officials, top management and middle management of other departments for Municipal Finance Management Programme as required by Section 60 of National Treasury.
- Training of all Councillors on Councillors Ethics/Protocol.



CHAPTER 5

FINANCIAL PERFORMANCE

5.1 Introduction

Sound financial management practices are essential to the long-term sustainability of the municipality. They underpin the process of democratic accountability. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management. The aim of this chapter is to provide an overview of the financial performance of Greater Letaba Municipality through measuring of results.

5.2 STATEMENT OF FINANCIAL PERFORMANCE

Table: 5.1 Operating ratios

Operating Ratios			
Detail	2015/16 Ratio %	2016/17 Ratio %	2017/18 Ratio %
Employee Cost	33.9	31%	30%
Repairs & Maintenance	3.2	02%	04%
Finance Charges & Depreciation	11.3	09%	12%

Table: 5.3. Financial overview

Financial Overview – 2017/18			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	288 199 000	294 199 000	291 695 123
Taxes, Levies and tariffs	36 172 237	28 172 237	22 460 817
Other	35 462 660	64 047 099	30 057 005
Sub Total	359 833 897	386 418 336	314 186 002
Less Expenditure	218 201 388	223 599 881	247 665 543
Net Total *	141 632 509	162 818 699	96 547 402
*Note: Surplus/ Deficit			

Table: 5.4. Capital expenditure

Total Capital Expenditure from 2016/17 to 2017/1 & 2017/18			
Detail	2015/16	2016/17	2017/18
Original budget	169 050 507	143 405 121	141 632 508.00
Adjustment budget	227 668 177	165 055 387	162 818 699.00
Actual	176 242 640	107 444 236	168 679 537.00
		T1.4.4	

5.3 GREATER LETABA MUNICIPALITY FINANCIAL PERFORMANCE ANALYSIS

•Revenue

The Municipality receives grants and equitable share from national treasury. The grants amount to 93% of the total receipts. Own revenue accounts for 07% of the total receipts, this shows that the municipality depends more on grants and if the treasury had to pull out from funding the municipality, the municipality will not be able to sustain itself. Revenue income has decreased and this is in comparison with 2015/1; 2016/17 and 2017/18 financial years.

•Debtors

The municipality debt bill has increased tremendously by 9.16 comparing to 2016/17 financial year. This concludes that the municipality is not doing well in terms of debt collection. The total debt owed to the municipality is R 127 919 176.00. The Municipality appointed a service provider to develop the revenue enhancement strategy to enable the municipality to improve in revenue collection.

•Liquidity

The Municipality is financial sound. It has reserves cash and cash equivalents amounting to R 12 167 000.00. The municipality's current assets are more than the current liabilities, current assets amount to R 127 810 607.00 and current liabilities amount to R 56 876 426.00.

•Expenditure analysis

In 2016/17 financial year expenses are less than 2017/18 financial year. 2016/17 financial year amounted to R 223 006 186.00 and 2016/17 amount to R 247 665 543.00.

5.4 AUDITED FINANCIAL STATEMENTS AND INFORMATION MANAGEMENT (AUDITED)

SEE ATTACHED ANNEXURE



CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

1. INTRODUCTION

The MSA S45 states that the results of performance measurement in terms of S41(1)(c) must be audited annually by the Auditor-General. Section 41(1)(c) states that the auditing should take place with regard to each of those development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

This chapter provides an overview of the Auditor-General Report of the previous financial year. Specific topics that should receive attention include: Detail on issues raised during the previous financial year and remedial action taken to address the above and preventative measures. The municipality has received for 2016/17 and 2017/18 Financial years qualified audit opinion and unqualified audit opinion respectively. In response to the Auditor General's audit opinion, the municipality has developed an AG action plan in order to ensure that auditor's findings are corrected.

In order to improve the capacity, the municipality will ensure that employees are trained in financial and performance management. The municipality will ensure forward planning when implementing projects in order to accelerate the implementation of projects.

6.3.REMEDIAL ACTION TO ADDRESS THE AUDIT EXCEPTIONS

Greater Letaba Municipality Consolidated Management Corrective Action Plan – Auditor General’s Report for 2017/18: Audit Opinion - Unqualified

END OF REPORT