

REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS IN RELATION TO THE 4TH QUARTERLY REPORT OF THE DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA) – MEETING HELD ON 11 MAY 2017

1. INTRODUCTION

As stated in Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature, the Member of the Executive Council responsible for a provincial department must table the quarterly report of the department to the Speaker, within thirty (30) calendar days after the end of a quarter.

The Committee considered the 4th quarterly report of the Department of Co-operative Governance and Traditional Affairs (the department) for the 2016/17 financial year, reporting period January – March 2017. Interaction with the Department was aimed at assessing the Department's performance for the quarter.

2. METHOD OF WORK

The Honourable Speaker referred the 4th quarterly report of the Department of Co-operative Governance and Traditional Affairs to the Portfolio Committee for consideration and report back to the House. On 09 May 2017, the Committee was briefed by the researcher on the 4th quarterly report of the Department. The Committee interacted with the Department on 11 May 2017. The analysis questions were sent to the Department and the written responses were submitted to the Legislature.

The Head of Department (HOD), Mr PT Nyoni led the delegation together with his senior management team, the Provincial Treasury, the Office of the Auditor-General, South African Local Government Association (SALGA), Provincial Service Commission (PSC) and House of Traditional Leaders (HTL) were invited to the meeting. Subsequently, the Committee considered and adopted its report on 13 June 2017.

3. GENERAL OBSERVATIONS BY THE COMMITTEE ON 4TH QUARTERLY REPORT

- ❖ The 4th quarterly report of the Department is aligned with its 2016/2017 Annual Performance Plan.
- ❖ The Department spent R 616 468 000 or 99.9 % from the budget of R616 606 000 during this quarter.
- ❖ The Department has not finalised the refurbishment of the two (2) Kings Palaces which are Kings Mabhoko III and Makhosonke II.

4. ANALYSIS ON THE BUDGET EXPENDITURE

The Committee considered the department's 4th quarterly expenditure. The table below reflects the Departmental spending per programme.

Expenditure summary per Programme

R'000	Adjusted Budget 2016/17 (R'000)	Actual to end of March 2017 – (R'000)	Outcome % Budget	Projections to end of March 2017 (R'000)	(Over)/under spending (R'000)	%(Over)/Under spending
Programmes						
1. Administration	123 604	123 585	100.0%	-	19	0.0 %
2. Local Governance	172 087	172 076	100.0 %	-	11	0.0 %
3. Development & Planning	146 979	146 895	9.9%	-	84	0.1 %
4. Traditional Institutional Management	155 478	155 463	100.0%	-	15	0.0%

5. The House of Traditional Leaders	18 458	18 449	100.0%	-	9	0.0 %
Total	616 606	616 468	100.0%	-	138	0.0 %

Economic Classification						
1. Compensation of employees	351 446	351 432	00.0%	-	14	0.0%
2. Goods & Services	116 515	116 465	100.0%	-	50	0.0%
3. Total transfers & subsidies	79 026	78 954	99.9 %	-	72	0.1%
4. Payment for Capital Asset	69 386	69 385	100.0 %		1	0.0%
5. Payments for financial assets	233	232			1	
Total	616 606	616 468	99.9 %	-	138	0.0%

The Committee noted that the above table shows that R616 606 000 was appropriated to the Department of Co-operative Governance and Traditional Affairs and spent R 616 468 000 or 99.9%.

Twelve (12) Months Expenditure – 2016/17: R'000

Months	Projections	Variable Projections	Actual Expenditure	Cash Transfer
1. April	45 355	45 385	34 847	45 384
2. May	38 083	45 026	37 875	38 083
3. June	40 016	42 301	38 387	40 016
4. July	40 981	38 106	39 635	41 672
5. August	39 779	40 674	46 494	39 779
6. September	51 909	44 105	42 389	52 600

7. October	41 418	41 839	38 646	41 418
8. November	40 014	43 851	43 930	35 552
9. December	38 429	42 938	42 524	54 020
10. January	38 896	41 456	47 868	69 996
11. February	39 900	43 071	78 590	77 578
12. March	43 296	47 332	125 215	80 507
Total	419 829	516 084	616 400	616 605

The Committee noted that the above table shows the variance between the projection of **R419 829 000** and the actual expenditure of **R616 400 000** amounts to **R196 571 000** that translates to 31.8 % whereas the variance between the cash transfer of **R616 605 000** and the actual expenditure of **R616 468 000** amounts to **R137 000.00** which translates to 0.0%. The Committee also noted that the original budget of the Department was increased by **R118 500 000** or 23.8% from **R498 106 000** to **R616 606** during the budget adjustment process for November 2016.

SUMMARY OF THE TWELVE (12) MONTHS PERFORMANCE OF THE DEPARTMENT

The Committee also noted that in summary the performance of the Department was more or less similar with the first, second and third quarters when compared in the following Table as per the Planned Targets (PT) and Actual Output (AO)

Performance of the department in comparison over a Nine (9) Months Period

Programmes	First Quarter Overall Performance	Second Quarter Overall Performance	Third Quarter Overall Performance	4 th Quarter Overall Performance
1. Administration	91 % (PT: 11 – AO:10)	100% (PT: 20 - AO:21)	100% (PT13 – AO:13)	100% (PT:14-AO:14)
2. Local Governance	100% (PT:19 – AO:19)	100% (PT:31- AO:31)	100% (PT25 – AO:25)	100% (PT:24-AO:24)
3. Development & Planning	100% (PT:31 – AO:31)	100% (PT:31- AO:31)	103% (PT32 - AO:33)	100% (PT:44-AO:44)
4. Traditional Institutional Management	100% (PT:05 - AO:05)	100% (PT:11 – AO:11)	100% (PT 11 - AO: 11)	81.8% (PT: 11-AO:9)
5. House of Traditional Leaders	81.8% (PT:11- AO:09)	107 % (PT: 15 – AO:16)	100% (PT 10 – AO:10)	83.3% (PT:12-AO:10)

5 BROAD OVERVIEW BY THE MEC

The Honourable MEC appreciated the opportunity to appear before the Committee to report on the 4th Quarter Report for 2016/2017 of the Department of Co-operative Governance and Traditional Affairs. The MEC reported that the Department has been mandated to drive or lead outcome 9 which deals with a responsive, effective and efficient Local Government system. She also reported on the following five (5) sub outcomes;

- ❖ **Sub outcome 1:** Members of society have sustainable and reliable access to basic services
- ❖ **Sub outcome 2:** Inter governmental and democratic governance arrangements for a functional system of cooperative governance and participatory democracy strengthened
- ❖ **Sub outcome 3:** Sound Financial and administrative management
- ❖ **Sub outcome 4:** Promotion of social and economic development
- ❖ **Sub outcome 5:** Local Public employment programmes expanded through the Community Work Programme

The MEC, Ms RM Mtshweni reported that the Department developed its Annual Performance Plan (APP) for the current financial year which is aligned to the above outcome and sub outcomes and was subsequently approved by the Legislature through the guidance and support of the Portfolio Committee. In terms of the APP, the Department planned to achieve 98 targets during the 4th Quarter of 2016/17 financial year and managed to register an overall achievement of 97% (i.e. 95 targets achieved out of 98 planned). She reported the following which are the key achievements for the period under review.

- The Department is implementing the Back to Basics Programme through the Provincial Integrated Municipal Support Plan on administrative and management practices for all municipalities.
- Supported City of Mbombela and Dipaleseng Local Municipalities to comply with the Municipal Property Rates Act (MPRA)
- The seventeen (17) Municipalities were supported on the functionality of Operation Vuka Sisebente (OVS) War rooms; on early warning interventions by Community Development Workers (CDWs) and on the development of Ward Level Database with community concerns and remedial actions produced, as well as supported 87 Ward Committees on the implementation of their Ward Operational Plans.
- In an effort to capacitate the Municipalities, the Department conducted one (1) Training Programme for Municipal Public Accounts Committee (MPAC) from the Local Municipalities of Gert Sibande and Nkangala Districts.
- Conducted the Mid-year Municipal Performance Review Session with the Municipalities to assess their performance.
- Supported all 20 Municipalities with the development of five (5) year (2017 – 2021) Draft legal compliant Integrated Development Plans (IDPs).

- Six (6) Municipalities were assessed on the implementation of Spatial Development Framework (SDFs) and further supported them on Geographical Information System (GIS) (i.e. Gert Sibande and Ehlanzeni District Municipalities, Emakhazeni, Steve Tshwete, Bushbuckridge and Dr Pixley Ka Isaka Seme Local Municipalities).
- In an effort to bring government services closer to the people, the Department facilitated two (2) Government Mobile Services Outreach Programmes in Bushbuckridge and Steve Tshwete Local Municipalities.
- Seventy-one (71) Survey services rendered in Municipalities against the quarterly target of fifty (50) and twenty-five (25) Development applications were processed against a target of thirteen (13).
- In contributing to the reduction of the unemployment rate in the Province, 23 054 jobs have been maintained for participants in traditional communities through the Community Works Programme (CWP) with 3 377 new work opportunities created and 121 work opportunities maintained on the Youth Waste Management Project through the use of Extended Public Works Programme (EPWP) incentive grant.
- On provision of basic services, 93% of Households in the Province have access to electricity, with 54% on refuse removal, 88% on water and 92% on sanitation.
- Supported three (3) Municipalities on Disaster Risk Reduction Campaigns (Dr JS Moroka, Dr Pixley Ka Isaka Seme and Emalahleni), and supported Steve Tshwete Local Municipality on Fire Brigade services
- In sustaining social cohesion in Traditional Communities, the Department resolved five (5) Traditional Land cases against the quarterly target of four (4), mobilized five (5) Traditional Councils in OVS War rooms, another five (5) Traditional Councils participating in Municipal Councils and Traditional Disputes and Claims cases were researched, processed and resolved.
- There is also stability of labour relations and improved provision of services.
- Support provided to municipalities in the filling of Senior Managers post has resulted in qualified and competent officials recommended for appointments.

- The municipal support by the Department of Public Works, Roads and Transport (DPWRT) has improved the roads condition in all the villages where grading, blading has been provided.
- The Department is also paying attention and applying similar interventions to the six (6) municipalities that have potential to do well (Chief Albert Luthuli, Dipaleseng, Nkomazi, Lekwa, Umjindi and Gert Sibande) so that they can also improve and be in the category of those doing well.

In her closing remarks the MEC also reported that there is an encouraging trend (albeit slow) moving in the right direction with the repayment of Eskom debt showing reduction. Municipalities are implementing programmes aligned to the provincial and national government priorities showing good working relations. She then requested the Committee to allow the Head of Department to provide a detailed account on the performance of the Department for the fourth quarterly report for 2016/2017 financial year

6. PRESENTATION BY HEAD OF THE DEPARTMENT (HOD) AND INTERACTION ON THE MAIN PROGRAMMES

The HOD, Mr TP Nyoni briefed the Committee on the 4th quarterly report focusing on the financials and non-financials. After the presentation, the Committee welcomed the presentation and interacted on it programme by programme.

6.1. PROGRAMME 1: ADMINISTRATION

The purpose of the Programme is to provide overall political, strategic and administration support and management to all unit and programmes of the department in terms of political guidance, strategic management, risk management, legal services, financial management, security management, human resource management, transversal services, planning and programme management and communication and IT services in accordance with applicable Acts and policies of the department.

Programme 1: Administration

Administration	Planned Targets	Actual Outputs	%
1. Office of the MEC	1	1	100%
2. Corporate Services	13	13	100%
Total	14	14	100%

The Committee noted the performance of the sub-programmes. Programme 1: Administration that the Department has achieved all 14 planned targets which translate to 100 % of its total planned targets during the period under review. The Committee commended the Department for the 100% achievement.

6.2. PROGRAMME 2: LOCAL GOVERNANCE

The aim of the programme is to strengthen the administrative and financial capacity of municipalities as well as deepening democracy at local level in order to ensure that Municipalities perform their developmental responsibilities. This programme has six (6) sub-programmes which are mentioned below:

Programme 2: Local Governance

Sub-programmes	Planned Targets	Actual Outputs	%
1. Municipal Administration	10	10	100%
2. Intergovernmental Relations	01	01	100%
3. Public Participation	06	06	100%
4. Capacity Development	01	01	100%

5. Municipal Monitoring Report and Evaluation	04	04	100%
6. Service Delivery Improvement	03	03	100%
Total	25	25	100%

The Committee noted that the above table shows the summary of the planned targets and actual outputs under Programme 2. The Department provides support to municipalities through Programme 2: Local Governance. The Committee further noted that of the total of planned targets of 25, the Department has achieved actual outputs of 25 which translate to 100%. The Committee commended the Department for the achievement.

The Committee wanted to know if the Department is satisfied with the effectiveness and stability of the TROIKA in municipalities. The Department was requested to share with the Committee the effectiveness and stability of the TROIKA in Steve Tshwete; Thaba Chweu; Msukaligwa; eMalahleni and Lekwa Local Municipalities respectively. In its response the Department reported that, the Municipalities have just recently established their TROIKAs after the 2016 Local Government Elections. Although they are all sitting frequently and the working relationship is good, the Department is not satisfied with the fact that they don't have an official schedule developed for their meetings. They also don't have minutes for their meetings, which will enable the Department to evaluate whether they discuss issues affecting the municipality, e.g. governance and service delivery issues. Therefore the Department has developed Standing Items, which will assist all Municipal TROIKAs in ensuring that they discuss relevant issues and their meetings are minuted accordingly. A workshop is being coordinated in collaboration with SALGA to assist with their functions.

Skills Audit

The Committee wanted to know whether the Department has conducted the skills audit to all municipal officials. If not, what is the plan of the Department in conducting the skills audit. In its response, the Department reported that it has not conducted a skills audit on all municipal officials. The Department will engage the District Municipalities to conduct skills audit to all municipal officials in each municipality within their districts.

Operation Vuka Sisebente (OVS)

The Committee enquired whether all Local municipalities have established their effective OVS war rooms. The Committee also wanted to know how many Local Municipalities are without the effective OVS war rooms and why not. The Department reported that all Municipalities have established their war rooms except three (3), which are City of Mbombela Municipality who have established 38 of their 45 war rooms, Govan Mbeki have established 27 of the 32 war rooms and Emalahleni Municipality have established 29 of their 34 war rooms. The Department also reported that the reason for non-establishment of the 17 outstanding war rooms is due to non-cooperation of Ward Councilors in those wards.

The Committee wanted to know if the OVS was transferred with funding from the Office of the Premier. The Department reported that a once off allocation of **R 4.0 million** was transferred to the Office the Premier during 2016/17 financial year budget adjustment period. The Department further reported that there was an amount transferred for this function for the 2017/18 MTEF period and all operations related to OVS will be funded within the limited Departmental baseline.

The Committee further needed to know the effectiveness of these OVS war rooms. The Department reported that out of the 383 established war rooms only 111 are functional. In the functional war rooms there are positive results. The reason of non-functionality of the 272 war rooms is the failure by Councilors to convene meetings. All Councilors have been capacitated on OVS guiding documents to improve the functionality of war rooms.

Back to Basics (B2B) Programme

The Committee wanted to know the progress with regard to the implementation of the Back to Basics programme. The Department reported that all municipalities are implementing their B2B programme and submitting their quarterly reports. District B2B crack teams have been established to coordinate the B2B programme in the Districts. Evaluations are conducted quarterly through the scorecard to assess the performance of municipalities in the implementation of the B2B programme. As at 31 December 2016, there were no dysfunctional municipalities.

The Committee also needed clarity on the 4th quarter municipal scoring as legends states that some municipalities were functional and sustainable, functional but not sustainable and dysfunctional but not sustainable. The Department was requested to explain the meaning of the statement. In its response the Department reported that, the purpose of the Municipal Scorecard is for the assessment of Municipal performance against the Local Government's Objects as set out in section 152(1) (a)-(e) of the Constitution as well as the legislative mandate within the Municipal Finance Management Act (MFMA) , Municipal Systems Act (MSA) and other related Acts . It is also to ascertain the Status quo of these Municipalities and to evaluate their functionality potential as measured against these objects and to develop support plans to be implemented in these municipalities.

The scorecard is designed to enable the Department (COGTA) to assess the current situation regarding municipal performance and levels of service delivery in all municipalities in the Province. The initiative will provide the mechanism whereby COGTA can identify areas where service delivery (Functionality) is not being addressed properly and to ensure that appropriate measures are taking place towards a responsive, accountable, effective and efficient Local Government System.

The Department also reported that functional but not sustainable municipalities are scored from 50% to 74%. Municipalities in this category are in a situation where they are capable of delivering the anticipated services but need to improve on certain aspects to sustain performance, such as Financial Viability. If close monitoring, support and continuous improvement is not maintained, these municipalities can regress to dysfunctional status. Dysfunctional municipalities are scored less than 50%. These municipalities need support and continuous monitoring. It is important for the Committee to note that the performance of a municipality may fluctuate on quarterly basis.

The Committee noted that Back to Basics Municipal Performance rating at 96% for Steve Tshwete Local Municipality and is debatable hence the actual situation in this municipality shows poor performance. The Committee wanted to know what strategy is used to rate the municipalities. The Department reported that the outcome of the performance of the municipality is informed by the scorecard and the Portfolio of evidence submitted. According to the score card and the assessment done on each pillar, the municipality is performing well. The opinion of the Auditor General (AG) also rates the performance of the municipality highly. However, the Department further reported that mushrooming informal settlements around Steve Tshwete Local Municipality also contributed to the increased demand of basic services which were not part of the IDP of the municipality

Vacant posts of Chief Financial Officers/Municipal Managers

The Committee needed clarity if all Municipalities have filled the vacant posts of Chief Financial Officers and Municipal managers with the relevant and requisite qualifications. The Department reported that there is progress made by municipalities in filling the vacant posts of Chief Financial Officers and Municipal Managers with the relevant and requisite qualifications. Out of twenty (20) municipalities in the Province seventeen (17) have filled the Chief Financial Officers positions with candidates that have necessary qualifications and Skills (e.g Bachelor of Commerce/ B-Tech Financial management and have CPMD) Only three positions of Chief Financial Officers are vacant in Dr JS Moroka, Nkomazi and Dr Pixley Ka Isaka Seme Local municipalities. All three municipalities have advertised the CFO posts and are in the process of filling the posts.

The Department further reported that seventeen (17) municipalities in the Province have appointed Municipal Managers with the requisite qualifications. Three (3) municipalities have vacant posts of municipal managers which are in Steve Tshwete, Mkhondo and Govan Mbeki local municipalities respectively. All three municipalities have advertised the Municipal Managers posts and are in the process of filling the posts.

Eskom Debt

The Committee wanted to know how many municipalities owe ESKOM and also needed clarity if all Departments settle their debts with municipalities. The Department in its response reported that, there are ten (10) Municipalities that owe Eskom namely; Emalahleni, Thaba Chweu, City of Mbombela, Victor Khanye, Lekwa, Msukaligwa, Mkhondo, Dipaleseng, Chief Albert Luthuli and Govan Mbeki Local municipalities. The Department further reported that as featuring in the Municipal books of debtors which include the Provincial Department of Public Works, Roads and Transport, National Department of Public Works), Department of Health (DOH), and the Department of Education (DOE). A total amount collectively owed by Municipalities both on arrears and current accounts is R2.3 billion as the end of April 2017.

The Committee also requested clarity with regards to the response of the departments which are not paying their electricity bills to municipalities. The Department in its response reported that the Provincial Treasury working together with the Municipalities perform monthly reconciliations of all departmental debts which are circulated to the respective departments. Most of the departments are responding positively on the payment of their outstanding municipal debts and follow ups are being made on regular basis.

Access to Sanitation

The Committee wanted to know why Mpumalanga is the 2nd last Province with access to Sanitation as shown in the Situational Analysis of the 2016/17 Annual Performance Plan and the Department is also requested to provide reasons for it. In its response the Department reported that the situational analysis of 2016/17 Annual Performance Plan only highlighted the number of households with access to flush toilets, which is 49%. However a total of 1 200 684 households (97%) in the Province have access to sanitation services including Ventilated Improved Pit latrines (VIPs). Of the total number of households, 49% have access to flush toilets and 48% utilises VIP toilets.

The Department further reported that there are challenges faced by municipalities, such as overloaded Sewerage Treatment Works operating beyond designed capacity and increasing number of households, an improvement was recorded. The number of households with access to flush sanitation was improved by 25% between 2011 and 2016. Work continues in various sites for a total of 14 Water Treatment Works (WTWs) and 22 Waste Water Treatment Works (WWTWs) in which refurbishment or upgrading is being carried out to improve access to flush toilets.

6.3. PROGRAMME 3: DEVELOPMENT AND PLANNING

The purpose of the programme is to strengthen Municipalities on development and planning requirements as well as coordinating and enhancing the delivery of quality infrastructure to improve the provision of basic services at local government level.

Programme 3: Development and Planning

Sub-Programmes	Planned Targets	Actual Outputs	%
1. IDP Coordination	03	03	100%
2. Spatial Planning	04	04	100 %
3. Land Use Management	06	06	100%
4. Local Economic Development	13	13	100 %
5. Municipal Infrastructure	08	08	100%
6. Water Services	05	05	100%
7. Disaster Management	05	05	100%
Total	44	44	100%

The Committee noted that the Programme had the total planned targets of 44 and achieved the total outputs of 44 which translate to 100% during the year under review. The Committee commended the Department for the achievement.

Municipal Infrastructure

The Committee requested the Department to provide progress with regard to the renovation of Dipaleseng Local Municipal Offices. In its response, the Department reported that the renovation and upgrading project was informed by the bad condition of the existing offices and the need for additional offices to cater for the total demand in the organizational structure for 72 offices, the department had divided the renovations project into Phases. Phase one (37 offices) of the project entailed; the renovation, upgrading and structural reinforcement which accounts for major works of the ground floor of the building to the amount of R17m, this renovation under phase one has been completed and the close-out report submitted to the Department by end of March 2017.

The Department further committed to support the Municipality with further upgrading offices as a phase two of the project to an amount not exceeding R6m; this refers to the upper level floor which shall accommodate additional (35) offices in order to cater for the whole organizational structure of the Municipality. Phase two of the project is planned for completion by September 2017. The total investment therefore shall amount to the total of R23 m.

Local Economic Development (LED)

The Committee wanted to know how the Department will ensure that all municipalities have an effective LED strategies and if they do have, are they being implemented. In its response, the Department confirmed that all Municipalities have LED strategies that are incorporated into the Municipal IDP's, however, there is still a concern that such strategies are not always effective to address issues of the local economy in full; challenges such as lack of enterprise development (SMME's and cooperatives, active participation of investors in the local space (attraction and retention thereof), and streamlining local beneficiation through government tenders have been identified as the main deficiencies of the strategies. Department of Co-operative Governance and Traditional Affairs working together with DEDET have been assigned with the responsibilities of addressing these identified gaps.

The Department further reported that the ineffectiveness of the strategies are at times linked to deficiencies on Municipal capacities (Human and financial resources) to implement as well as inconsistencies with the functional of the LED Forums.

6.4. PROGRAMME 4: TRADITIONAL INSTITUTION MANAGEMENT

The purpose of Programme 4 is to strengthen the institution of Traditional Leaders in order to fulfill its mandate through sound financial and administrative management of Traditional Councils. The Programme comprises of four sub-Programmes, namely, Traditional Institutional Administration; Traditional Resource Administration, Rural Development Facilitation Traditional Land Administration.

Programme 4: Traditional Institution Management

Sub-Programmes	Planned Targets	Actual Outputs	%
1. Traditional Institutional Administration	01	01	100%
2. Traditional Resource Administration	01	01	100%
3. Rural Development Facilitation	06	04	78%
4. Traditional Land Administration	03	03	100%
Total	11	09	81.8%

The Committee noted that the programme had eleven (11) planned targets and achieved 09 or 81.8% total planned targets.

Rural Development Facilitation

The Committee wanted to know why the Department failed to achieve all the planned targets for sub-programme on rural development facilitation. In its response the Department reported that, it did not achieve on the construction of three (3) Traditional Council Offices due to constant interferences by Traditional Councils on the administration of construction, however, this has been addressed and smooth relations prevailed and also the November and December 2016 torrential rains.

The Department also reported that it did not achieve on the refurbishment of 2 Kings Palaces due to King Mabhoko III project which was stopped after the King did not accept the contractor appointed by the Department citing cultural issues. The Department further reported that Makhosonke II interference by the Royal Family on the selection of the building structure had some impact on the delays.

The Department was also requested to provide detailed information with regard to the renovated Traditional Councils in terms of their districts or location for oversight purposes. In its response the Department reported that the Traditional Council are as follows:

Traditional Council	Area	Local Municipality	District
Msogwaba	Msogwaba	Mbombela	Ehlanzeni
Enkambeni	Majika	Mbombela	Ehlanzeni
Empakeni	Daantjie	Mbombela	Ehlanzeni
Ebutsini	Steinsdorp	Chief Albert Luthuli	Gert Sibande
Emfumbeni	Swallownest	Chief Albert Luthuli	Gert Sibande
Mpisikazi	Dondonald	Chief Albert Luthuli	Gert Sibande

The Committee enquired why King Mabhoko III reject the contractor and also wanted to know whether the King was consulted on the appointment of the contractor. If not, why not. The Department reported that, the King rejected the contractor based on cultural issues. The Department indicated that the King and his Council were consulted about government supply chain processes and when the procurement processes were finalized, the appointed contractor was presented to the Council where he was rejected citing the fears of cultural issues.

6.5. PROGRAMME 5: HOUSE OF TRADITIONAL LEADERS

The Mpumalanga House of Traditional Leaders (MPHTL) Programme performs an oversight function over Government Departments and Agencies pertaining service delivery projects and Programmes in Traditional Communities.

Programme 5: House of Traditional Leaders

Sub-Programmes	Planned Targets	Actual Outputs	%
1. Administration of House of Traditional Leaders	08	06	75%
2. Committees and Local House of Traditional Leaders	04	04	100%
Total	12	10	83.3%

The Committee noted that the programme had a total of 12 planned targets and achieved 10 or 83.3% actual outputs. The Committee wanted to know why was the outreach programme not accomplished. In its response the Department reported that the Programme over achieved the outreach programme during the 2nd quarter hence there was none achievement of the same target during the quarter under review.

The Committee also needed clarity why there was no challenge stated in relation to the non-achievement of the planned targets. The Department reported that it has reprioritized the opening of the House of Traditional Leaders to the first quarter of 2017/18 financial year due to the reconstitution of the House of Traditional Leaders and thereafter during the 4th quarter of each financial year. The Committee enquired on what measures have been put in place to prevent the recurrence of this non-achievement of the planned target. The Department indicated that it will convene the opening of the HTL immediately after the reconstitution of the House of Traditional Leaders and thereafter during the 4th quarter of each financial year.

7. FINDINGS

After the interaction, the Committee found that;

- (a) The department supported 20 Municipalities in the province with the development of 5 year (2017 – 2021) Draft legal compliant Integrated Development Plans (IDPs).
- (b) The Mayor, Speaker and Chief Whip meetings are not minuted although standing items were developed to assist all Municipal TROIKAs to discuss relevant issues.
- (c) Out of the 383 established war rooms only 111 are functional.
- (d) Municipalities without Municipal Managers and Chief Financial Officer Positions are in the process of filling the posts.
- (e) Eskom debts amounts to R2.3 billion as at the end of April 2017 was owed by Emalahleni, Thaba Chweu, City of Mbombela, Victor Khanye, Lekwa, Msukaligwa, Mkhondo, Dipaleseng, Chief Albert Luthuli and Govan Mbeki Local municipalities and Provincial Department of Public Works, Roads and Transport, National Department of Public Works, Department of Health (DOH), and the Department of Education (DOE) both on arrears and current accounts.

- (f) There are challenges faced by municipalities, such as overloaded Sewerage Treatment Works operating beyond designed capacity.
- (g) Has divided the renovations of Dipaleseng Local Municipal Offices into three phases, and the expected completion date for the second phase is September 2017.
- (h) Local Economic Development strategies are not always effective to address issues of the local economy in full.
- (i) Has not finalised or achieved on the refurbishment of the two Kings Palaces.
- (j) Has reprioritized the opening of the House to the first quarter of 2017/18 financial year due to the reconstitution of the House of Traditional Leaders.

7. RECOMMENDATIONS

The Committee recommends that the Department must:

- (a) Finalise the legally compliant Integrated Development Plans (IDPs) for all the municipalities in the province. A progress report to be submitted by 31 July 2017 and thereafter on a quarterly basis.
- (b) Strengthen its monitoring in ensuring that the Mayor, Speaker and Chief Whip meetings are minuted and that a progress report be submitted on a quarterly basis.
- (c) Ensure that the 272 outstanding war rooms are functional. A progress report be submitted by 31 July 2017 and thereafter on a quarterly basis.
- (d) Ensure that the Municipal Managers and Chief Financial Officer positions are filled before 30 June 2017. A progress report is submitted by 31 July 2017.


- (e) Strengthen its monitoring system to ensure that all municipalities and the Departments adhere to Eskom payment plan. A progress report is submitted by 31 July 2017 and thereafter on a quarterly basis.
- (f) Come up with a plan in ensuring that there are no challenges faced by municipalities, such as overloaded Sewerage Treatment Works operating beyond designed capacity. A progress report to be submitted by 31 July 2017.
- (g) Ensure that phase two (2) renovations of Dipaleseng Local Municipal Offices are finalised as planned (September 2017). A progress report to be submitted on 31 July 2017 and on a quarterly basis.
- (h) Review the LED strategies to ensure that they effectively address the issues of the local economy. A progress report to be submitted on 31 July 2017 and on quarterly basis.
- (i) Ensure that the refurbishment of the two Kings Palaces are finalised as a matter of urgency. A progress report to be submitted on 31 July 2017 and on quarterly basis.
- (j) Ensure that the official opening of the HTL takes place before end of June 2017 as planned. A progress report to be submitted on 31 July 2017.

A progress report must be submitted to the Legislature on or before 31 July 2017.

8. CONCLUSION

The Chairperson wishes to express his gratitude to the MEC, Ms RM Mtshweni, the HOD, Mr. TP Nyoni, and the senior officials of the Department of Co-operative Governance and Traditional Affairs, representative from Public Service Commission for their active involvement during the deliberations of the 4th quarterly report of the Department. The Chairperson further wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations and also thank the Legislature staff for the support they provided to the Committee during the deliberations.

Lastly, the Chairperson requests the august House to adopt the report with its recommendations.

P.P. 
HON. WT MADILENG

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

13/06/17
DATE