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Testimonies, clean audits and successful service-delivery projects

Clean administration and service delivery field visits

We conclude this report by sharing some success stories of municipalities that have both achieved clean audits and effectively delivered infrastructure projects to improve the lives of their citizens. The section firstly gives some background on the AG's field visits to these municipalities, then lists key characteristics that have had a positive impact on the audit outcomes and service delivery of these municipalities, and lastly details specific projects before touching on the way forward.

The table below shows the 2013-14, 2012-13 and 2007-08 audit outcomes of the municipalities that achieved clean audit outcomes in the current year.

Table 1: Comparison of current year, previous year and 2007-08 audit outcomes of municipalities with clean audits

Number	Auditee	Province	Auditee type	Audit opinions		
				2013-14	2012-13	2007-08
1	Sarah Baartman District	EC	DM			
2	Senqu	EC	LM			
3	Ekurhuleni Metro	GP	M			
4	Sedibeng District	GP	DM			
5	Midvaal	GP	LM			
6	Mogale City	GP	LM			
7	Ilembe District	KZN	DM			
8	uMgungundlovu District	KZN	DM			
9	uThungulu District	KZN	DM			
10	Zululand District	KZN	DM			
11	Dannhauser	KZN	LM			
12	eMnambithi / Ladysmith	KZN	LM			
13	Ezinqoleni	KZN	LM			
14	Mandeni	KZN	LM			
15	Richmond	KZN	LM			
16	Ubuhlebezwe	KZN	LM			

Number	Auditee	Province	Auditee type	Audit opinions		
				2013-14	2012-13	2007-08
17	uMhlathuze	KZN	LM			
18	uMzimkhulu	KZN	LM			
19	Umzumbe	KZN	LM			
20	Ehlanzeni District	MP	DM			
21	Steve Tshwete	MP	LM			
22	Frances Baard District	NC	DM			
23	ZF Mgcawu District	NC	DM			
24	City of Cape Town Metro	WC	M			
25	Cape Winelands District	WC	DM			
26	Eden District	WC	DM			
27	West Coast District	WC	DM			
28	Bitou	WC	LM			
29	Breede Valley	WC	LM			
30	Cape Agulhas	WC	LM			
31	Drakenstein	WC	LM			
32	George	WC	LM			
33	Hessequa	WC	LM			
34	Knysna	WC	LM			
35	Langeberg	WC	LM			
36	Mossel Bay	WC	LM			
37	Overstrand	WC	LM			
38	Swartland	WC	LM			
39	Theewaterskloof	WC	LM			
40	Witzenberg	WC	LM			

Legend (audit outcomes)

Unqualified with no findings
Unqualified with findings
Qualified with findings
Disclaimed with findings

M = metropolitan municipality

DM = district municipality

LM = local municipality

The field visits were part of our effort to put a face to the concept of a clean audit as well as demonstrate that it is all in the hands of the leadership to restore confidence in local government. It is our earnest desire that all entrusted with financial management and oversight responsibilities in local government can take some useful lessons from the better practices of these municipalities. We applaud all of them for blazing a trail in this effort towards good financial management and governance.

Background

In the first three months of 2015, AG Kimi Makwetu and staff from our office visited different municipalities across the country that had received clean audits. As previously explained, an auditee achieves a clean audit (or an unqualified opinion with no findings) when the financial statements are unqualified and we report no findings on either reporting on predetermined objectives or compliance with key legislation.

The aim of the field visits was to observe, first hand, the correlation between clean audit outcomes and service delivery achievements as well as to identify the key characteristics of these clean audit municipalities.

The leadership of these municipalities had an opportunity to reflect on the importance of clean administration as a catalyst to drive service delivery, showcase their governance structures as a critical area in ensuring the attainment of clean audit outcomes, and accompany the AG and his team on visits to key projects.

In this regard, we are now in a better position to confirm that these clean audits do not come on the back of the non-delivery of services, as demonstrated by the projects described further on in this section. The same practices applied by these municipalities over the last few years in achieving clean audits were also evident in the management of the projects visited. These included using action plans with clear timelines; officials being assigned specific roles and responsibilities and being adequately supervised and monitored by senior management; employing skilled people in key positions, such as engineers; a healthy interface between the administrative and the political leadership; and effective oversight by governance structures, such as audit committees.

The observations made during the visits should not be regarded as an audit and the outcomes are not intended to showcase any municipality or province. However, we considered it worthwhile to share the good practices noted during the visits, as these could benefit other municipalities struggling to achieve clean administration and grappling with service delivery challenges.

Key characteristics that have had a positive impact on audit outcomes and service delivery

Leadership

- The roles of the council and the administration are clarified and understood, and they actively participate in forums to promote a common vision for good governance through accountable financial and performance management and compliance with legislation.
- The municipal leadership displays a great awareness and understanding of what municipalities have to achieve on a daily basis, both from a financial management and governance perspective as well as a service delivery point of view.
- They have suitably qualified officials to implement the disciplines around financial management and good governance, which are supported by dedicated political leaders who monitor and ensure that these disciplines are implemented.
- Credible action plans are developed and implemented to correct the internal control deficiencies we had highlighted in previous years.
- The monitoring of the implementation of action plans is a standing agenda item at meetings of councils and audit committees on a quarterly basis.
- Particular attention is paid to the systems used to manage and report on their performance while corroborating their service delivery reports, apart from being able to produce credible accounts on their revenue, expenses, liabilities and assets.

Financial and performance management

- Basic internal controls and systems, including performing daily, monthly and quarterly reconciliations of their financial records, are embedded in the control environment of municipalities.
- Proper record keeping is implemented in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
- Regular, accurate and complete financial and performance reports are prepared and supported by reliable information.
- Measures are implemented to ensure that legislated duties are performed and that prohibited transactions are prevented to ensure compliance with regulations.

Governance

- Ongoing risk identification and risk management form an integral part of the governance arrangements at these municipalities.
- Fully functional internal audit units are in place, over which audit committees provide effective oversight.
- MPACs have been established and contribute to enhanced oversight.

Further factors making the municipalities successful

- Making good governance and service delivery the norm is a key element of the success of the municipalities who achieved clean audits.
- The municipalities take great pride in their work and responsibilities, as they believe they exist to provide effective services to their citizens.
- The municipal leadership creates platforms and facilities for communities to express their needs and service delivery concerns to the municipality; for example, through regular meetings in community halls and having a 24-hour hotline to report service breakdowns.
- Innovation to enhance the services provided to citizens is central to ensuring that municipal resources are applied economically, effectively and efficiently.
- Entrenched skills in engineering and project management are present at these municipalities.
- The municipalities do not see the achievement of a clean administration as a project, but rather as an outcome of the continuous implementation of governance processes and disciplines, which are key in achieving service delivery. Consequently, these municipalities achieve clean administration without compromising service delivery.
- The municipalities use their clean administration status to attract investors and donors, which then collaborate with the municipalities and provide more funding, enabling the municipalities to deliver more and better services to their communities.
- The municipalities are determined to sustain their clean audit status.
- There is no fear of being audited and the municipalities respond positively to our recommendations.

These key characteristics were evident at all the municipalities visited, as further detailed in the rest of this section.

Field visits

Eastern Cape

The Eastern Cape had two municipalities that had obtained a clean audit for the 2013-14 financial year, namely Sarah Baartman District and Senqu. The AG visited Sarah Baartman District on 16 April 2015, and was scheduled to visit Senqu after the writing of this report.

Sarah Baartman District



The AG and his team with council members of Sarah Baartman District and Camdeboo.

Sarah Baartman District undertook a joint project with one of its local municipalities, Camdeboo. The AG's visit to Graaff-Reinet, which is the seat of the Camdeboo municipal council, was hosted by both mayors, Cllr Khunjuzwa Kekana (Sarah Baartman District) and Cllr Hanna Makoba (Camdeboo).

Cllr Kekana provided a detailed presentation of the profile of the district as well as the business model they had adopted to ensure that they meet their mandated responsibilities. She said that the district municipality attained a clean audit by enhancing their daily disciplines around financial and performance reporting as well as maintaining stringent oversight processes by MPAC, the council and the audit committee. 'These controls and processes have subsequently resulted in

requests being made to the district municipality to share their best practices, and a delegation from five Western Cape municipalities is scheduled to visit the district municipality in April 2015,' she pointed out.

Project visited

Nieu Bethesda wastewater works

The municipality took the AG to this project due to its impact in terms of service delivery to the community as well as its value.

Before the construction of the Nieu Bethesda wastewater works, the community relied on septic tanks, VIP toilets or the bucket system for their sanitation needs. When the eradication of the bucket system was initiated, Camdeboo and Sarah Baartman District partnered to create a more sustainable sewer management system. They had to move away from a decentralised to a centralised system where household waste is transported away from the households by using a network of sewer pipes to a municipal treatment plant. By developing this system, the municipality could ensure that all households had access to a water-borne sewer system and thus a flushing toilet indoors. A non-mechanised system was also designed to service 500 households in the area.

According to the project manager, Ivor Berrington, this project has limited the carbon footprint, as the system is solar- and lunar-powered with no reliance on Eskom. 'This best practice has been published and the case has been presented in the Netherlands. There are future plans to establish a wood lot, which will be irrigated using the treated effluent water produced by the plant,' said Berrington.

Director of engineering at the municipality, Bheki Makedama, said that the water produced by the plant has met the required quality standards and received approval by the Department of Water Affairs, but has not yet been audited for its green drop status. He further pointed out that the operations controller monitors the water quality daily and weekly, while independent tests are performed each month to ensure that quality standards are met.

Municipal manager, Ted Pillay, explained that the project was planned for and is included in the municipality's SDBIP. Importantly, it was monitored regularly with progress reported quarterly. The reported performance in the APR is reflected as 100% completed, as evidenced by the handover of the completed project to the local municipality. The project is discussed in the municipal manager's overview in chapter 1 on page 5 of the annual report and also on page 80, and relates to the broader KPA 2: service delivery – sanitation services.



Above: A part of the first phase of the wastewater works project in Nieu Bethesda has been completed.

Below: Another part of the project that aims to convert most of the town's household ablutions to the water-borne system.



Mpumalanga

On 23 February 2015, the AG visited Ehlanzeni District and Steve Tshwete that had obtained clean audits in the province during the 2013-14 financial year.

Ehlanzeni District



AG Kimi Makwetu with his delegation and executive mayor Cllr Letta Shongwe with council members of Ehlanzeni District.

Located in the north-eastern part of Mpumalanga and bordering Mozambique and Swaziland, the municipality is one of three district municipalities in the province. As a district municipality, it provides support to five local municipalities within its district, namely Mbombela, Nkomazi, Thaba Chweu, Umjindi and Bushbuckridge. This support includes providing financial assistance, giving advice on specialised services, and facilitating and implementing service delivery projects on behalf of local municipalities.

The AG was received by the executive mayor, Cllr Letta Shongwe, with municipal manager, Adv. Hugh Mbatha, and his administration team present. Cllr Shongwe expressed gratitude and excitement for having an opportunity to interact with the AG and pointed out that 'The achievement of a clean audit did not come easy and is attributable to commitment of staff members, political leadership and consistent hard work.'

In his presentation, Adv. Mbatha highlighted the importance of key controls as a cornerstone for sustaining good governance. He indicated that, as a municipality, they did not compromise on quality, especially that of candidates recruited to join the municipality. 'Internal auditors play a vital role in assisting us to understand the reports submitted for review,' he said. One of the contributing factors to their success was strategic planning sessions, during which his team conducted 'self-audits' before and after the external audit.

Project visited

Refurbishment and upgrading of the Lomati Dam

Ehlanzeni District provides support to their local municipalities in terms of one of the strategic objectives in their APR, namely 'to support and monitor local municipalities in specific areas of need'. They implemented some of the critical projects for service delivery on behalf of these municipalities, including the refurbishment and upgrading of the Lomati Dam in Barberton. In this regard, the project assisted Umjindi to deliver on its own objective: 'to ensure that all households in Umjindi have access to basic water at specified standards'.

The project scope involved strengthening the dam wall to cater for the expansion of capacity (extension of the wall) in the second phase of the project. Its objective is to ensure a continuous supply of potable water to Barberton and its surrounding areas.

According to Adv. Mbatha and the deputy manager for water and sanitation, Piet du Toit, the Lomati Dam is the primary source of water supply to the town of Barberton and the adjacent communities of Emjindini Trust and Verulam. They pointed out that the dam is therefore exclusively for domestic use and no farmers or businesses are allowed to use it. 'It currently benefits about 59 381 people in the above-mentioned communities. The maintenance of the dam will be handed over to Umjindi only after proper training has been offered to officials of the municipality, and continuous support will be given,' said Mbatha.





The Barberton area and surrounds are solely depended on the Lomati Dam as the source of their water supply. Due to the rapid increase in the population, the municipality plans to increase the capacity of the dam to ensure sufficient water for a population of over 60 000.

Steve Tshwete



The AGSA's delegation led by AG Kimi Makwetu together with executive mayor Cllr Mike Masina and council members of Steve Tshwete.

Located in the Nkangala District in Middelburg, Steve Tshwete is one of the few municipalities that received its first clean audit in 2009-10 and has sustained that status.

Here the AG and his delegation were welcomed by the executive mayor, Cllr Mike Masina, and his leadership collective. The acting municipal manager, Mandla Mnguni, led his strong management team. Cllr Masina expressed his happiness at the visit and sang the praises of our office and its importance in the country. In his presentation, Mnguni indicated that maintaining the clean audit status was not easy and required extra attention to the internal controls and a solid control environment. 'We owe our success to the implementation of the basic accounting disciplines and the constant support we receive from the political leadership,' he said.

Projects visited

Integrated low-cost housing in Rockdale

During 2013-14, the municipality was the first municipality in the province to be accredited to administer all the national housing programmes on behalf of the provincial department in terms of section 10 of the Housing Act. This was in recognition of their efforts to develop sufficient capacity and a sound municipal human settlement development plan.

The municipality successfully partnered with the private sector on this project. About 3 000 stands were available in the Rockdale area and just over 500 houses had already been built, addressing one of the municipality's strategic objectives in its annual report, namely 'to contribute towards the sustainable and integrated human settlement'.



The first phase of Park 11892 and Mhluzi extension 7 in Middelburg is close to completion. Of the 3 000 stands made available, 500 units have been completed.



Development and landscaping of Park 11829 and Mhluzi extension 7.

This project in Middelburg, valued at around R37 million, is an initiative made possible by the NDPG implemented by the municipality. The project manager explained that the primary focus of the project is to stimulate and accelerate investment in poor, under-served residential neighbourhoods by providing facilities to uplift the community.

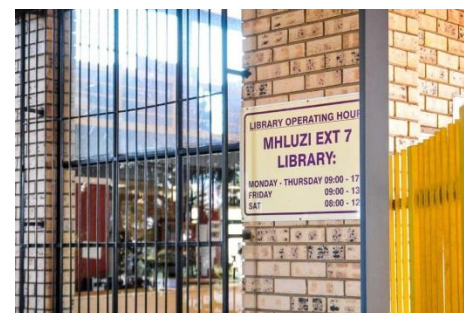
The project is located in an area that is very accessible and visible to a large part of the community. The project manager further explained that this was a two-phased project. The first phase entailed the development and landscaping of the park and sport fields, while the second involved the development of a multi-purpose community centre that provides government and retail facilities.

The project responded to one of the municipality's objectives in the 2013-14 SDBIP under infrastructure development and service delivery, namely 'to develop new sport and recreation facilities while upgrading existing facilities according to prioritised community needs'. The AG was shown the park with two multi-purpose courts, children's playgrounds, pathways and a picnic area.

The new multi-purpose community centre was constructed to become a one-stop service centre providing basic services, such as small retail shops; job creation programmes; pay points for water, electricity and telephone bills; a satellite post office; and government social services including welfare offices. Mnguni pointed out that during construction, the project provided job opportunities for local community members from the different municipal wards.



The complex is part of the project that seeks to stimulate and accelerate investments in poor, under-served areas by providing facilities to uplift the community. It includes a sport complex, a library and an office park.



Gauteng

The AG visited some of the municipalities in the province that had obtained a clean audit in the 2013-14 financial year, namely:

- Sedibeng District (10 February 2015)
- Midvaal (10 February 2015)
- Mogale City (11 February 2015)
- Ekurhuleni Metro (1 April 2015)

Sedibeng District and Midvaal



AG Kimi Makwetu with executive mayors of Sedibeng District and Midvaal Cllrs Simon Mofokeng and Bongani Baloyi and their teams.

As Midvaal is part of the Sedibeng District, they had a combined session at Midvaal. Hosted by both executive mayors, Cllr Mohale Simon Mofokeng (Sedibeng District) and Cllr Bongani Baloyi (Midvaal), the AG was taken through detailed presentations before embarking on site visits. Cllr Mofokeng attributed the performance of his municipality to the role of various stakeholders. 'All the units in the municipality must work like a chain. Also, each individual must know that they have a very important role to play. As an executive mayor I play an oversight role; where it is necessary, I intervene to make sure that things are going according to plan without interference in the administration,' he reflected.

According to Cllr Baloyi, a combination of factors allowed Midvaal to obtain a clean audit. This ranged from resolving performance management issues and performing self-evaluations. 'We had to ensure that we follow through with the projects we had initiated and comply with all the necessary legislation. We also had to follow through with the supply chain procedures and make sure that we record and document the actions we have taken, including how we have spent our money so that we can be reviewed and assessed in a transparent manner,' he said.

Projects visited

The following projects were visited due to their size, budget spent, and impact on the daily lives of citizens.

Meyerton wastewater treatment works

According to the municipality's APR, the objective of this project is to ensure efficient water and sanitation infrastructure that will contribute to improving the quality of life. This will likely result in increased compliance figures and positive green drop assessment results. The project will also assist future projects relating to human settlement, as the previous reservoir did not have enough capacity to accommodate the increase in residential areas. This is a long-term project, with the current year's expenditure focusing on the construction of a new 10-megalitre reservoir and bulk water mains. This project, as reflected in the mayor's foreword in chapter 1 of the 2013-14 annual report, relates to the broader KPA 6: physical infrastructure and energy efficiency.



Part of the wastewater treatment works.



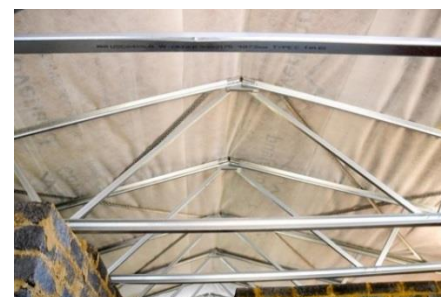
The wastewater treatment works project will assist future human settlement projects, as the previous reservoir did not have enough capacity to accommodate the increase in residential areas.

Sicelo housing project

In its endeavour to deliver decent houses to its residents, the municipality partnered with the Gauteng Department of Human Settlement and Cooperative Governance to build more than 400 houses for indigent families. The objective of this project is to facilitate the development and empowerment of the poor and most vulnerable (through the provision of housing to deal with the challenges resulting from the rapid growth as a result of migration) in terms of the municipality's APR. The project is discussed in the mayor's foreword in chapter 1 of the 2013-14 annual report under key service delivery improvements, and relates to KPA 3: social and community development, key focus area (KFA) 15: sustainable human settlements, and KPI 29: funding of a migration plan.



The municipality partnered with the Gauteng Department of Human Settlement and Cooperative Governance to build more than 400 houses for indigent families. The objective of this project is to facilitate the development and empowerment of the poor and most vulnerable through the provision of housing to deal with challenges resulting from rapid growth due to migration.



Road development in Mimosa Avenue

The APR objective of this project includes community safety through traffic control. Cllr Baloyi explained that key to this development was a recently built traffic calming circle to prevent vehicle accidents. This was the municipality's response to a tragic incident in which a child died after being hit by a car. The project is discussed in the mayor's foreword in chapter 1 of the 2013-14 annual report under key service delivery improvements.



The traffic calming circle was built to reduce road accidents.



Mogale City



The AGSA's delegation led by AG Kimi Makwetu with the leadership of Mogale City.

While this municipality can now celebrate a clean audit, it was not all smooth sailing according to the municipal manager, Dan Mashitsho, as they had to rid the municipality of the three-year backlog of annual financial statements. Although he joined the municipality in 2006, 'we had to start by working on compiling financial statements for the 2002-03 financial year. But in a few years we managed to turn that around.'

Projects visited

Condale substation upgrade

The project manager of this substation, an employee of the municipality, highlighted that this substation was officially opened in 1960. He pointed out that this initiative, of which the objective in the APR is to ensure sustainable service delivery – and more specifically to enhance the electricity distribution capacity of the municipality through energising additional transformers – is being upgraded to ensure a stable electricity supply capacity for the expanding community while accommodating Eskom's proposed infeed transformer.

Currently, the substation receives a capacity of 160 MVA from Eskom and the upgrade will see it increasing this capacity to 240 MVA. The project will be completed during the 2014-15 financial year and is on schedule. The project is linked to the specific KPI: stages for the transformer energiser, of which the target of 10 has been met.



The Condale substation is being upgraded to enhance the electricity distribution capacity of the municipality and to ensure a stable electricity supply capacity for the expanding community.



Chief Mogale integrated township

According to the APR, the objectives of this project are linked to sustainable service delivery and social upliftment. This is one of the few new townships in the country that are multiracial and is thus also playing a role in advancing social cohesion and integration.



A township with a difference. At first glance, this could be a township anywhere, but the uniqueness of Chief Mogale is that it is an integrated community that seeks to develop housing for all citizens regardless of race – forging the promise of one South Africa for all.



Kagiso sport complex

In line with the strategic objective of ensuring sustainable service delivery – and more specifically the upgrading of sport facilities – as per the designs completed in the APR, the AG's delegation visited the Kagiso sport complex where the municipality is now taking cricket to the previously marginalised township. Previously, cricket-playing youth had to compete for limited facilities with other youngsters in the traditional soccer-playing township. This facility has provided the township youth with a chance not only to dream but also to reach their goals, with Mogale now producing top-quality cricket players. The project is discussed on page 20 of the APR and was partially achieved at year-end, compared to the planned target of completion.



The Kagiso sport complex where the municipality is now taking cricket to the previously marginalised township. This facility has provided the township youth with a chance to dream and reach their goals, with Mogale City now producing top-quality cricket players.

Luipaardsvlei landfill site

The last project visited in Mogale City was the Luipaardsvlei landfill site where the municipality highlighted its plans of recycling waste to energy with the aim of reducing its dependence on landfilling. The APR states that the objective of this project is to ensure sound environmental management, including municipal health through the construction of a new landfill site. This initiative will also have environmental benefits in addition to contributing to sustainability, as it will reduce land rehabilitation costs in future. The site is linked to the specific KPI 'landfill cell development' on page 39 of the APR, of which the target of constructing a new landfill cell was completed.



Workers offloading refuse at the Luipaardsvlei landfill site, an initiative of which the environmental benefits include the reduction of land rehabilitation costs in future.



Ekurhuleni Metro



AG Kimi Makwetu with executive mayor Cllr Mondli Gungubele and their teams in front of the Winnie Mandela clinic.

This municipality has come a long way since 2011 when it was one of the poorest performing municipalities in terms of customer satisfaction. Since then, the Gauteng Observatory has given the municipality a status indicating that service delivery satisfaction is on the rise, according to the executive mayor, Cllr Mondli Gungubele. He said 'achieving a clean audit has a direct impact on service delivery in a number of ways and what is critical of a clean audit is the trust and confidence that people have in government'.

The city manager, Khaya Ngema, said Ekurhuleni Metro is Africa's industrial hub, as it boasts the biggest single concentration of manufacturing on the continent. 'We are also Africa's aviation interchange,' he said. Talking about some of the projects that the AG and his team visited, he said that they want to integrate the municipality so that it can become more spacious both economically and in terms of living. 'A single core administration has a better possibility of integrating Ekurhuleni Metro into the bigger Gauteng city region.'

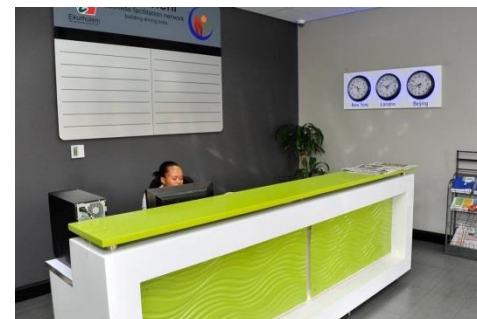
Projects visited

Ekurhuleni business facilitation network

This is a one-stop centre where investors come to solve problems with regard to business ventures and entrepreneurship. The centre also offers support and helps aspiring entrepreneurs and investors through coordinated business support, incubation, mentorship, linkages, and financing interventions for small, medium and micro enterprises and cooperatives.



The Ekurhuleni business facilitation network is aimed at attracting investment to Africa's first 'aerotropolis'. The municipality spent R10 million to put together the facility that also aims to improve relations with the broader investment community.



Integrated rapid public transport network

In its first phase of implementation, this project aims to improve and promote the use of public transport in Ekurhuleni Metro. It is part of a 20-year plan to provide an accessible, affordable and integrated public transport service for all citizens.



The integrated rapid public transport network, stretching over 40 kilometres, will cost R1,7 billion over three years. The route will also include the bus rapid transit section.



Fab lab

Ekurhuleni Metro adopted the fab lab concept to assist in promoting innovation and support entrepreneurship within disadvantaged communities. The visited lab is in Tembisa Township and is open to primary school children in the area. Children get to explore the world through the Internet and also get to come up with different ideas, which then get realised through technology.



We observed the young lads from Tembisa exploring some technology-linked projects and models based on their broad interests.



Winnie Mandela clinic

This clinic and the Tembisa customer care centre were damaged during a service delivery protest, during which 10 cars were also torched. Both these facilities have since been refurbished and will re-open soon.



The refurbished Winnie Mandela clinic.



KwaZulu-Natal

The KwaZulu-Natal leg of the AG's visits to municipalities that had obtained a clean audit in 2013-14 included the following municipalities:

- uThungulu District (2 February 2015)
- uMhlathuze (2 February 2015)
- Zululand District (3 February 2015)
- Mandeni (3 February 2015)
- uMgungundlovu District (4 February 2015)

uThungulu District



The AGSA's delegation with executive mayor and council members of uThungulu District.

Located in the north-eastern region of the province on the eastern seaboard of South Africa, this municipality covers an area of 8 000 square kilometres, from the agricultural town of Gingindlovu in the south, to the Umfolozi River in the north, and inland to the mountainous beauty of rural Nkandla. The uThungulu District has six local municipalities.

The AG was hosted by the mayor, Cllr TVB Mchunu, and was taken through detailed presentations before embarking on site visits. The mayor concluded her presentation by mentioning the following as key ingredients to achieving and sustaining a clean audit opinion:

- Effective and efficient leadership.
- A skilled, competent and strategic management team.
- Skilled, competent and capacitated staff.
- Assessing previous internal and external audit reports with a road map to address the matters raised.
- Performing routine tasks daily.
- Regularly communicating with all stakeholders.
- A sound system of internal control, monitored by a competent internal audit unit.
- Setting the goal of a clean audit as a priority for all.

The municipal manager, Bonginkosi Biyela, highlighted the following in his presentation:

- Keeping abreast of new legislation is vital for success.
- Continued accounting updates are of importance.
- The importance of effective intergovernmental forums.
- The fact that the district was rated the best-run district by the provincial premier's office and CoGTA.

Project visited

Regional water scheme: Greater Mthonjaneni phases 1 and 2

This scheme currently supplies about 3 000 households in Mthonjaneni, Eshowe and Ntambanana; and it is expected to supply around 10 000 households on completion. The dam is owned by the Department of Water Affairs and the water scheme is owned by uThungulu District. According to the municipal manager, Bonginkosi Biyela, about 2 000 people benefited from this project through temporary and permanent jobs. Heavy-duty pumps are used to pump water up the mountain to Mthonjaneni in Melmoth. The objective of this project is described as 'number of households with access to basic water' in the municipality's APR, and the scheme is managed by a team of competent technical staff. Biyela further provided insights on how the scheme enables the reuse and recycling of water and on how the achievement of a clean audit is closely related to service delivery and satisfied people in the municipal area. The municipality emphasised that monitoring, evaluation and reporting are key practices, underpinned by good project management.



The Greater Mthonjaneni water scheme will supply about 3 000 households in the areas of Mthonjaneni, Eshowe and Ntambanana.



AG Kimi Makwetu and his team with council members of uMhlathuze.

This municipality is part of the uThungulu District, where the AG was hosted by the deputy mayor, Cllr Ntombizethu Vera Gumbi. The AG's delegation received detailed presentations by the deputy mayor, municipal manager and CFO before embarking on site visits. Cllr Gumbi attributed the success of the municipality to the interactions and commitments of various stakeholders, ranging from our leadership in the province, the provincial treasury as well as the provincial CoGTA. She stated that the municipality had programmes for community upliftment, empowerment of rural areas, economic development and attraction of investments, maintenance of community development standards in all areas, provision of affordable housing, and poverty alleviation through the creation of suitable and sustainable enabling environments within the borders of the municipality, which were driven and monitored diligently by the council.

Municipal manager, Dr Nhlanhla Sibeko, emphasised that to be successful, all components of the municipality must work together in harmony and get the basics right. 'The key successes were due to all staff being held accountable for their actions in their day-to-day operations coupled with project management and monitoring of turnkey projects,' he said.

Projects visited

Housing project

The AG and his delegation were taken to Dumisani Makhaye Village phases 1, 2, 3, 5, 6, 7 and 8 as well as Aquadene. The objective of this project is reflected as 'number of new low-cost houses built (Dumisani Makhaye Village and rural housing projects)' in the APR of the municipality. The municipality described the project located in Empangeni, where various phases of the Dumisani Makhaye Village had been completed to improve the living conditions of people who had been living in informal dwellings since 1995. The houses were equipped with lighting and water at one point in the dwelling, with the latest technology monitoring electricity usage against the prepaid amounts purchased per house. LED street lights had been installed in the neighbourhood and the brightness of these lights could be controlled to save energy.

According to Cllr Gumbi, the achievement of a clean audit was closely related to service delivery and satisfied people in the municipal area. The municipality understood that project management, budgeting, monitoring and key milestones are essential for ensuring that activities are undertaken in the most economical, efficient, effective and value-adding manner.





Supplying services to the people is one of the key offerings by any local government; and where you provide housing, other essential services such as electricity and water need to be part of the offering, as is the case with this low-cost housing development in Dumisani Makhaye Village.

Process control and telecommunications

The next step for the AG was the technical operating centre. Some of the key deliverables of the centre are the following:

- Electricity – monitoring strategic power distribution points with alarm features and historian devices.
- Sewer – monitoring sewer plants and pumps with alarm and remote pump control.
- Water – monitoring water plants and reservoirs with alarm and remote pump control.
- Street lights – monitoring street lights with alarm features that dim functionality.
- Fleet – monitoring that vehicles follow prescribed routes with remote controlling of vehicles.
- Metering and load management – monitoring meter consumption in relation to supply and demand to correct distribution scaling, enhance protection and facilitate a smart metering migration platform.

The municipal leadership and technical staff provided feedback on the adoption of the technical operation centre and said that the benefits included decreased downtime due to improved system security, planning, tuning and utilisation, as well as an increased life cycle due to the ability to better leverage existing technology investments.

The objectives of this project are reflected in the APR as 'number of households with access to electricity', 'households with access to basic water' and '% households with access to basic sanitation'. Dr Sibeko and his team also highlighted the existence of a call centre that tracks adherence of the municipal fleet to predefined and prescribed routes to ensure that vehicles are used for official business only. The municipal leadership is convinced that its flagship system will go a long way in improving service delivery by addressing the needs of the community and reducing wastage.



According to the municipality, the objectives of this project are to have a connected system where the number of households with access to electricity, basic water and sanitation can be tracked to improve their offering of services to the greater public.

Zululand District



The AGSA's delegation with some of the council members of Zululand District.

This municipality, located in the northern region of the province, covers an area of approximately 14 810 square kilometres. Almost half of the area is under the jurisdiction of traditional authorities, while the remainder is divided between commercially owned farms and conservation areas. Of the 157 749 households in the district, 87 860 are headed by women and children, with an unemployment rate of 41%.

Here the AG was received by the executive mayor, Cllr MA Hlatshwayo, and the speaker, Cllr VO Mbuyisa. In attendance were members of the municipality's executive committee, senior management, representatives from the audit committee and MPAC as well as members of the council. Cllr Hlatshwayo highlighted the importance of service delivery commitments and an appreciation of the AG's visit to the district. Head of planning and water services, Mr S Landman, presented the municipality's outcomes linked to a culture that has been built over a number of years, including highly skilled employees, employee development and retention. The municipality also pointed out the importance of community involvement through ward committees and keeping the community informed on a regular basis. Cllr Hlatshwayo attributed the clean audit to the dedicated senior management team as well as training, developing and competitively remunerating

staff. He further highlighted that all other structures of the municipality, such as the internal audit unit, audit committee, MPAC and council, were functioning well.

Project visited

Mahlombe pump line to Lindizwe/Vuna Dam

The AG and his delegation visited the Mahlombe pump line to the Lindizwe/Vuna Dam located in Nongoma where a water project is in progress. This project will serve 29 500 households and 215 600 people in the communities of Ivuna, Mahlombe, Kwandase, Ekubuseni, Itshodo, Khalweni, Newgoli, Badleni, Esigangi, Emkhondo, KwaDenge, Gomondo, Kwasicengile, Sikheleni, Ndikandika, and Esikheleni. It is estimated that employment opportunities will be provided to 10 818 people as part of the project, which will help to alleviate the high unemployment rate in the area.

Cllr Hlatshwayo, once more, said that the achievement of a clean audit was closely related to service delivery and satisfied people in the municipal area, as there have been no service delivery protests in the district. 'Monitoring, evaluation and reporting are key practices in the municipality, supported by good project management,' he said. He further stated that the municipality had highly skilled officials and a fully capacitated workforce who understood the municipal landscape. At the site, he reiterated the leadership's commitment to take full accountability for performance, have a sound knowledge of community needs as well as maintain accurate financial and performance monitoring and reporting.





The Mahlombe pump line project will serve 29 500 households and 215 600 people in the communities of Ivuna, Mahlombe, Kwandase, Ekubuseni, Itshodo, Khalweni, Newgoli, Badleni, Esigangi, Emkhondo, KwaDenge, Gomondo, Kwasicengile, Sikhaleni, Ndikandika, and Esikhaleni

Mandeni



AG Kimi Makwetu and his team with council members of Mandeni.

This municipality is situated between Durban and Richards Bay and lies on the development corridor on the north coast between these two major port cities in the province. The mayor, Cllr SB Zulu, highlighted that the clean audit was the result of the implementation of a turnaround plan on key issues to address challenges. He said that the oversight role of the council to ensure the governance of the municipality was maintained, as was the support that the municipality received from the provincial treasury and the provincial CoGTA. He further indicated that the governance structures assisted with obtaining a clean audit, such as internal risk management committees, the audit committee, MPAC and an effective internal audit unit. 'A full staff complement with the requisite knowledge and experience has been a key driver for success and sound internal controls,' he pointed out.

Projects visited

Central business district (CBD) secondary intersection

The CBD secondary intersection is the first part of a three-phase project. The project will ensure that the CBD becomes more functional by reducing traffic congestion, thus promoting social and economic growth. The municipal leadership explained that they had embarked on an urban renewal programme to formalise the CBD and make it more functional from an infrastructure and planning perspective. 'The challenges faced on the project relate mainly to planning and

land/legal issues, as people have settled informally and must be relocated before development can take place to clean up the CBD,' said Cllr Zulu. The municipality has qualified for various forms of grant funding to improve the town and address community needs in this regard. According to the APR, the objective of this project is to provide and maintain stormwater drains and channels in the CBD.



The multi-year housing project seeks to construct approximately 3 000 houses.

Mandeni plans to formalise the CBD and make it more functional from an infrastructure and planning perspective. The CBD secondary intersection will facilitate the flow of traffic to the area.

Nyoni housing project

This is a slum-clearance project that will see a fully integrated human settlement with a densification concept to increase the level of beneficiation. Cllr Zulu and his team said that the multi-year project will see approximately 3 000 houses being constructed. To date, 71 houses have been constructed and handed over to beneficiaries, while the construction of others is in progress. This is in line with the objective of 'provision of new roads, stormwater, bridges and related infrastructure' in the municipality's APR.

The project is a human settlement project funded by three different funders. 'Ilembe District is funding the bulk water and sanitation infrastructure, Mandeni is funding the bulk roads and stormwater and the Department of Human Settlements is funding the internal reticulations and the houses,' said Cllr Zulu. The municipality has put people and their concerns first by delivering basic services. 'A clean audit ensures stakeholder happiness while service delivery ensures that the municipality obtains and retains the trust and affection of the community,' he said.

uMgungundlovu District



The AGSA's delegation led by AG Kimi Makwetu and council members of uMgungundlovu District, in front of the newly constructed water reservoir that supplies a number of villages in Impendle.

One of 11 district municipalities in the province, the seat of this municipality is Pietermaritzburg and is home to just over 928 000 citizens. Here the AG was hosted by Cllr YS Bhamjee and municipal manager, Mr TLS Khuzwayo. In attendance was the full membership of the municipality's executive committee, senior management, representatives from the audit committee and MPAC as well as council members.

Khuzwayo presented the municipality's road map towards institutional excellence, linking the municipality's journey from a position of repeat disclaimers to a clean audit in 2013-14 with the impact on service delivery. He said that this journey was based on a turnaround strategy implemented by the current leadership, with a focus on the strategic link between a clean audit and improved service delivery. According to Cllr Bhamjee, the entire structure of the municipality should be geared towards a sustainable clean audit. He also emphasised the importance of synergy between the governance structures and management. 'A clean audit is the first step in providing the information and support structures necessary to overcome the actual challenges to service delivery; for example, proper backlog planning, planning between organs of state for various integrated roads, water and electricity

infrastructure projects, and geographical challenges in bringing basic services to impoverished rural communities,' he said.

Project visited

Impendle KwaNovuka water supply scheme number two

The components of this scheme include the Ntshishini River abstraction, water treatment works, and reservoir. Cllr Bhamjee and his team said that this project demonstrates that with the correct planning and project management processes, challenges can be managed and service delivery can be improved. The executive manager of technical services demonstrated the components of the project to the AG, outlining the processes and challenges in the progress of each sub-component of the project. These included geographical location, national electrical infrastructure, and national bulk water supply challenges.

The provision of access to potable water has directly decreased diseases and other health-related issues in the area. 'The political leadership is familiar with the project and has played an oversight role by inspecting work in progress. This project is evidence of the spending of the MIG to clear backlog infrastructure service delivery and satisfy the needs of the local community,' said Cllr Bhamjee. The municipality's SDBIP and APR contain a key strategic service delivery objective of 'water provision: to improve access to basic levels of water', with this project forming part of the reported performance for the year.



The water treatment works facility in Impendle.



The provision of access to potable water has directly decreased diseases and other health-related issues in the area.



The river where the water distribution facility was constructed for supplying the reservoir – previously, communities had to fetch their daily water with buckets.

Western Cape

The AG visited the following municipalities in the province that had received a clean audit:

- George (19 January 2015)
- Hessequa (19 January 2015)
- Overstrand (20 January 2015)
- Theewaterskloof (20 January 2015)
- Witzenberg (21 January 2015)
- Breede Valley (21 January 2015)
- Swartland (26 February 2015)
- Drakenstein (26 February 2015)

George



The AGSA's team with council members of George.

Located in the Garden Route and Klein Karoo regions, covering an area of more than 5 000 square kilometres, this municipality had the privilege of being the first to

host the AG and his delegation on his first-ever clean audit tour across the country. The AG was received by the leadership led by the executive mayor, Cllr Charles Standers, and the municipal manager, Trevor Botha.

Speaking about their success, Cllr Standers said it was through approaching their challenges as a collective and communicating effectively that they have sustained a clean audit outcome since 2012. 'To sustain a clean audit, good governance and excellent service delivery, while also ensuring that we meet the demands of a growing city, we need all role players and partners to work coherently with the same end result in mind,' he pointed out. According to Botha, one of the key contributors to their success is that they have mastered the art of communicating openly with the community and ensuring that the citizens are kept informed of developments in the municipality. He also added that 'good financial governance systems reduce financial leakage due to corruption, overpayment of service providers, and payment for services not rendered at all or failing to meet the specified standard'.

Projects visited

Housing project: Thembaletu Township

The AG and his team visited a housing project in Thembaletu and went on a tour of the town. It is the aim of the municipality to provide all citizens with access to adequate housing and they focus on the quality execution of all housing projects given the influx of people to the Southern Cape, specifically George. Basic water and sanitation services for Thembaletu and other areas in George have remained a priority for the municipality.



Basic water and sanitation services for Thembaletu and other areas in George have remained a priority for the municipality, which has resulted in the total eradication of the backlog of toilets in the municipality.

Integrated transport system

The roads infrastructure network is one of the largest assets of the municipality. The municipality planned to rehabilitate and upgrade the public transport network and systems, as reflected in chapter 3 on page 87 of their annual report (KPI TL41) with the KPI being to implement the 'Go George' public transport system as referred to in chapter 3 on page 166 of the annual report (KPI TL51). According to the municipality, the 'Go George' project is planned to be fully operational by the end of June 2015.

The AG and his delegation were transported on one of the 'Go George' buses used in the recently launched integrated transport network to visit Thembaletu. Here the delegation was shown the upgrading of roads infrastructure and the development of an integrated transport system. According to Botha, 'Block paving is used extensively in constructing roads. It is labour intensive and the low maintenance costs in future years more than set off the initial high cost of the paving used to build the roads.'



The integrated transport system will be one of the largest assets of the municipality. The 'Go George' system is set to start operations in June 2015 and will connect various communities in the municipality.

Hessequa



AG Kimi Makwetu and his team with council members of Hessequa led by executive mayor Cllr Erma Nel.

Known as the land of the people of the trees and lying at the foot of the Langeberg Mountain, Hessequa is a municipality that was amalgamated with seven others in 2000. Led by the executive mayor, Cllr Erma Nel, together with the executive management team led by Johan Jacobs, the municipality was excited to welcome the AG and his team. 'We are very proud of having obtained a clean audit,' said Cllr Nel. 'This achievement proves that service delivery can still be fully achieved and enhanced while working towards a clean audit. This is due to the commitment of the council and management,' she added.

According to Jacobs, the whole municipal management team goes with the mayor and councillors to different areas to provide feedback and allow communities to engage with them, raise issues and be part of decision-making. Speaking on service delivery, he said 'As we strive towards good governance, we never lose focus of our key responsibility, which is service delivery.' He said that this was made possible by 'strong and responsible leadership, supported by a mature, competent management'.

Project visited

Slangrivier housing project

According to Cllr Nel, the housing project was completed in the current financial year to improve the conditions of people who have been living in shacks since 1995. She further pointed out that the housing project is reflected in the annual report – in her words, 'The indigent policy allows for free basic services and tax alleviation to more than 5 000 residents earning less than R3 500 per month. Many job opportunities have been made available by the extended public works programme and job shadowing intakes to prepare the youth for future job applications.' The Slangrivier housing project is discussed in the message of the executive mayor in the 2013-14 annual report and is also linked to KPIs 47 and 58 in chapter 3 of the same report.

Furthermore, the municipality successfully launched a pothole project in Slangrivier, where potholes are repaired within 24 hours after having been reported. According to chapter 3 on pages 57 and 145 of the municipality's annual report (KPI TL47), the upgrading of roads and associated stormwater in Slangrivier took place through the implementation of labour-intensive construction methods. The annual report further highlights that the municipality is using local labourers from Slangrivier as a job creation opportunity and poverty alleviation initiative.



The building of houses is one of the top priorities of the municipality.

Overstrand



The AGSA's delegation with council members of Overstrand.

Probably best known for whale and shark cage diving, pristine blue flag beaches and an excellent wine industry, Overstrand is an 11-year old municipality with more than 80 000 citizens calling it home. Here the AG was welcomed by the executive mayor, Cllr Nicolette Botha-Guthrie, and her executive management team led by the municipal manager, Coenie Groenewald.

Cllr Botha-Guthrie told the AG that they have stuck with the same vision for a long time because they believe that to be a centre of excellence to their community is relevant. She went further to point out that 'maintaining our clean audit status will undoubtedly be a priority in the current and subsequent financial years. We will remain vigilant of our financial processes, procedures and the way in which we operate in order to maintain a clean audit.' She also highlighted that they did not compromise on the basic service delivery mandate to their communities in striving to maintain a clean audit. The municipality said that their achievement of a clean audit is the result of unparalleled focus by both the political and the executive leadership in the municipality.

Projects visited

Upgrading of the Preekstoel water treatment works

One of the main projects for 2013-14 included the completion of the upgrading of the Preekstoel water treatment plant in Hermanus. This project is reflected in chapter 3 on page 99 of the annual report, under KPI TL64, as well as on page 191

where details on capital expenditure for water services are highlighted. The municipality had received an award for innovation for the new biological water treatment plant for the removal of iron and manganese from groundwater. According to Groenewald, this plant is the first full-scale plant of its kind in South Africa.



Overstrand received an award for innovation for the new biological water treatment plant that removes iron and manganese from groundwater.

Walker Bay substation

In an effort to ensure the provision of a safe and reliable electricity supply to all customers, the municipality constructed a 66 kV substation in Walker Bay. This project is reflected in chapter 3 on page 99 of the annual report, under KPI TL64, as well as on page 201 where details on capital expenditure for electricity services are highlighted. According to the municipality's electrical engineer, this was the first of its kind in the Overstrand area and would supply electricity to the industrial area as well as Zwelihle in Hermanus.



The Walker Bay substation is the first of its kind in the Overstrand area and is to supply electricity to the industrial area as well as Zwelihle in Hermanus.

Theewaterskloof



AG Kimi Makwetu (2nd from left) with executive mayor Cllr Chris Punt (2nd from right) and municipal manager Stan Wallace (far right) and a council member of Theewaterskloof.

Situated within the Overberg District and home to just over 100 000 citizens, Theewaterskloof is led by the executive mayor, Cllr Chris Punt, who together with his executive management team led by the municipal manager, Stan Wallace, welcomed the AG and his delegation.

Cllr Punt said that everyone in the municipality working together with us contributed to the municipality achieving a clean audit. 'I'm proud that for the second consecutive year we have a clean audit and this does not come easy,' he stated. He said that they accepted their clean audit status as recognition of good financial administration and control. Wallace indicated that the achievement of a clean audit and service delivery improvements was the result of a turnaround strategy that dates back to 2006. He emphasised that they achieved a clean audit without having to compromise on service delivery, as their strategy relied on ensuring that there is good corporate governance.

Project visited

Housing projects

The AG and his team were taken to various low-cost housing and informal housing areas in the Caledon municipal area. The visit also included a role play during

which the Greyton ratepayers' association assessed the performance of the town office in terms of the agreed service level agreement.

The sites visited included new low-cost housing projects in areas such as Uitsig and Site Saviwa that are being developed closer to town. According to Wallace, this is in line with the municipality's integrated human development plan strategy. Wallace also indicated that they provided core community services such as clinics, schools, recreational facilities, access roads and transportation services, which formed an integral part of their human settlement plan. 'The integration of previously disadvantaged groups with previously advantaged communities was also successfully implemented in some of these new developments, as seen in the Bergsig municipal area,' he said. These housing projects are reported on in chapter 3 on page 52 of the annual report of the municipality under KPIs TL57, 58, 59, 60, 61 and 62.



New human settlement developments in Theewaterskloof.



Theewaterskloof housing developments were built with a substation to make it much easier to provide electricity to the community.

Witzenberg



AG Kimi Makwetu and his team with council members of Witzenberg.

Witzenberg is nestled in the Cape Winelands District and prides itself for its wine and fruit products. The municipality is equally proud of its clean audit outcome. The executive mayor, Cllr Jacque Klazen, and his team including the municipal manager, Davis Nasson, welcomed the AG to the municipality. The municipality sees a clean audit as a tool to improve the lives of people in their community. The AG replied that the journey does not end with the clean audit alone, as municipalities need to ensure that they continue to deliver goods and services. Nasson said that their clean audit status is the result of the municipal leadership 'setting the tone at the top, focusing on key objectives, risks, controls and transparent reporting to achieve the requirements of the community, as well as a continued review of capital expenditure by senior management'.

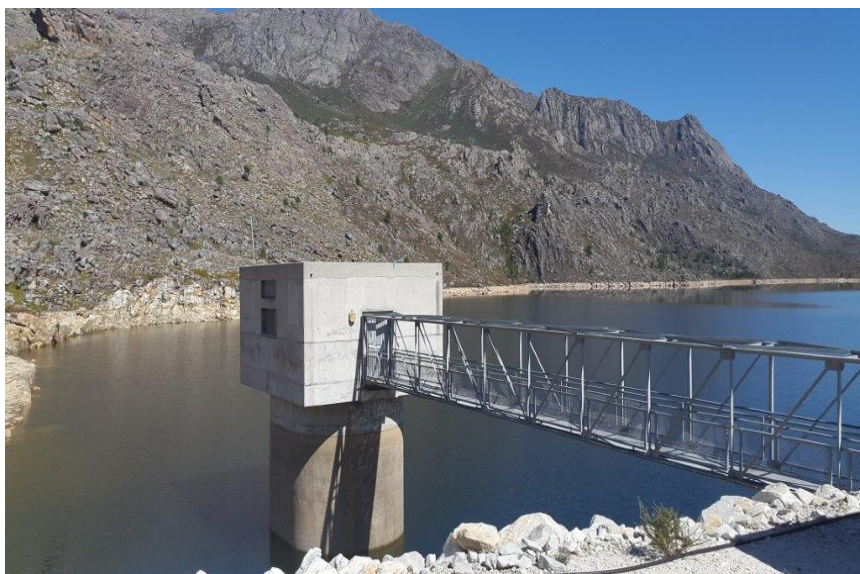
Project visited

Koekedoouw catchment dam

This dam was erected in conjunction with private sector investors and funded through a loan to provide a sustainable water resource for the local and agricultural community. The dam supplies water to Ceres, Nduli and Bella Vista Town in Witzenberg. The dam project also included the refurbishment of the existing pipelines during the financial year under review.

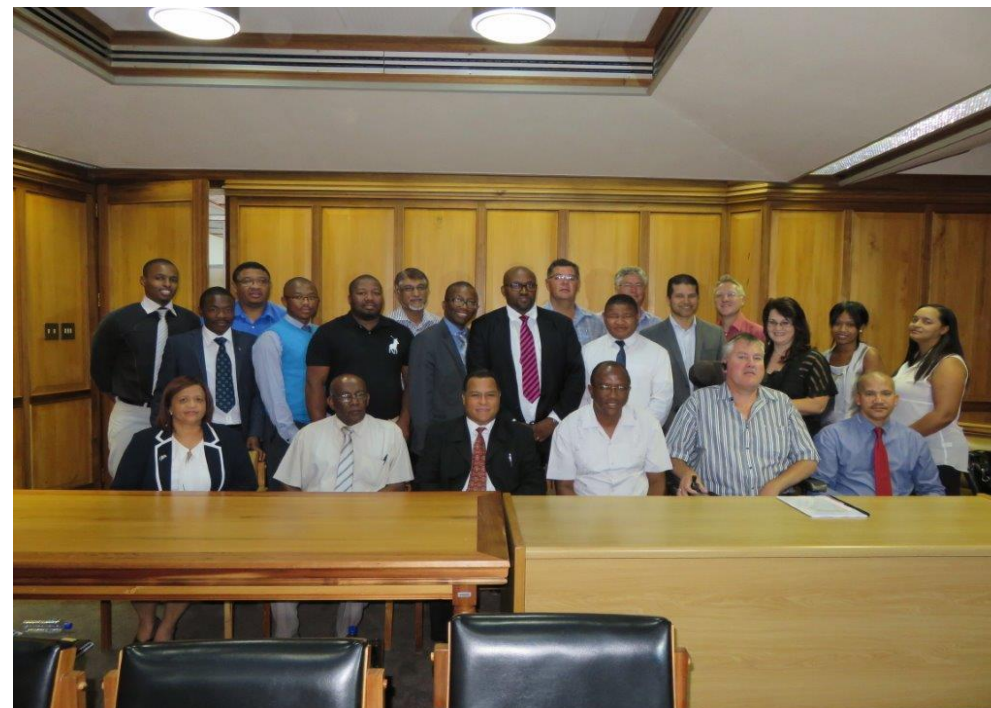
This project is reflected in chapter 3 on page 88 of the annual report, under KPI TL3, as well as on pages 108 and 116 of the same report regarding related capital expenditure.

A pipeline link was established from the dam to Prince Alfred Hamlet to ensure the security of water supply – also to local farmers, as the area depends on farming for economic growth. The water shared from this dam is used by the agricultural sector, which is one of the most active markets in the area and produces delicious fresh fruit and juices. This region is known for exporting peaches, apples, plums and grapes. Other agricultural products include potatoes, onions and wheat. Nasson said that direct jobs were created during the construction of the pipeline while the agricultural sector, which benefitted from water from the dam, contributed to permanent and seasonal job creation.



A pipeline link was established from the Koekedouw catchment dam to Prince Alfred Hamlet to ensure a secure water supply. The water shared from this dam is also used by the agricultural sector, which is one of the most active markets in the area and produces delicious fresh fruit and juice.

Breede Valley



The AGSA's delegation with the delegation from Breede Valley.

The AG's visit further took him to Breede Valley, also located within the Cape Winelands District and covering a total area of almost 4 000 square kilometres. Here the AG and his team were welcomed by the leadership team led by the executive mayor, Cllr Antoinette Steyn, and the municipal manager, Gerhard Matthyse. According to the municipality's CFO, David McThomas, 'Our strategic pillars are to provide opportunities, safety, caring inclusiveness and being a well-run municipality.' Matthyse also indicated that the municipality was recognised by President Jacob Zuma in 2012-13 as one of 11 municipalities in South Africa for consistent good performance in audits, expenditure on municipal grants and service delivery, which he said 'speaks of a concerted effort by a committed workforce'.

Projects visited

Worcester wastewater treatment works

According to Matthyse, the municipality endeavoured to achieve a 95% rating for the quality of wastewater discharged, which complied with the prescribed microbial content. Details of this KPI, TL46, are contained in chapter 3 on pages 21, 42 and 95 of the annual report.



The municipality endeavoured to achieve a 95% rating for the quality of wastewater discharged, which complied with the prescribed microbial content.

Jobs4U employment / job creation project

An electronic portal, 'Jobs4U', was developed to assist young job seekers to find employment as part of the expanded public works programme. This project is reflected in chapter 3 on pages 93 and 146 of the annual report, under KPI TL10. The project has its own website and young unemployed job seekers can upload their curricula vitae, while prospective employers can register on the site to access these and find suitable candidates. The project is gaining momentum and has assisted some community members to find employment. The project enjoys the full support of the executive leadership of the municipality and has demonstrated innovation in employment creation projects.



Jobs4U was developed to assist young job seekers to find employment as part of the expanded public works programme.

Swartland



AG Kimi Makwetu and his team with council members of Swartland led by executive mayor Cllr Tijmen van Essen.

The next stop was Swartland where the AG and his team met with the executive mayor, Cllr Tijmen van Essen, municipal manager, Joggie Scholtz, and the entire leadership of the municipality. While the municipality has achieved four consecutive clean audits, Scholtz said they were the second fastest growing municipality in terms of population with an annual growth of 4,7%. 'We regard the AG as our partner that adds value through which we can achieve a clean audit,' he said. Scholtz mentioned that leadership and good governance were the key ingredients that catapulted them to achieving clean audits for four consecutive years. In this regard, he stated that exercising effective oversight, appointing the right people doing the right things, supported by key governance structures like the internal audit unit and the audit committee as well as the council, have assisted the municipality to consistently maintain good governance and service delivery.

Projects visited

Swartland municipal dump site

The municipality showcased its main refuse dump site – Highlands – where about 95% of all of Swartland's household waste is received. Details of the related KPIs are set out in chapter 3 on page 86 of the annual report. According to Scholtz, the

project was very successful in that recycling went up from 27% to over 40% in four months and 16 new jobs were created. The life of the dump site had been extended by 34 years following an upgrade of the area.



The Swartland municipal dump site has been very successful in making sure that recycling is a part of life in the municipality.

Swartland water treatment plant

Next, the AG went to see the water treatment plant. According to Scholtz and his team, the Malmesbury sewage plant is one of the three largest assets of the municipality. It is a state-of-the-art facility that enabled the municipality to comply with the legislative requirements for the discharge of treated wastewater. The plant was upgraded in the current year to ensure that sewage services were available to all residents in the Swartland municipal area. This project is reflected in chapter 3 on pages 27 and 39 of the annual report. Scholtz noted that the project 'can be regarded as a major success and received awards for best project of the year from both Consulting Engineers South Africa and the South African Institution of Civil Engineering'.



This state-of-the-art facility enabled the municipality to comply with the legislative requirements for the discharge of treated wastewater. The plant was upgraded in the current year to ensure that sewage services were available to all residents in the Swartland municipal area.

Drakenstein



The AGSA's delegation led by AG Kimi Makwetu with the leadership team of Drakenstein led by executive mayor Cllr Gesie van Deventer.

The final stop in the Western Cape was Drakenstein where the AG interacted with the leadership led by the executive mayor, Cllr Gesie van Deventer, together with the municipal manager, Johann Mettler. The municipality achieved a clean audit for the first time in 2013-14. Mettler said that this was made possible by the effective cooperation of management, the political leadership and those charged with governance, who contributed throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls were implemented. His words were echoed by Cllr van Deventer who said 'What is particularly notable about this achievement is that it was done with in-house capacity and without the appointment of any consultants, which is a testimony of the distinctive political and administrative leadership contained in this organisation.'

Mettler also indicated that they have to make provision in their budget to ensure that they have adequately skilled and qualified people. This they do because 'the community must have the confidence that we will spend public money entrusted to us in a transparent way. They must also believe that we will do what is in their best interest,' he said.

Projects visited

Wellington water sewage treatment works

The AG and his team visited the Pentz Street pumping station in Wellington, which was completed and commissioned during 2013-14 at an original cost of about R10 million. It was one of the four largest capital projects of the municipality in the 2013-14 financial year and resulted in additional basic services to 24 244 households. The project is reflected in chapter 3 on page 66 of the annual report, under the KFA of planned capital expenditure. The pumping station has a number of benefits for the municipality, including a new overflow dam that will provide sufficient storage capacity should an overflow occur in extreme emergencies, as well as preventing overflows during winter months, especially as the Berg River is located close to the pumping station.



The pumping station has a number of benefits for the municipality, including a new overflow dam that will provide sufficient storage capacity should an overflow occur in extreme emergencies, as well as preventing overflows during winter months, especially as the Berg River is located close to the pumping station.

Lantana housing project

The next stop was the Lantana housing project in Paarl which, according to Mettler, has houses that are 'slightly bigger' than the standard reconstruction and development programme houses. The project is situated in an already established residential area, a reflection of the integration of communities. This project was part of a grant from the provincial Department of Human Settlements of about R91 million to build houses, as reported in the 2013-14 annual report. The project is reflected under the KFA of sustainable human settlements (housing), as set out in chapter 3 on page 83 of the annual report.



The project is situated in an already established residential area (below are pictures of how it had looked before), reflecting the integration of communities. This project was part of a grant of about R91 million from the provincial Department of Human Settlements to build houses.



Conclusion

The municipalities we visited demonstrate impeccable levels of discipline and oversight in their financial management and operational activities. They have strong financial and performance management systems and governance structures, which enable them to safeguard public money and use it appropriately and transparently to improve the lives of people through service delivery within the framework of applicable laws. These systems and governance structures support the municipalities' ability to develop service delivery plans, allocate funds and utilise them within the framework of the law to deliver public services, and accurately report on their ability to deliver these services.

A key ingredient for obtaining a clean audit and delivering services is the presence of strong governance structures and systems, which would easily detect and timeously correct the breakdown of controls in municipalities. Such environments are characterised by readily available documentation. Most importantly, they have accountable managers and leaders who are able to provide explanations and additional evidence in support of the transactions they are reporting on. They also have the support of strong oversight by mayors and councils that back the efforts of municipal managers and CFOs.

Those municipalities that are struggling to improve the quality of their financial and service delivery reporting as well as to prevent non-compliance with legislation have not institutionalised these good practices, which can result in service delivery objectives not being achieved. They should implement the key disciplines entrenched at the municipalities with clean audit outcomes, as detailed earlier on in this section under the key drivers of internal control.

Municipalities are at the forefront of service delivery, as they have a direct impact on the experiences and lives of South Africans. It is therefore important for municipalities to have sound systems and governance structures that will enable them to continue to achieve high levels of efficiencies and find innovative ways to deliver services. The municipalities that achieved clean audits have demonstrated that they are better placed to continuously improve the delivery of services.

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