



FINAL 2012 – 2017 INTEGRATED DEVELOPMENT PLAN

“To be a community driven municipality that ensures sustainable quality service delivery, applying principles of good governance”

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Glossary

AIDS	Acquired Immune Deficiency Syndrome
CASP	Comprehensive Agriculture Support Programme
CBO	Community Based Organization
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DFA	Development Facilitation Act No 67 of 1995
DHS	District Health System
DLA	Department of Land Affairs
CGTA	Cooperative Governance and Traditional Affairs
DM	District Municipality
DME	Department of Mineral and Energy
DoA	Department of Agriculture
DoE	Department of Education
DoH	Department of Health
DoSD	Department of Social Development
DoT	Department of Transport
DSAC	Department of Sport, Arts and Culture
DWA	Department of Water Affairs
FSDC	Free State Development Corporation
FSPGDS	Free State Provincial Growth & Development Strategy
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
GGP	Gross Geographic Product
GIS	Geographical Information System
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HoD	Head of department
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ISRDS	Integrated Sustainable Rural Development Strategy
IT	Information Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
KPA	Key performance area
LED	Local Economic Development

MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSIG	Municipal Support & Institutional Grant
NDC	National Development Corporation
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non-Governmental Organizations
NSDP	National Spatial Development Perspective
NSS	National Sanitation Strategy
NYDA	National youth development agency
XDM	Xhariep District Municipality
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Implementation Budget Plan
SGB	School Governing Body
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
TRC	Transitional Rural Council
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan

i. Foreword by the Mayor

Our IDP addresses the main challenges we face in our communities and council- and the way we are doing things. Our IDP is affordable, realistic and achievable. It draws lessons from our experience in local government. Mohokare Local Municipality and Communities face major challenges such as;

- Reducing unemployment,
- More access to better quality basic services
- Overcoming the legacy of apartheid spatial development
- Strengthening community participation and
- Building effective, accountable and clean good government.

This IDP is our commitment to address these challenges, working with our Community, the District of Xhariep, Province and National Government.

This Municipality together with the Office of the Premier and the District will utilise the recently launched Rural Career guidance programme, to assist with learners that are both in and out of schools with careers available to them and make better decisions of their future.

We will also begin to immensely utilise the Unit on Women, Children and people with disabilities within the Office of the Premier to ensure that Municipal plans around this area are tangible and achievable.

We hope through the implementation of the 5 year commitment by Mohokare also engage in matters of Youth development and this we will kick start by actively participating together with relevant stakeholders in the Provincial Youth INDABA that will be hosted by the Office of the Premier, to ensure that meaningful programmes are realised.

We will ensure structured support in SMME development, Cooperatives Development, Tourism development. The Introduction of the MAHOMA MOBUNG provincial growth and development for development of Agriculture and Rural development sector will be followed upon with great interest for the bettering of our communities.

It is our commitment through this IDP that the recently received Audit opinion of a DISCLAIMER will be improved by the end of 2012/2013, this will be achieved through operation clean audit.

We re-iterate that Local Government is everyone's business, let us all be involved.

Yours in Good Governance
Honourable Councillor M. Shasha
Mohokare Local Municipality Mayor

1. OVERVIEW BY THE MUNICIPAL MANAGER

The Local Government: Municipal Systems Act (No: 32 of 2000) requires each municipality to prepare an Integrated Development Plan to serve as a single, inclusive and strategic development plan, linking and integrating other plans. Mohokare has experienced a number of challenges in the last few years and it is now more than ever, critical that Council adopts a suitable strategic planning document which will ensure a bright future for all people who live within the municipal boundaries.

Accordingly, the 2012-2017 Integrated Development Plan (IDP) will fulfil the role of being the strategic blueprint for Mohokare Local Municipality. An IDP that evolves with the growing trends of the Municipality within set boundaries and adapt to the special conditions of the environment is likely to ensure action plans that can find solutions for all, creating ‘win-win situations’. The diversity of Mohokare creates a unique variety of challenges and the Municipality strives to act within the parameters of a long-term vision, and understanding the challenges it face.

Through the situational analysis, this plan assesses the state of affairs, key statistics and data, including service delivery backlogs. The 2012-2017 IDP is premised on the establishment of a new vision, mission and values for Mohokare Local Municipality.

From an administrative perspective, this IDP provides the basis to review and redesign our administrative operations. The review informs the service standards and norms as well as the operational efficiencies to enable effective provisioning of services to the communities. In addition, the IDP provides the overall key performance areas and indicators, which will serve as a basis for assessing the Municipality’s progress in rendering services.

Finally, the aspirations of Mohokare Municipal Council, the community we serve and the various stakeholders within the municipal boundaries require the inculcation of a **renewed work ethic** from all those who are in the service of the Municipality. The successful implementation of this IDP requires the application of good governance and management principles, as well as dedication and professionalism.

This five (5) year implementation plan outlined in this IDP document symbolises the **“All work and no play”** approach that we have committed ourselves to as a team.

Kind regards

T.C. Panyani
Municipal Manager

CHAPTER 1:

Introduction

Background: Simplified IDPs, B4 Municipalities

Mohokare Local Municipality background to planning

1.1. INTRODUCTION

It is a requirement in terms of Chapter 5 of the Municipal Systems Act 32 of 2000 that the municipality must review and adopt its Integrated Development Plan (IDP) annually. This development plan therefore serves as the primary tool for service delivery. In terms of this chapter, municipalities are required to develop and adopt an Integrated Development (IDP) that identifies developmental priorities and align municipal resources and capacity with the implementation plan. It identifies the strategic issues that need to be addressed by the municipality to fulfil the developmental mandate as espoused in the Constitution of the Republic of South Africa.

The Mayor of a municipality must co-ordinate the annual revision of the Integrated Development Plan in terms of Section 34 of the Municipal Systems Act, and determines how the Integrated Development Plan is to be taken into account or is to be revised for the purposes of preparing the annual budget. (MFMA 53(1)(b)).

This is implemented in a manner that complies with the provided IDP phases as provided in the IDP guides, IDP phases are as follows;

- Analysis
- Strategies
- Projects
- Integration
- Approval

1.2. Background: Simplified Integrated Development Plans for smaller municipalities (B4)

B4 municipality: *Local municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in their area.*

Of the 283 municipalities, 70 have been categorized as B4. It is generally assumed that most of the B4 municipalities are smaller municipalities and are very vulnerable both from a revenue generation and from institutional development perspective. They are generally located in economically depressed areas and have difficulty in attracting and retaining skilled managers, professionals, and technicians

The 2009 State of Local Government report noted that a number of municipalities were under distress, with Mohokare local municipality included; these municipalities primarily had difficulties delivering expected services to communities. The report thus recommended that urgent and focused interventions had to be provided to enable municipalities to deliver services effectively and efficiently.

Output 1 of the Delivery Agreement mandates Department of Cooperative Government (DCoG) to develop and implement a differentiated approach to municipal, financial, planning and support. As part of this approach DCoG is required to design a focused intervention for smaller municipalities. This intervention relates to smaller municipalities producing IDPs that focus on planning for the delivery of a set of 10 critical services.

The Municipalities identified in the *2009 state of Local Government Report in South Africa* will need assistance to prepare IDP's that focus on an implementable plan to deliver on priority services as defined in the Municipal Demarcation Board definition. In addition clear revenue plans and critical capacity needs to be addressed as first steps to improved quality of local services.

This thus informs why Mohokare local municipality had to formulate its IDP in the manner prescribed for municipalities classified as B4 municipalities as explained earlier.

Legislative and Policy Framework of Simplified IDPs

The development and implementation of a simplified IDP framework does not mean a compromise on the quality of the plan or implementation of inferior services. Instead, it refers to the development of a planning framework that is simplified in a way that makes it easy for smaller municipalities to develop implementable, demand responsive plans that address the three pillars of sustainable development.

The development of the simplified IDP framework is premised upon the various legislative and policy mandates for developmental local government. This is a synopsis of the various prescripts that lay the basis for the development of plans that enable municipalities to render services in an efficient, effective and sustainable way. The Constitution of the Republic of South Africa mandates local government to:

- Provide democratic and accountable government for local government.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development
- Promote a safe and healthy environment.
- Encourage the involvement of communities and community organisations in the matters of local government.

Informed by the broad principles of the Constitution, the White Paper on Local Government introduced the notion of developmental local government. Developmental local government is defined as local government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.

Considering the Constitutional mandate as well as the provisions of the White Paper, it can be summarized that the main function of local government is to;

- Provide goods and services that meet the social, economic and material needs of the people.

Principles that underpin the manner in which these goods and services are provided should be

- Democracy,
- Accountability,
- Sustainability and
- Public participation.

In order to play this critical role, the municipalities are mandated to undertake a process of integrated development planning. The main objective of integrated development planning is to forge greater and better coordination and integration of development initiatives by the various development agencies within each local space.

The principal legislation in so far as the development of IDPs is concerned is the Municipal Systems Act 32 of 2000. Section 25 of the act supra mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation of the plan.
- Form the policy framework and general basis on which annual budgets must be based.
- Be compatible with national and provincial development plans and planning requirements that are binding on the municipality in terms of legislation.

Taking into account the above provisions, as well as the provisions of the Municipal Structures Act in so far as powers & functions of a local municipalities are concerned a credible IDP plan should be clear on what goods and services the municipality will render to its community using the capacity and resources at its disposal. The plan should further be aligned to the national and provincial plans, and also integrate various plans within the municipality.

The Municipal Systems Act is prescriptive on the minimum components that the IDP should contain as follows:

- *Vision*: emphasis should be on the most critical development and internal transformation needs. of the municipality .
- *Status Quo assessment*: Existing level of development, with an explicit indication on communities without access to basic services.
- *Development priorities and objectives* (which should include its local development aims and internal transformation needs).
- *Development strategies* (this must be aligned to national and provincial sectoral plans and requirements binding to municipalities in terms of legislation).
- *Spatial Development Framework* (SDF)
- Operational strategies
- Applicable *Disaster Management plans*
- *Financial Plan*
- *Performance targets and Key performance Indicators*

The above components as required by the MSA have the following implications for the development of IDPs:

- Municipalities must understand the developmental needs in their communities (status quo). Such needs would be satisfied by providing basic services and other developmental services, with a biasness towards communities that do not have services at all.
- Institutional Transformation: To be able to implement the plan, the municipality must structure and manage its administration in a way that there is necessary capacity and namely;
 - Human resource,
 - Equipment and
 - Funds to implement the strategic plan.
- The SDF, Disaster Management Plan and Financial Plan are critical and mandatory plans that promote integrated development planning and ensure sustainable and viable municipalities and should therefore serve the following purpose:
 - SDF: As the spatial plan of the municipality, it should indicate the growth trends and patterns in the municipality and should inform infrastructure planning and resource allocation (Capital investment). The SDF should form the pillar of other service delivery sector plans.
 - Financial Plan: Indicates how the IDP will be funded, revenue will be collected, etc.
 - Disaster Management plan: Indicates how the municipality will manage disaster, including indications for prevention and reactive measures.

1.3. MOHOKARE LOCAL MUNICIPALITY BACKGROUND TO PLANNING

The Mohokare Local Municipality has opted to take the Community Based Plan style in all of its six (6) wards. Community Based planning is aimed at the following:-

- Empower the community to plan for itself
- help local government to understand and address service needs, and
- help local government to be responsive to the community

Community Based Planning is a form of participatory planning which has been designed to promote community action and to link it to the IDP. There is a need to make the IDP's promote sustainable livelihoods and to concentrate more on the implementation of policies rather than to structuring. This does not touch the needs of the community and also does not accomplish to the vision and mission of the municipality. That is why there is now this concept of compiling Simplified IDP's which are meant to address community issues at the same time aligning to the National, Provincial, and Local priorities.

METHODOLOGY AND PROCESS

The compilation of the Mohokare Local Municipality's Community Based Plan (CBP) comprising all 6 Municipal Wards was guided by the Process Plan outlined in Table 1 below, which was later amended due to challenges of adherence to set dates and the availability of structured community participation by stakeholders.

The main aim of the CBP is to produce a plan that intensely engages adequate community involvement and participation.

The compilation of the Mohokare CBP has incorporated the normal IDP chapters as a way of reviewing the 2011/2012 IDP. The approval of this document will still take place in accordance to the approved time-frames as per the adopted 2011/2012 IDP Process Plan.

Table 1: Process plan adopted by Council.

Activity No	IDP AND BUDGET ACTIVITY OBJECTIVE	DATE AND VENUE	TIME
1	STRATEGIC PLANS PRESENTATIONS BY PROVINCIAL DEPARTMENTS OBJECTIVE: GATHER PROVINCIAL PLANS AND BUDGET IMPLICATIONS FOR MOHOKARE	08 September 2011 09 September 2011	10h00
2	MUNICIPAL DEPARTMENT'S BILLATERAL SESSIONS. OBJECTIVE: IDENTIFICATION OF SERVICE GAPS AND FORMULATION OF DEPARTMENTAL PRIORITIES, OBJECTIVES, STRATEGIES AND PROJECTS.	13 September 2011 14 September 2011 15 September 2011	09H00
3	AREA LEVEL STAKEHOLDER CONSULTATION SESSIONS. OBJECTIVE: REVIEW PRIORITIES, RE-PRIORITISATION, VISION AND MISSION, OBJECTIVES, STRATEGIES AND PROJECTS.	11 October 2011 12 October 2011 13 October 2011	10H00
4	AREA LEVEL WARD BASED CONSULTATION SESSIONS. OBJECTIVE: REVIEW PRIORITIES, RE-PRIORITISATION, VISION AND MISSION, OBJECTIVES, STRATEGIES AND PROJECTS.	31 October 2011 01 November 2011 02 November 2011 03 November 2011 07 November 2011 08 November 2011	17H00
5	IDP TECHNICAL COMMITTEE SESSION OBJECTIVE: REPORT CONSOLIDATION, PROJECTS SCREENING AND DRAFT IDP DOCUMENT.	29 November 2011	10H00
8	TABLING OF THE 1ST DRAFT IDP AND BUDGET TO COUNCIL: OBJECTIVE: ADOPTION TO ENABLE COMMUNITY AND STAKEHOLDER INPUTS AND COMMENTS	30 March 2012	10H00
9	PUBLICATION / ADVERTISEMENT OF DRAFT IDP AND BUDGET DOCUMENTS. OBJECTIVE: COMMENTS FROM COMMUNITY, STAKEHOLDERS AND ROLE PLAYERS.	03 April 2012	A.S.A.P.
	IDP & BUDGET ROADSHOWS OBJECTIVE: ROADSHOWS ENABLE COMMUNITY, STAKEHOLDERS, OTHER GOVERNMENT DEPARTMENTS INPUTS AND COMMENTS	April 2012	10H00 17H00
10	PRESENTATION OF FINAL REVIEWED IDP AND BUDGET DOCUMENTS TO COUNCIL. OBJECTIVE: FINAL ADOPTION OF THE REVIEWED IDP AND THE BUDGET DOCUMENT FOR THE STRATEGIC PERIOD OF 2012/2013	30 TH Apr 2012	10H00

It is imperative to note that Mohokare local municipality hosted its own municipal strategic planning session to ensure that a proper and thorough analysis of the Municipality is undertaken.

The completion of the strategic planning session brought about the draft 5 year vision and mission of the municipality as outlined in this document.

CHAPTER 2:

Locality context

Demographic profile & Socio economic profile

Service delivery status quo

Powers and Functions

2.1. LOCALITY CONTEXT

Mohokare Local Municipality is situated in the Xhariep District (Free State Province), it measures 8 748, 53 km² and comprises of three main areas; Zastron, Rouxville, Smithfield and the surrounding farm areas. Mohokare comprises of six (6) wards.

2.2. DEMOGRAPHIC AND SOCIO ECONOMIC PROFILE

The community survey conducted in 2007, estimates the population of Mohokare to be at ±41 867 with 10 216 households.

Table A: Population distribution by gender and age

Age	0 – 6	7 – 13	14 - 18	19 – 25	26 – 35	36 - 45	46 - 60	61 – 80	81 - 120
Male									
Black	3228	3182	2354	2492	3005	2175	1848	742	120
Coloured	57	135	33	78	211	136	26	3	30
Indian or Asian	-	-	-	-	-	-	-	-	-
White	111	98	31	37	148	151	44	341	-
<i>Total Male</i>	<u>20816</u>								
Female									
Black	3016	2801	2073	2610	2768	2212	2298	1390	244
Coloured	137	61	61	29	180	89	-	61	-
Indian or Asian	-	-	-	-	-	-	-	-	-
White	57	142	57	108	70	85	141	271	92
<i>Total Female</i>	<u>20972</u>								
<i>Percentage of both female & male age groups</i>	15,78	15,33	11,01	12,79	15,24	11,58	10,41	6,71	1,16

Source: 2007 CS Stats S.A

This section will focus on the measurement of households' living conditions at municipal level. It is hoped that this will make it possible to gauge municipal performance in terms of service delivery.

Table B: Percentage distribution of households by type of main dwelling;

	Census 2001	CS 2007
House or brick structure on a separate stand or yard	74,9	67,3
Traditional dwelling/hut/structure made of traditional materials	4,2	0,2
Flat in block of flats	1,0	1,0
Town/cluster/semi-detached house (simplex: duplex: triplex)	0,5	-
House/flat/room in back yard	0,7	1,1
Informal dwelling / shack		
▪ In backyard	2,9	7,7
▪ Not in backyard e.g. in an informal/squatter settlement	14,7	21,5
Room/flatlet not in backyard but on shared property	0,8	0,3
Caravan or tent	0,3	-
Private ship/boat	-	-
Worker's hostel (bed/room)	-	0,9
Other	-	0,0
Total	100,0	100,0

Table C: % distribution of households by type of water source;

	Census 2001	CS 2007
Piped water		
▪ Inside dwelling	16,5	20,0
▪ Inside yard	63,0	68,8
From access point outside the yard	18,4	4,7
Borehole	0,6	3,5
Spring	0,2	0,7
Dam/pool	0,5	0,5
River/Stream	0,1	0,2
Water vendor	0,0	0,3
Rainwater tank	0,2	1,2
Other	0,4	-
Total	100,0	100,0

Table D: % distribution of households by tenure status;

Census 2001	CS 2007
-------------	---------

Owned and fully paid off	44,7	47,3
Owned but not yet paid off	8,3	2,4
Rented	13,2	18,4
Occupied rent free	33,8	31,6
Other	-	0,3
Total	100,0	100,0

Table E: % distribution by type of toilet facilities;

	Census 2001	CS 2007
Flush toilet (connected to sewerage system)	53,7	57,1
Flush toilet (with septic tank)	3,5	3,3
Dry toilet facility	-	0,5
Chemical toilet	0,3	0,7
Pit latrine with ventilation (VIP)	5,5	4,2
Pit latrine without ventilation	7,5	-
Bucket latrine	17,8	11,7
None	17,8	11,7
Total	100,0	100,0

Table F: % distribution of households by type of energy/fuel used for lighting;

	Census 2001	CS 2007
Electricity	72,6	80,3
Gas	0,2	0,3
Paraffin	7,1	4,7
Candles	18,9	13,9
Solar	0,8	0,5
Other	0,3	0,3
Total	100,0	100,0

Table G: % distribution of households by type of refuse disposal;

	Census 2001	CS 2007
Removed by local authority		
▪ At least once a week	60,1	67,0
▪ Less often	2,1	12,3
Communal refuse dump	3,8	0,8

Own refuse dump	29,6	14,8
No rubbish disposal	4,4	4,3
Other	-	0,8
Total	100,0	100,0

Table H: % distribution of households by type of energy/fuel used for heating;

	Census 2001	CS 2007
Electricity	19,2	28,5
Gas	1,4	1,0
Paraffin	31,7	43,9
Wood	35,9	21,4
Coal	6,7	3,0
Animal dung	3,7	1,3
Solar	0,2	-
Other	1,2	0,8
Total	100,0	100,0

Table I: %distribution of households by type of energy/fuel used for cooking;

	Census 2001	CS 2007
Electricity	23,9	49,8
Gas	4,4	4,2
Paraffin	43,3	36,6
Wood	24,0	8,1
Coal	0,6	-
Animal dung	3,3	1,0
Solar	0,4	0,3
Other	0,2	-
Total	100,0	100,0

Level of education

It should be noted that the Municipality engages in the process of awarding certain amount of money to learners who achieve best at their respective high schools.

Group of education level	Numbers
Grade 0 - Grade 7/standard 5	15999
Grade 8/standard 6/form 1 - Grade 12/Std 10 (with university exemption)	11947
Certificate with grade 12	136
Diploma with grade 12	405
Bachelor's degree	176
B Tech	-
Post graduate diploma	193
Honour's degree	214
Higher degree (masters/PhD)	95
No schooling	4629

Source: Stats SA, CS 2007

Health

Mohokare has 2 hospitals, each in Zastron and Smithfield, namely Embekweni Hospital & Stofel Cotzee respectively. Up to now all clinics still operate only from from 7:30 to 16:00 making it less accessible for people employed during the day. However there are mobile clinics that are available for areas that are far from the clinics located in Matlakeng, Mofultsepe and Roleleathunya, farm areas also are serviced through the mobile clinic facility. There is a shortage of staff at clinics, which hampers the extension of operating hours. Doctors are also not available full time at clinics.

More people are infected with HIV/Aids and this put a lot of strain on the existing health resources and facilities. There are no HIV and AIDS care centers in Mohokare, other than NGOs assisting in this regard, e.g. the Home-based care givers and the Tshepanang HIV and AIDS group in Mofulatsepe.

Emergency services: Ambulances are under the control of the Free State Provincial Government, Department of Health. The perception of the community is that emergency services are under capacitated in terms of human resources and equipment, And a service delivery challenge with regards to EMS is that some internal Municipal roads are not trafficable, this hampers the effectiveness of this critical service.

The following table gives an overview of the current situation with regard to health facilities.

Health Facilities in Mohokare

TOWN / AREA	HOSPITALS	CLINICS
Zastron	1	0
Matlakeng	0	1
Rouxville	0	0
Roleleathunya	0	1
Smithfield	1	0
Mofulatsepe	0	1

Source: Department of Health

2.3. STATUS QUO ASSESSMENT: MOHOKARE LOCAL MUNICIPALITY

It is important that we note that the simplified IDP approach requires municipalities to focus on the 10 critical services, explained below;

10 CRITICAL SERVICES (B4)

Taking into account the analysis of the B4 municipalities, the following proposal is made in respect of the revised IDP Framework. It should be noted that the list reflects the critical services that the municipality should provide, but does not in any way prohibit the municipality to render additional services deemed critical as per consultation with its communities and also if it has the resources and capacity to do so.

Function	Definition of function	MDB Prioritisation
1. Municipal roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.	1
2. Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.	1
3. Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution	1
4. Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.	1
5. Cemeteries, and crematoria	The establishment, conduct and control of facilities for the purpose of disposing of human and animal remains. This includes cemeteries, funeral parlours and crematoria.	1
6. Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.	1
7. Storm water	Management of systems to deal with storm water in built-up areas	1
8. Firefighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions	1

9. Traffic and Parking	Management and regulation of traffic and parking, which includes control over speeding of vehicles on municipal roads.	1
10. Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities	3

ROUXVILLE / ROLELEATHUNYA

Service Delivery and Infrastructure Development

Strategic Objectives:

Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance

Intended outcome:

Sustainable delivery of improved services to all households

Provision of portable water

Rouxville / Roleleathunya: Water (portable)					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
ROUXVILLE / ROLELEATHUNYA	3020	100%	-	-	Network maintenance measures to ensure even supply to all households

Sanitation

Rouxville / Roleleathunya: Sanitation					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
ROUXVILLE / ROLELEATHUNYA	3020	74%	777 Households	-	Implementation of the Regional Bulk Water Scheme& BEP

Refuse collection / Waste management

ROUXVILLE / ROLELEATHUNYA	Condition of service	Intervention required
	The Municipality is struggling to comply the required minimum standard of refuse collection from all households once per week. This is due to lack of machinery for service delivery and the great challenge is that our roads (internal)are not trafficable. Awaiting approval of the Integrated Waste Management Plan by the District	Acquire machinery for service delivery Implementation of the IWMP

Electricity provision

Rouxville / Roleleathunya: Electricity					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
ROUXVILLE / ROLELEATHUNYA	3020	100% access	-	-	Maintenance of existing network to ensure constant supply

Roads

ROUXVILLE / ROLELEATHUNYA	Condition of service	Intervention required
	The state of municipal roads is not up to standard, especially internal roads in historically disadvantaged areas of Rouxville / Roleleathunya	Currently implementing the access road in Roleleathunya due to be complete by June 2012 Identify and register other road projects on MIG

Storm Water

ROUXVILLE / ROLELEATHUNYA	Condition of service	Intervention required
	There is a great need of proper established storm water channels in Rouxville / Roleleathunya, especially in the areas like Uitkoms, where there are no storm water channels at all	Register projects on MIG for the identified areas.

Fire Fighting

ROUXVILLE / ROLELEATHUNYA	Condition of service	Intervention required
	Municipality currently does not have a dedicated firefighting unit, rather the municipality utilises trained supervisors, working on fire group	Municipality to sufficiently budget for the services

Cemeteries

ROUXVILLE / ROLELEATHUNYA	Condition of service	Intervention required
	There are 6 cemeteries in Rouxville / Roleleathunya, continuous maintenance is a challenge	Municipality to sufficiently budget for the cemeteries development (up keep)

Local Sports and Recreation Facilities

ROUXVILLE / ROLELEATHUNYA	State of facilities	Intervention required
	There are undeveloped sport facilities in Rouxville / Roleleathunya, i.e. Soccer fields, Golf course, Recreation facilities. Some facilities are experiencing vandalism.	Provision of the Community Multi-Purpose Community Centre in Rouxville. Budget funded by CoGTA FS. Contractor already appointed.

Public Participation, Good Governance & Institutional Development

Strategic Objective: Promote a culture of participatory and good governance.

Intended outcome: Entrenched culture of accountability and clean governance.

ROUXVILLE / ROLELEATHUNYA	Condition of service	Intervention required
	There are established ward committees in Rouxville / Roleleathunya. Induction was conducted through the assistance of CoGTA in January 2012. Ward meetings are being held	Implementation of strengthened planning in terms of Public Participation & Good governance.

Financial Viability

Strategic Objective: To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems

Intended Outcome: Improved financial management and accountability

The Municipality has a fully functional Finance department that oversees all financial administration and legislation is implemented in accordance to the law.

The appointment of the Chief Financial Officer will see structured improvement in terms of MFMA implementation. This document will highlight the planned improvements in line with the strategic planning session recommendations.

Local Economic Development (All three towns)

Strategic Objective: Create an environment that promotes the development of the local economy and facilitate job creation

Intended Outcome: Improved municipal economic viability

The Municipality currently does not have a current Local Economic Development plan and there is a challenge in terms of technical capacity to develop the plan internally, previous plan was developed in 2006.

There is currently a cooperatives establishment and development programme that was implemented in partnership with the Independent development trust where 10 cooperatives have been established and registered, however the programme is experiencing difficulties with regards to the completion of the business plan development stage, whereby a service provider has been appointed by the IDT and the plans have not yet been completed, though training of these cooperatives was done. Cooperatives are listed below

<u>Name of cooperative</u>	<u>Town</u>	<u>Functionality</u>
Acquaculture	Zastron	Not functional
Charcoal	Zastron	Not functional
Toilet paper making	Zastron	Not functional
Bakery	Zastron, Rouxville & Smithfield	Not functional
Milk processing	Rouxville	Not functional
Carpentry	Rouxville	Not functional
Nursery	Smithfield	Not functional
Recycling	Smithfield	Not functional

MATLAKENG / ZASTRON

Strategic Objectives:

Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance

Intended outcome:

Sustainable delivery of improved services to all households

Provision of portable water

Matlakeng / Zastron: Water (portable)					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
MATLAKENG / ZASTRON	4891	100%	-	-	Network maintenance measures to ensure even supply to all households

Sanitation

Matlakeng / Zastron: Sanitation					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
MATLAKENG / ZASTRON	4891	97%	3% (150 hh)	-	Implementation of the Regional Bulk Water Scheme

Refuse collection / Waste management

MATLAKENG / ZASTRON	Condition of service	Intervention required
	The Municipality is struggling to comply to the required minimum standard of refuse collection from all households once per week. This is due to lack of machinery for service delivery and the great challenge is that our roads (internal) are not trafficable. Awaiting approval of the Integrated Waste Management Plan by the District	Acquire machinery for service delivery Adoption and Implementation of the IWMP

Electricity provision

Matlakeng / Zastron: Electricity					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
MATLAKENG / ZASTRON	3819	100%	-	-	Maintenance of existing network to ensure constant supply

Roads

MATLAKENG / ZASTRON	Condition of service	Intervention required
	The state of municipal roads is not up to standard, especially internal roads in areas of Matlakeng (Itumeleng, Ezibeleni, Phomolong & Refeng Khotso)	Currently no projects being implemented in Matlakeng & Zastron. Identify and register other road projects on MIG

Storm Water

MATLAKENG / ZASTRON	Condition of service	Intervention required
	There is a great need of proper established storm water channels in Matlakeng, especially in the areas like Refeng Kgotso, where there are no storm water channels at all	Register projects on MIG for the identified areas.

Fire Fighting

MATLAKENG / ZASTRON	Condition of service	Intervention required
	Municipality currently does not have a dedicated firefighting unit, rather the municipality utilises trained supervisors, working on fire group	Municipality to sufficiently budget for the services

Cemeteries

MATLAKENG / ZASTRON	Condition of service	Intervention required
	There are 2 main cemeteries utilised Matlakeng / Zastron, challenge is record keeping and proper fencing	Municipality to sufficiently budget for the cemeteries development (up keep)

Local Sports and Recreation Facilities

MATLAKENG / ZASTRON	State of facilities	Intervention required
	There are sports facilities in Matlakeng / Zastron that require constant maintenance and upgrade. The main soccer field is still gravel, though there is also a grass stadium in the township, which needs serious upgrading and maintenance	Municipal partnership with sports arts and culture. And the municipality to sufficiently budget for sports facilities.

MOFULATSEPE / SMITHFIELD

Strategic Objectives:

Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance

Intended outcome:

Sustainable delivery of improved services to all households

Provision of portable water

Mofulatsepe / Smithfield: Water (portable)					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
MOFULATSEPE / SMITHFIELD	1998	90%	209 (10%)	-	Network maintenance measures to ensure even supply to all households

Sanitation

Mofulatsepe / Smithfield: Sanitation					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
MOFULATSEPE / SMITHFIELD	1998	73%	54 HH	-	Implementation of the Regional Bulk Water Scheme

Refuse collection / Waste management

MOFULATSEPE / SMITHFIELD	Condition of service	Intervention required
	The Municipality is struggling to comply to the required minimum standard of refuse collection from all households once per week. This is due to lack of machinery for service delivery and the great challenge is that our roads (internal) are not trafficable. Awaiting approval of the Integrated Waste Management Plan by the District	Acquire machinery for service delivery Adoption & Implementation of the IWMP

Electricity provision

Mofulatsepe / Smithfield: Electricity					
Name of settlement	Number of households	Service Level			Intervention required
		Above RDP	Below RDP	No service at all	
MOFULATSEPE / SMITHFIELD	1998	100%	-	-	Maintenance of existing network to ensure constant supply

Roads

MOFULATSEPE / SMITHFIELD	Condition of service	Intervention required
	The state of municipal roads is not up to standard, especially internal roads in historically disadvantaged areas of Mofulatsepe / Smithfield	Currently no projects being implemented in Mofulatsepe / Smithfield Identify and register other road projects on MIG

Storm Water

MOFULATSEPE / SMITHFIELD	Condition of service	Intervention required
	There is a great need of proper established storm water channels in Smithfield / Mofulatsepe, especially in the areas like Green fields, tlati village where there are no storm water channels at all	Register projects on MIG for the identified areas.

Fire Fighting

MOFULATSEPE / SMITHFIELD	Condition of service	Intervention required
	Municipality currently does not have a dedicated firefighting unit, rather the municipality utilises trained supervisors, working on fire group	Municipality to sufficiently budget for the services

Cemeteries

MOFULATSEPE / SMITHFIELD	Condition of service	Intervention required
	There are main cemeteries utilised Mofulatsepe / Smithfield, challenge is record keeping and proper fencing	Municipality to sufficiently budget for the cemeteries development (up keep)

Local Sports and Recreation Facilities

MOFULATSEPE / SMITHFIELD	State of facilities	Intervention required
	There are sports facilities in Mofulatsepe / Smithfield that require constant maintenance and upgrade. The main soccer field is grass stadium in the township, which needs upgrading and maintenance	Municipal partnership with sports arts and culture. And the municipality to sufficiently budget for sports facilities.

HUMAN SETTLEMENTS (All three towns)

Contractor	Allocations	Approvals	Town	PROJECTS BREAKDOWN					
				Foundation level	Wall plates	Houses completed	Handed over to beneficiary	Incomplete (finishing stage)	Outstanding
Machaba Procurement Trust 072 243 3998: Me. Matsela	100	100	Rouxville	100	100	0	0	0	100
Quantum Leap Investments 082 436 7155: Nelly Keith: 072 506 5145 dashekan@quantumleapinv.co.za	100	94	Smithfield	70	24	0	0	0	0
Furn Serve CC. 082 800 6570 Me. Lefuo	100	100	Zastron	100	0	22	22	78	0
Mamotsotwa CC. 082 701 9425 Pulane	100	100	Zastron	17	83	0	0	0	0
Zimvo Project	100	59	Rouxville	0	0	0	0	0	0
Zastron two roomed Units Superb homes	114	4	Zastron	0	0	0	0	0	0
Woman's Build 2011 housing project	100	0	Zastron	0	0	0	0	0	0

Housing allocations

750 sites Extension 10

1000 sites Zastron in Mooifontein farm

874 sites in Rouxville

+/- 466 sites in Smithfield

STATUS OF SERVICE DELIVERY PLANS: MOHOKARE LOCAL MUNICIPALITY

The following are plans that exist to ensure that the municipality improves and strengthens service delivery; this table also outlines plans that the municipality does not have;

Sector Plan	Status: Yes / No	Comment(s) / Remark(s)	Attachment / Annexure
Spatial Development Plan	Yes	Updated in 2011 & 2012. Assisted by DBSA&	Annexure A
Financial Planning Framework	No	Utilising MFMA	
Performance Management Framework / Plan	Yes		Annexure B
Integrated Waste Management Plan	Yes	Through the district	Annexure C
Human Settlement Plan	Yes	Developed in 2004 never reviewed (<i>Housing</i>)	
Local Economic and Tourism Development	No	Last developed in 2006 never reviewed	
Integrated Public Transport plan	No	Never developed	
Comprehensive Infrastructure Plan	No		
Storm Water Drainage Master Plan	No		
Water Safety and Security plan	Yes	In place	Annexure D
Drinking Water Quality programme / plan	Yes	In place	Annexure E
Sanitation Plan	No,		
Community Development Plan	No		
Municipal Extended Public Works Plan	No		
Human Resource Development Plan	Partially.	Only HR Manual Developed in 2010	Annexure F
Employment Equity Plan	Yes		Annexure G
Organisational Structure	Yes		Annexure H
Disaster Management Plan	Yes	Through the District	Annexure I
HIV&AIDS Strategy	Yes	Through the District	Annexure J
Poverty Alleviation strategy & Gender equity plan	Yes	Through the District	Annexure K

1. POWERS AND FUNCTIONS: FS 163; MOHOKARE LOCAL MUNICIPALITY

<u>Function</u>	<u>Authorizations</u>	<u>Definition</u>
Schedule 4		
Air pollution	Yes	Any change in the quality of the air that adversely affects human health or wellbeing or the ecosystems useful to mankind, now or in the future.
Building regulations	Yes	The regulation, through by-laws, of any temporary or permanent structure attached to, or to be attached to, the soil within the area of jurisdiction of a municipality, which must at least provide for: Approval of building plans, Building inspections, and
Child care facilities	Yes	Facilities for early childhood care and development which fall outside the competence of national and provincial government
Electricity reticulation	Yes	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network.
Fire Fighting	Yes, including DM function	In relation to District Municipality "Fire fighting" means: Planning, co-ordination and regulation of fire services and specialised fire fighting services such as mountain, veld and chemical fire services; co-ordination of the standardization of infrastructure
Local tourism	Yes	The promotion, marketing and, if applicable, the development, of any tourist attraction within the area of the municipality with a view to attract tourists; to ensure access, and municipal services to such attractions, and to regulate, structure and continuity
Municipal airport	Yes	A demarcated area on land or water or a building which is used or intended to be used, either wholly or in part, for the arrival or departure of aircraft which includes the establishment and maintenance of such facility including all infrastructure and services
Municipal Planning	Yes	The compilation and implementation of and integrated development plan in terms of the Systems Act.
Municipal public transport	Yes	The regulation and control, and where applicable, the provision of:•Services for the carriage of passengers, whether scheduled or unscheduled, operated on demand along a specific route or routes or, where applicable, within a particular area.
Pontoons and ferries	Yes	Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments
Storm water	Yes	The management of systems to deal with storm water in built-up areas
Trading regulations	Yes	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial

		legislation
Water (Potable)	Yes	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution; bulk supply to local supply
Sanitation	Yes	The establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure, for the collection, removal, disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of service
Schedule 5		
Amusement facilities /Beaches	Yes	A public place for entertainment. The area for recreational opportunities and facilities along the seashore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.
Billboards and the display of advertisements in public places	Yes	The display of written or visual descriptive material, any sign or symbol or light that is not intended solely for illumination or as a warning against danger which: promotes the sale and / or encourages the use of goods and services found in that Municipality
Cemeteries, funeral parlors and crematoria	Yes, including DM function	The establishment, conduct and control of facilities for the purpose of disposing of human and animal remains.
Cleansing	Yes	The cleaning of public streets, roads and other public spaces either manually or mechanically
Control of public nuisance	Yes	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community
Control of undertakings that sell liquor to the public	Yes	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses, and includes an inspection service to monitor liquor outlets for compliance to license requirements in as far as liquor trade
Facilities for the accommodation, care and burial of animals	Yes	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration require
Fencing and fences	Yes	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads
Licensing of dogs	Yes	The control over the number and health status of dogs through a licensing mechanism.
Licensing and control of undertakings that sell food to the public	Yes	Ensuring the quality and the maintenance of environmental health standards through regulation, a licensing mechanism and monitoring of any place that renders in the course of any commercial transaction, the supply of refreshments or meals for consumption
Local amenities	Yes	The provision, manage, preserve and maintenance of any municipal place, land, and building reserved for the protection of places or objects of scenic, natural, historical and cultural value or interest and the provision and control of any such or other facilities.
Local sport facilities	Yes	The provision, management and/or control of any sport facility within the municipal area.
Markets	Yes	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.
Municipal abattoirs	Yes, including DM function	The establishment, conduct and/or control of facilities for the slaughtering of livestock.
Municipal parks and recreation	Yes	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but excludes sport facilities.

Municipal roads	Yes, including DM function	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with,
Noise pollution	Yes	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in the future.
Pounds	Yes	The provision, management, maintenance and control of any area or facility set aside by the municipality for the securing of any animal or object confiscated by the municipality in terms of its by-laws.
Public places	Yes	The management, maintenance and control of any land or facility owned by the municipality for public use
Street trading	Yes	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve
Street lighting	Yes	The provision and maintenance of lighting for the illuminating of streets
Traffic and parking	Yes	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.
Municipal public works	Yes	Any supporting infrastructure or services to empower a municipality to perform its functions

CHAPTER 3

Mohokare Local Municipality 2010 – 2011 Audit Report
2010 – 2011 Audit action plan

3.1. 2010 / 20111 AUDIT REPORT AND AUDIT ACTION PLAN

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON MOHOKARE LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Mohokare Local Municipality, which comprise statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages XX to XX.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2010 (Act No.1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Consumer debtors

4. I was unable to obtain sufficient appropriate audit evidence for consumer debtors of R9 780 253 (2010: R13 843 842) as disclosed in note 12 to the financial statements due to the following:
- Supporting documentation for certain indigent consumers could not be submitted to determine whether the applicant qualifies for indigence and to determine the occurrence, accuracy and completeness of the subsidies credited to receivables for indigent consumers amounting to R1 612 628 (2010: R616 755).
 - I was not able to obtain sufficient appropriate audit evidence as to the existence of receivables amounting to R1 751 220 (2010: R1 292 819), as I could not obtain evidence that subsequent payments were made by the consumers or that consumers had payment agreements for receivables amounting to R1 751 220. The matter occurred due to the failure by management to assess the existence of consumer receivables at year-end.
 - A difference of R722 012 was noted between the account balance of trade and other receivables as per the debtor age analysis and the general ledger that could not be explained.

Furthermore, a difference of R2 231 098 was noted between the debtors system for bad debts written off for which council approval was obtained and the amount disclosed in note 12 to the financial statements. Contrary to the SA Standards of GRAP, GRAP 1, *Presentation of financial statements*, corresponding figures in respect of the aging of receivables were not disclosed in note 12 to the financial statements to achieve fair presentation.

Due to the lack of information, I was unable to perform reasonable alternative audit procedures to provide me with the required audit assurance with regard to receivables and bad debts written off. Consequently, I was unable to determine the valuation, completeness, existence, allocation and rights to consumer debtors of R9 780 253 (2010: R13 843 842), as disclosed in note 12 to the financial statements.

5. The South African Statement of Generally Accepted Accounting Practice (GAAP), IAS 39 (AC 133), *Financial instruments: Recognition and measurement* states that an entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Contrary to the above, the municipality did not assess the consumer receivables, individually or by category, for any indication that these assets may be impaired during the prior year. As disclosed in note 12 to the financial statements, the provision for doubtful debts for the prior year amounted to R45 661 073. The provision made for the prior year was a general provision and was not made in accordance with the above-mentioned standard. As no assessment of the receivables was performed and no alternative procedures

could be performed, sufficient appropriate audit evidence to confirm the valuation of the provision for doubtful debts for the prior year of R45 661 073, as disclosed in note 12 to the financial statements could not be obtained.

Value-added tax (VAT) receivable

6. Management was unable to provide explanations or supporting documentation for the difference of R2 367 244 between the output VAT according to the general ledger and the returns, as well as for the difference of R2 879 176 between the input VAT according to the general ledger and the VAT returns for the year. Furthermore, management did not claim VAT on capital expenditure resulting in the understatement of the VAT receivable by R1 873 975 and the overstatement of property, plant and equipment with the said amount. This was due to the fact that payments were expensed against the municipal infrastructure grant suspense account without taking the VAT effect into consideration. The entity's records did not permit the performance of reasonable alternative audit procedures. Accordingly, I was not able to confirm the existence, valuation and completeness of the VAT receivable amounting to R6 528 332, as disclosed in the statement for financial position and note 11 to the financial statement.

Investment property

7. The municipality could not provide sufficient appropriate audit evidence to support the completeness, rights to and existence of investment property of R29 404 500 (2010: R880 853) disclosed in note 5 to the financial statements, due to the following:
 - Title deeds of investment property amounting to R3 034 500 could not be provided for audit purposes.
 - Investment property register was incomplete as all property was not clearly defined, the location of the property was not clearly indicated and the investment property register could not be reconciled with the asset register.The municipality's system did not allow for the performance of alternative procedures. Consequently, I was unable to satisfy myself as to the completeness, valuation, allocation, existence and rights and obligations of investment properties.

Property, plant and equipment

8. GRAP 17, *Property plant and equipment*, requires the entity to identify and correctly classify assets between inventories, investment properties, property, plant and equipment and to recognise these assets using the principles in the Standards of GRAP. Contrary to this requirement and due to asset register that was not correctly updated and did not contain the required information to identify assets, I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment of R155 975 629 (2010: R168 770 562) included in the statement of financial

position and note 6 to the financial statements. The entity's records did not permit the application of alternative audit procedures. Consequently, I was unable to determine the completeness, rights to and existence of property, plant and equipment.

Trade and other payables

9. I was unable to obtain sufficient appropriate audit evidence for trade and other payables of R21 500 208 (2010: R16 179 288), as disclosed in the statement of financial position and note 17 to the financial statements. Alternative procedures confirmed that payables are understated, but the amount of the understatement could not be practically determined due to a lack of reconciliations, supporting statements and invoices. Furthermore, IAS 39 (AC 133), *Financial instruments: Recognition and measurement* indicates that financial liabilities should, after initial recognition, be measured at amortised cost using the effective interest method. Contrary to the above, expenses which have deferred payment terms have not been discounted by the municipality. Long-term service awards were also not recognised as a liability as required in terms of IAS 19 (AC 116), *Employee benefits*. The municipality's system did not allow alternative procedures to practically determine the impact of not applying GAAP as indicated on other account balances or classes of transactions. Consequently, I was unable to determine the existence, obligations of, completeness, valuation and allocation of trade and other payables.

Unspent conditional grants

10. The municipality could not provide sufficient appropriate audit evidence to support the completeness, rights and obligations, existence, valuation and allocation of unspent conditional grants of R22 195 902 (2010: R10 688 892) disclosed in the statement of financial position and note 16 to the financial statements. Alternative audit procedures could not be performed due to the extent of the weakness identified and the fact that the municipality's records did not permit the application of alternative procedures. Consequently, I was not able determine the completeness, obligations of, existence, valuation and allocation of unspent conditional grants.

Long- term liability

11. No loan agreements could be obtained for the loan of R1 337 755 (2010: R1 462 597) from the electrical service provider, included under long-term liabilities in the statement of financial position and note 14 to the financial statements. Alternative procedures performed to obtain loan agreements were unsuccessful and the municipality's records did not permit the application of further alternative audit procedures regarding

these loans. I was therefore unable to confirm the obligation of, existence and valuation of these loans. The disclosure of and calculation of the current portion of long-term liabilities could also not be confirmed due to the limitations identified above. This occurred as management did not implement recommendations and take steps to ensure loan agreements are obtained.

Revenue

12. I was unable to obtain sufficient appropriate audit evidence for service charges of R28 275 181 (2010: R25 302 341), government grants and subsidies of R68 189 764 (2010: R40 790 368), rental of facilities and equipment of R656 777 (2010: R399 594) and other income of R1 135 008 (2010: R3 164 589), included in the total revenue of R101 750 443 (2010: R76 000 730 and disclosed in notes 19 to 22 to the financial statements. The municipality's records did not permit the application of alternative audit procedures. Consequently, I did obtain all the information and explanations deemed necessary to determine the occurrence, completeness, accuracy, cut off and classification of revenue of R98 256 730 (2010: R69 656 892). This occurred due to the failure of management to perform and review reconciliations in respect electricity revenue, traffic fines and government grants and subsidies, to ensure accurate recording of transactions on the accounting records. Furthermore, management did not ensure that adequate records and documentation were not available to support water revenue, rental of facilities and equipment and other income.
13. I was unable to obtain sufficient appropriate audit evidence as to the accuracy and completeness of property rates income of the prior year of R6 068 130. The entity's records did not permit the performance of reasonable alternative audit procedures. Consequently, I was unable to confirm the accuracy and completeness of property rates income for the prior year of R6 068 130 as disclosed in the statement of financial performance and note 18 to the financial statements.

Expenditure

14. Sufficient supporting documentation for journals could not be provided by management for entries recorded against the expenditure accounts with an estimated projected value of R1 174 174 for the prior financial year. In the absence of journals attached with all the necessary supporting documents, the entity's records did not permit the application of alternative audit procedures. Accordingly, I was not able to confirm the occurrence, accuracy and classification of these transactions for the prior year.
15. The municipality could not provide sufficient appropriate audit evidence to support the occurrence of expenditure of R6 307 132 (2010: R2 927 538), which includes duplicate payments of R1 270 286 (2010: R1 377 102), duplicate recordings of R1 108 814 and expenditure of R357 575

recorded in the incorrect period. Furthermore, sufficient appropriate audit evidence was not available to support the occurrence, completeness, accuracy, cut off and classification of electricity bulk purchases of R16 136 859. The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to determine the occurrence of expenditure of R6 307 132 (2010: R2 927 538), and the occurrence, completeness, accuracy and classification of expenditure of bulk electricity purchases of R16 136 859 included in the expenditure disclosed in the statement of financial performance.

Employee-related cost

16. Adequate supporting documents for allowances and overtime paid could not be obtained for employee-related cost amounting to R1 066 733 (2010: R573 342). The municipality's records did not permit the application of alternative audit procedures. Consequently, I did not obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy, occurrence and classification of these expenses.
17. Reconciliations were not performed between the amount for employment related cost (including remuneration for councillors) according to the payroll system and the amounts captured on the general ledger and disclosed in the financial statements during the prior year. An unexplained difference of R3 590 619 existed between the total employee related cost according to the payroll system (R20 468 056) and the amount captured in the general ledger **and** disclosed as employee related cost and remuneration for councillors (R24 058 675) for the prior year in the statement of financial performance and notes 25 and 26 to the financial statements. The municipality's records did not permit the application of alternative audit procedures regarding the unexplained difference between the amounts disclosed in the financial statement compared to the payroll system. Consequently, I did not obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy, occurrence and classification of the employee related cost and remuneration of councillors of R24 058 675 for the prior year as disclosed in the statement of financial performance and notes 25 and 26 to the financial statements .

Capital commitments

18. In the absence of a register for capital commitments, sufficient appropriate audit evidence for commitments approved and contracted of R2 346 453 (2010: R26 649 008) and commitments approved and not yet contracted of R12 407 994 (2010:R12 460 000), as disclosed in note 34 to the financial statements could not be obtained. In the absence of a commitment register there were no satisfactory alternative audit procedures that I could perform. Consequently, I was unable to determine the completeness of commitments disclosed in note 34 to the financial statements.

Irregular expenditure

19. Irregular expenditure of R25 093 393 (2010: R25 788 491) was identified during the audit that was incurred due to supply chain management (SCM) policy and SCM regulations, which were not adhered to. This irregular expenditure was not disclosed in note 43 to the financial statements, as required in terms of section 125(2)(d) of the MFMA. **Furthermore**, I could not be provided with sufficient, appropriate audit evidence that management had properly identified, investigated and recorded all irregular expenditure transactions during the current and prior years. Due to the limitations placed on the scope of the work performed relating to expenditure and property, plant and equipment procurement, there were no satisfactory alternative audit procedures that I could perform to confirm the completeness, existence and valuation of irregular expenditure of R45 559 856 (2010: R63 144 064), as disclosed in note 43 to the financial statements.

Fruitless and wasteful expenditure

20. Fruitless and wasteful expenditure of R4 273 495 (2010: R834 8411) was identified during the audit that was not disclosed in note 42 to the financial statements, as required in terms of section 125(2)(d) of the MFMA. There were no satisfactory alternative audit procedures that I could perform. Consequently, I could not determine the completeness, existence and valuation of fruitless and wasteful expenditure of R833 142 (2010: R1 253 110), as disclosed in note 42 to the financial statements.

Presentation and disclosure

21. Contrary to the requirements of section 15(2)(d) of the MFMA, the distribution loss from the water and electricity service, was not disclosed in the notes to the financial statements. Due to the lack of controls, information and reconciliations to calculate the distribution loss, alternative procedures could not be performed to determine the loss.

Cash flow statement

22. Due to the extent of the audit differences, together with the extensive limitation of scope on the audit as highlighted in the basis for disclaimer of opinion, I was unable to obtain sufficient appropriate audit evidence for amounts and disclosures included in the cash flow statement and notes thereto. As alternative procedures could not be performed, I was unable to practically quantify the misstatements in the cash flow statement and notes thereto. Consequently, I did not obtain all the information and explanations I consider necessary to satisfy myself as to the accuracy, completeness and presentation and disclosure of the cash flow statement and notes thereto.

Going concern

23. According to the SA Standards of GRAP, GRAP 1, *Presentation of financial statements*, when preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. According to note 2.2 to the financial statements the financial statements have been prepared on the assumption that the municipality will continue as a going concern. The municipality, however, did not settle its debt within 30 days as required by the MFMA and is significantly dependent on the national and provincial governments for its continued sustainability. These conditions point to the existence of a material uncertainty that may cast significant doubt on the municipality's ability to continue as a going concern. The municipality may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

Disclaimer of opinion

24. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Emphasis of matter

25. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Restatement of corresponding figures

26. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of an error discovered during 30 June 2011 in the financial statements of the municipality at, and for the year ended, 30 June 2010.

Material losses and impairments

27. As disclosed in note 12 to the financial statements, impairments of R42 166 845 (2010: R45 661 072) were incurred and debts amounting to R8 146 803 were written off as irrecoverable as a result of the municipality's inability to recover debts.

Material underspending of conditional grant

28. As disclosed in note 16 to the financial statements, the municipality has materially underspent the budget on municipal infrastructure grants to the amount of R12 487 503. As a consequence, the municipality has not achieved its objectives of providing infrastructure for service delivery.

Unauthorised expenditure

29. As disclosed in note 41 to the financial statements, the municipality incurred unauthorised expenditure of R15 118 443 as a result of exceeding the limits of the different votes in the approved budget.

Additional matters

30. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary information

31. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these annexures and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

32. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages XX to XX and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Presentation of information

33. The reported performance against predetermined objectives was deficient in respect of the following criterion:

- Performance against predetermined objectives was not reported using the National Treasury guidelines.

34. The following audit findings relate to the above criterion:

- **Reasons for major variances between planned and actual reported targets were not provided in the report on predetermined objectives**

Adequate explanations for major variances between the planned and the actual reported targets for all the programmes were not provided, as required in terms of the relevant reporting guidance.

Measures taken to improve performance were not provided in the performance report, as required in terms of section 46(1)(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA). All of the reported targets where improvement is required were not explained.

Usefulness of information

35. The reported performance information was deficient in respect of the following criteria:

- **Relevance:** There is no clear and logical link between the objectives, outcomes, outputs, indicators and performance targets.
- **Measurability:** The indicators are not well defined and verifiable, and targets are not specific and/or measurable.

36. The following audit findings relate to the above criteria:

- **Planned targets are not relevant to the objectives of the entity**

The measure and targets per the annual performance report did not relate directly to 63% of the institution's strategic objectives and targets as per the integrated development plan.

- **Planned and reported targets are not specific and measurable**

For the selected objectives in the IDP, 43% of the planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance

- measurable in identifying the required performance.

Reliability of information

37. The reported performance information was deficient in respect of the following criteria:

- **Validity:** The reported performance did not occur and does not pertain to the entity.
- **Accuracy:** The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- **Completeness:** All actual results and events that should have been recorded have not been included in the reported performance information.

38. The following audit findings relate to the above criteria:

- **The validity, accuracy and completeness of reported performance against indicators could not be confirmed as inadequate supporting source information was provided**
 - For the selected objectives the validity, accuracy and completeness of 24% of the reported indicators could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided.
 - For the actual performance achieved for establishing 10 cooperatives, the source information or evidence provided was not complete as the evidence only indicates that seven cooperatives were established.

Compliance with laws and regulations

Strategic planning and performance management

39. The municipality did not adopt a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players, as required by sections 38, 39, 40 and 41 of the MSA and Municipal Planning and Performance Management Regulations 7 and 8.

40. The accounting officer of the municipality did not, by 25 January, assess the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan, as required by section 72(1)(a)(ii) of the MFMA.

Budget

41. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.

42. The mayor did not submit all quarterly reports to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days after the end of each quarter, as required by section 52(d) of the MFMA.

43. The accounting officer did not always submit the monthly budget statements to the mayor and/or the relevant provincial treasury, as required by section 71(1) of the MFMA.

Annual financial statements, performance and annual report

44. The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of cash and cash equivalents and disclosure items identified by the auditors were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a disclaimer audit opinion.

45. The accounting officer did not make public the council's oversight report on the 2009-10 annual report within seven days of its adoption, as required by section 129(3) of the MFMA.

Audit committees

46. No audit committee was in place from December 2010 to March 2011, as required by section 166(1) of the MFMA.

47. The audit committee did not function as required by section 166 of the MFMA, in that:

- the audit committee did not advise the council, the accounting officer and the management staff of the municipality on matters relating to internal financial control and internal audits, risk management, accounting policies, performance management, effective governance, compliance with applicable legislation and performance evaluation
- the audit committee did not respond to the council on any issues raised by the auditor-general in the audit report
- The audit committee did not meet at least four times a year.

48. The audit committee did not advise the council of the municipality on the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.

49. The audit committee did not advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to compliance with the MFMA, the DoRA and other applicable legislation, as required by section 166(2)(a) of the MFMA.

50. The performance audit committee or another committee functioning as the performance audit committee did not perform the following, as required by Municipal Planning and Performance Management Regulation 14:

- Meet at least twice during the financial year
- Review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality
- Review the municipality's performance management system and make recommendations in this regard to the council of the municipality
- Submit an auditor's report to the council regarding the performance management system at least twice during the financial year.

Internal audit

51. The municipality did not have a functioning internal audit unit in place, as required by section 165(1) of the MFMA.

Procurement and contract management

52. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers, as per the requirements of SCM regulation 17(a) and (c).
53. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids as per the requirements of SCM regulations 19(a) and 36(1).
54. Invitations for competitive bidding were not always advertised for a required minimum period of days as per the requirements of SCM regulations 22(1) and 22(2).
55. Bid specifications were not drafted by bid specification committees, which consisted of one or more officials of the municipality, as required by SCM regulation 27(3).
56. Sufficient appropriate audit evidence could not be obtained that bids were evaluated by bid evaluation committees, which consisted of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality, as per the requirements of SCM regulation 28(2).
57. Final awards and/or recommendation of awards to the accounting officer were not always made by an adjudication committee, which consisted of at least four senior managers of the municipality as per the requirements SCM regulation 29(2).
58. Awards were made to providers whose tax matters had not been declared by the South African Revenue Services to be in order as required by SCM regulation 43.
59. Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per the requirements of SCM regulation 13(c).
60. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and SCM regulation 28(1)(a).

61. Awards were made to suppliers based on preference points that were not calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
62. The performance of contractors or providers was not monitored on a monthly basis as required by section 116(2)(b) of the MFMA.
63. The contract performance measures and methods whereby they are monitored were insufficient to ensure effective contract management as per the requirements of section 116(2)(c) of the MFMA.
64. The accounting officer failed to investigate allegations against an official or role player, of fraud, corruption, favouritism, unfair or irregular practice or failure to comply with the SCM policy, as per the requirements of SCM regulation 38(1)(b).

Human resource management and compensation

65. Senior managers directly accountable to the municipal manager did not sign annual performance agreements for the year under review, as required by sections 57(1)(b) and 57(2)(a) of the MSA.
66. The municipal manager did not provide job descriptions for each post in the staff establishment, as required by section 66(1)(b) of the MSA.

Expenditure management

67. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
68. Sufficient appropriate audit evidence could not be obtained that money owing by the municipality was always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
69. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds, as required by section 65(2)(a) of the MFMA.

70. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system, which recognised expenditure when it was incurred, accounted for creditors of the municipality and accounted for payments made by the municipality, as required by section 65(2)(b) of the MFMA.
71. The accounting officer did not take reasonable steps to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
72. The municipality did not recover unauthorised, irregular as well as fruitless and wasteful expenditure from the liable person, as required by section 32(2) of the MFMA.
73. The accounting officer did not always report to the South African Police Service the cases of alleged irregular expenditure that constituted a criminal offence or theft and fraud, as required by section 32(6) of the MFMA.

Transfer of funds and/or conditional grants

74. The accounting officer did not evaluate the performance of the municipality in respect of programmes funded or partially funded by a schedule 4 allocation within two months after the end of the financial year, as required by section 11(6) of the DoRA.

Revenue management

75. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.
76. Revenue received by the municipality was not always reconciled at least on a weekly basis, as required by section 64(2)(h) of the MFMA.

Asset management

77. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system, which accounts for the assets of the municipality, as required by section 63(2)(a) of the MFMA.

78. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of internal control for assets (including an asset register), as required by section 63(2)(c) of the MFMA.

INTERNAL CONTROL

79. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion, the findings arising from the audit of the annual performance report and the findings arising from the audit of compliance with laws and regulations included in this report.

- **Leadership**

Mohokare Local Municipality did not have sufficient monitoring controls to ensure adherence to the internal policies and procedures and for the purpose of taking corrective actions.

The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not developed and understood and did not set the standard for sound corporate governance.

The previous accounting officer did not take appropriate action to address the lack of discipline in the finance and SCM directorates, resulting in non-compliance with applicable legislation. This, in turn, resulted in irregular expenditure.

- **Financial and performance management**

Staff did not have a clear understanding of the SA Standards of GRAP and the municipality did not have adequate individuals competent in financial reporting and related matters.

The financial staff members of the municipality were not committed and skilled to ensure that the daily financial activities are fully and correctly recorded in the records of the municipality. Management did not ensure that adequate controls were in place to detect and correct errors in the financial records. As a result of this and a lack of oversight:

- (a) The amounts disclosed in the financial statements, general ledger and sub-ledgers differed.
- (b) Documents supporting amounts disclosed in the financial statements were not available or supplied without significant delay.
- (c) Matters reported in the prior report were not corrected.

The previous accounting officer did not regularly review and monitor management's compliance with laws, regulations and internally designed policies and procedures. As a result, significant non-compliance issues were noted that could have been prevented.

- **Governance**

The municipality has not undertaken a risk assessment to assess any risks of fraud and has consequently not developed a fraud prevention plan, as required by the MFMA.

Although the municipality has an internal audit division, it is not adequate for the purposes of the audit as it did not function as intended during the year under review.

The audit committee did not function throughout the year.

OTHER REPORTS

Investigations

80. Investigations are being conducted by independent consulting firms on request of the municipality and the premier's office. The investigations were initiated based on allegations of procurement irregularities. The investigations were still ongoing at the reporting date.

Bloemfontein

30 November 2011



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

3.2. AUDIT ACTION PLAN 2010

AUDIT ACTION PLAN 2010/2011 AUDIT REPORT

CATEGORY	FINDING	ACTION	RESPONSIBLE PERSON	EXPECTED OUTCOME
Consumer debtors	Supporting documentation for certain indigent consumers could not be submitted to determine whether the applicant qualifies for indigence and to determine the occurrence, accuracy and completeness of the subsidies credited to receivables for indigent consumers amounting to R1 612 628 (2010: R616 755).	Conduct an audit to identify indigent consumers without application forms and terminate their indigent status until new applications are received. Monies already expended on such indigents will be reported to Council as fruitless	Chief Financial Officer	31 March 2012
	I was not able to obtain sufficient appropriate audit evidence as to the existence of receivables amounting to R1 751 220 (2010: R1 292 819), as I could not obtain evidence that subsequent payments were made by the consumers or that consumers had payment agreements for receivables amounting to R1 751 220. The matter occurred due to the failure by management to assess the existence of consumer receivables at year-end.	Identify and investigate all debtors' accounts that show no movements in the account balances. Corrective action will be taken based on the recommendations of the investigation report.	Chief Financial Officer	31 March 2012
	A difference of R722 012 was noted between the account balance of trade and other receivables as per the debtor age analysis and the general ledger that could not be explained.	This matter will be investigated and corrected as part of the 2011/12 opening balances.	Chief Financial Officer	30 June 2012
	Furthermore, a difference of R2 231 098 was	This matter will be investigated	Chief Financial Officer	30 June 2012

<p>noted between the debtors system for bad debts written off for which council approval was obtained and the amount disclosed in note 12 to the financial statements. Contrary to the SA Standards of GRAP, GRAP 1, <i>Presentation of financial statements</i>, corresponding figures in respect of the aging of receivables were not disclosed in note 12 to the financial statements to achieve fair presentation.</p>	<p>and corrected as part of the 2011/12 opening balances.</p>		
<p>Due to the lack of information, I was unable to perform reasonable alternative audit procedures to provide me with the required audit assurance with regard to receivables and bad debts written off. Consequently, I was unable to determine the valuation, completeness, existence, allocation and rights to consumer debtors of R9 780 253 (2010: R13 843 842), as disclosed in note 12 to the financial statements.</p>	<p>Measures have been implemented to ensure that the 2011/12 financial statements are accompanied by working paper file to give evidence of existence of receivables and any bad debts that might be written off.</p>	<p>Chief Financial Officer</p>	<p>30 June 2012</p>
<p>The municipality did not assess the consumer receivables, individually or by category, for any indication that these assets may be impaired during the prior year. As disclosed in note 12 to the financial statements, the provision for doubtful debts for the prior year amounted to R45 661 073. The provision made for the prior year was a general provision and was not made in accordance with the above-mentioned standard. As no assessment of the receivables was performed and no alternative procedures could be performed, sufficient appropriate audit evidence to confirm the valuation of the provision for doubtful debts for the prior</p>	<p>Measures have been implemented to ensure that impairment of consumer receivables is calculated for the 2011/12 financial year.</p>	<p>Chief Financial Officer</p>	<p>30 June 2012</p>

	year of R45 661 073, as disclosed in note 12 to the financial statements could not be obtained.			
Value-added tax (VAT) receivable	Management was unable to provide explanations or supporting documentation for the difference of R2 367 244 between the output VAT according to the general ledger and the returns, as well as for the difference of R2 879 176 between the input VAT according to the general ledger and the VAT returns for the year. Furthermore, management did not claim VAT on capital expenditure resulting in the understatement of the VAT receivable by R1 873 975 and the overstatement of property, plant and equipment with the said amount. This was due to the fact that payments were expensed against the municipal infrastructure grant suspense account without taking the VAT effect into consideration. The entity's records did not permit the performance of reasonable alternative audit procedures. Accordingly, I was not able to confirm the existence, valuation and completeness of the VAT receivable amounting to R6 528 332, as disclosed in the statement for financial position and note 11 to the financial statement.	After following tender processes, a service provider has been appointed to conduct a Vat review for 2009-2012 financial years.	Chief Financial Officer	30 March 2011
Investment property	Title deeds of investment property amounting to R3 034 500 could not be provided for	Identify affected properties and obtain title deeds from the deeds	Chief Financial Officer	30 April 2012

	audit purposes.	office. This will be included under the permanent information on the working paper file.		
	Investment property register was incomplete as all property was not clearly defined, the location of the property was not clearly indicated and the investment property register could not be reconciled with the asset register.	Reconcile the investment property register to the asset register and ensure that the investment property register is complete in all material respects.		
Property, plant and equipment	GRAP 17, <i>Property plant and equipment</i> , requires the entity to identify and correctly classify assets between inventories, investment properties, property, plant and equipment and to recognise these assets using the principles in the Standards of GRAP. Contrary to this requirement and due to asset register that was not correctly updated and did not contain the required information to identify assets, I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment of R155 975 629 (2010: R168 770 562) included in the statement of financial position and note 6 to the financial statements. The entity's records did not permit the application of alternative audit procedures. Consequently, I was unable to determine the completeness, rights to and existence of property, plant and equipment.	The municipality will appoint a service provider by 28 February 2012 for the compilation of a GRAP compliant asset register. Matter to be investigated and corrected as part of the 2011/12 financial year.	Chief Financial Officer	30 June 2012
Trade and other payables	I was unable to obtain sufficient appropriate audit evidence for trade and other payables of	All transactions are now being recorded as and when they	Chief Financial Officer	On-going – 30 June 2012

	<p>R21 500 208 (2010: R16 179 288), as disclosed in the statement of financial position and note 17 to the financial statements. Alternative procedures confirmed that payables are understated, but the amount of the understatement could not be practically determined due to a lack of reconciliations, supporting statements and invoices. Furthermore, IAS 39 (AC 133), <i>Financial instruments: Recognition and measurement</i> indicates that financial liabilities should, after initial recognition, be measured at amortised cost using the effective interest method. Contrary to the above, expenses which have deferred payment terms have not been discounted by the municipality. Long-term service awards were also not recognised as a liability as required in terms of IAS 19 (AC 116), <i>Employee benefits</i>. The municipality's system did not allow alternative procedures to practically determine the impact of not applying GAAP as indicated on other account balances or classes of transactions. Consequently, I was unable to determine the existence, obligations of, completeness, valuation and allocation of trade and other payables.</p>	<p>occur. Creditor's reconciliations are now being performed on a monthly basis.</p>		
<p>Unspent conditional grants</p>	<p>The municipality could not provide sufficient appropriate audit evidence to support the completeness, rights and obligations, existence, valuation and allocation of unspent conditional grants of R22 195 902 (2010: R10 688 892) disclosed in the statement of financial position and note 16 to the financial statements. Alternative audit procedures</p>	<p>The Municipal Manager and the Chief Financial Officer are currently engaging National Treasury to ensure that all the unspent grants are accounted for correctly.</p>	<p>Chief Financial Officer</p>	<p>30 June 2012</p>

	could not be performed due to the extent of the weakness identified and the fact that the municipality's records did not permit the application of alternative procedures. Consequently, I was not able determine the completeness, obligations of, existence, valuation and allocation of unspent conditional grants.			
Long- term liability	No loan agreements could be obtained for the loan of R1 337 755 (2010: R1 462 597) from the electrical service provider, included under long-term liabilities in the statement of financial position and note 14 to the financial statements. Alternative procedures performed to obtain loan agreements were unsuccessful and the municipality's records did not permit the application of further alternative audit procedures regarding these loans. I was therefore unable to confirm the obligation of, existence and valuation of these loans. The disclosure of and calculation of the current portion of long-term liabilities could also not be confirmed due to the limitations identified above. This occurred as management did not implement recommendations and take steps to ensure loan agreements are obtained.	The Municipality is currently negotiating with CENTLEC with regards to the possibility of signing a new service level agreement.	Municipal Manager	30 April 2012
Revenue	I was unable to obtain sufficient appropriate audit evidence for service charges of R28 275 181 (2010: R25 302 341), government grants and subsidies of R68 189 764 (2010: R40 790 368), rental of facilities and equipment of R656 777 (2010: R399 594)	Service Charges: All meter reading records have been kept in a central place of custody to ensure that meter reading records are presented to the auditors upon request.	Chief Financial Officer	30 June 2012

	<p>and other income of R1 135 008 (2010: R3 164 589), included in the total revenue of R101 750 443 (2010: R76 000 730 and disclosed in notes 19 to 22 to the financial statements. The municipality's records did not permit the application of alternative audit procedures. Consequently, I did obtain all the information and explanations deemed necessary to determine the occurrence, completeness, accuracy, cut off and classification of revenue of R98 256 730 (2010: R69 656 892). This occurred due to the failure of management to perform and review reconciliations in respect electricity revenue, traffic fines and government grants and subsidies, to ensure accurate recording of transactions on the accounting records. Furthermore, management did not ensure that adequate records and documentation were not available to support water revenue, rental of facilities and equipment and other income.</p>	<p>Government Grants and Subsidies: A file has been prepared for grants and subsidies that contains allocations as per DoRA, equitable share allocation confirmation letters from the Treasury, and bank statements, and reconciliations of allocations made to monies received. With regard to conditional grants, business plans as submitted to Treasury and copies of expenditure vouchers are attached to prove that expenditure was incurred in line with grant conditions.</p>		
	<p>I was unable to obtain sufficient appropriate audit evidence as to the accuracy and completeness of property rates income of the prior year of R6 068 130. The entity's records did not permit the performance of reasonable alternative audit procedures. Consequently, I was unable to confirm the accuracy and completeness of property rates income for the prior year of R6 068 130 as disclosed in</p>	<p>Rental of equipment and facilities: A listing of all municipal properties and facilities that are available for rental has been compiled and copies of rental agreements have been placed on the permanent file of the working paper file.</p>	<p>Chief Financial Officer</p>	<p>30 June 2012</p>

	the statement of financial performance and note 18 to the financial statements.			
Expenditure	Sufficient supporting documentation for journals could not be provided by management for entries recorded against the expenditure accounts with an estimated projected value of R1 174 174 for the prior financial year. In the absence of journals attached with all the necessary supporting documents, the entity's records did not permit the application of alternative audit procedures. Accordingly, I was not able to confirm the occurrence, accuracy and classification of these transactions for the prior year.	All expenditure vouchers from the 01 July 2011 - 31 December have been filled and are readily available for audit purposes.	Chief Financial Officer	On-going – 30 June 2012
	The municipality could not provide sufficient appropriate audit evidence to support the occurrence of expenditure of R6 307 132 (2010: R2 927 538), which includes duplicate payments of R1 270 286 (2010: R1 377 102), duplicate recordings of R1 108 814 and expenditure of R357 575 recorded in the incorrect period. Furthermore, sufficient appropriate audit evidence was not available to support the occurrence, completeness, accuracy, cut off and classification of electricity bulk purchases of R16 136 859. The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to determine the		Chief Financial Officer	30 June 2012

	occurrence of expenditure of R6 307 132 (2010: R2 927 538), and the occurrence, completeness, accuracy and classification of expenditure of bulk electricity purchases of R16 136 859 included in the expenditure disclosed in the statement of financial performance.			
Employee-related cost	Adequate supporting documents for allowances and overtime paid could not be obtained for employee-related cost amounting to R1 066 733 (2010: R573 342). The municipality's records did not permit the application of alternative audit procedures. Consequently, I did not obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy, occurrence and classification of these expenses.	Conduct an investigation to ensure that all allowances are paid in accordance with the Collective Agreement.	Chief Financial Officer	30 April 2012
	Reconciliations were not performed between the amount for employment related cost (including remuneration for councillors) according to the payroll system and the amounts captured on the general ledger and disclosed in the financial statements during the prior year. An unexplained difference of R3 590 619 existed between the total employee related cost according to the payroll system (R20 468 056) and the amount captured in the general ledger and disclosed as employee related cost and remuneration for councillors (R24 058 675) for the prior year in the statement of financial performance and notes 25 and 26 to the financial statements.	Conduct an investigation to ensure that all allowances are paid in accordance with the Collective Agreement.	Chief Financial Officer	30 June 2012

Capital commitments	In the absence of a register for capital commitments, sufficient appropriate audit evidence for commitments approved and contracted of R2 346 453 (2010: R26 649 008) and commitments approved and not yet contracted of R12 407 994 (2010:R12 460 000), as disclosed in note 34 to the financial statements could not be obtained. In the absence of a commitment register there were no satisfactory alternative audit procedures that I could perform. Consequently, I was unable to determine the completeness of commitments disclosed in note 34 to the financial statements.	Compile a commitments register and monitor it on a monthly basis. Commitments register will be compiled with effect from 1 February 2012.	Chief Financial Officer	31 January 2012
Irregular expenditure	Irregular expenditure of R25 093 393 (2010: R25 788 491) was identified during the audit that was incurred due to supply chain management (SCM) policy and SCM regulations, which were not adhered to. This irregular expenditure was not disclosed in note 43 to the financial statements, as required in terms of section 125(2) (d) of the MFMA.	Management should ensure that we do not incur irregular expenditure; in instances where this expenditure is unavoidable it should be reported to council for condonement.	Chief Financial Officer	30 March 2012
Fruitless and wasteful expenditure	Fruitless and wasteful expenditure of R4 273 495 (2010: R834 8411) was identified during the audit that was not disclosed in note 42 to the financial statements, as required in terms of section 125(2)(d) of the MFMA.		Chief Financial Officer	30 March 2012
Presentation and disclosure	Contrary to the requirements of section 15(2) (d) of the MFMA, the distribution loss from the water and electricity service, was not disclosed in the notes to the financial	All distribution losses will be disclosed in the 2011/12 financial statements.	Chief Financial Officer	30 June 2012

	statements. Due to the lack of controls, information and reconciliations to calculate the distribution loss, alternative procedures could not be performed to determine the loss.			
Cash flow statement	Due to the extent of the audit differences, together with the extensive limitation of scope on the audit as highlighted in the basis for disclaimer of opinion, I was unable to obtain sufficient appropriate audit evidence for amounts and disclosures included in the cash flow statement and notes thereto. As alternative procedures could not be performed, I was unable to practically quantify the misstatements in the cash flow statement and notes thereto. Consequently, I did not obtain all the information and explanations I consider necessary to satisfy myself as to the accuracy, completeness and presentation and disclosure of the cash flow statement and notes thereto.	Cash flow statement will be prepared as part of the Annual Financial Statements	Chief Financial Officer	30 June 2012
Going concern	According to the SA Standards of GRAP, GRAP 1, <i>Presentation of financial statements</i> ,	Cash flow plans prepared project that the Municipality will break-	Chief Financial Officer	On-going – 30 June 2012

	<p>when preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. According to note 2.2 to the financial statements the financial statements have been prepared on the assumption that the municipality will continue as a going concern. The municipality, however, did not settle its debt within 30 days as required by the MFMA and is significantly dependent on the national and provincial governments for its continued sustainability. These conditions point to the existence of a material uncertainty that may cast significant doubt on the municipality's ability to continue as a going concern. The municipality may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.</p>	<p>even by the 30th of June 2012</p>		
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CHAPTER 4: DEVELOPMENT STRATEGIES

Vision, Mission and Values

SWOT and PESTLE Analysis

Strategic goals and SWOT Analysis per strategic goal

The Value of planning alignment

INTRODUCTION

This Chapter entails Mohokare Local Municipality's Vision and Mission which give directives to the developmental agenda of the Municipality. The broader developmental agenda of Mohokare Municipality consists of short, medium and long term development goals.

Mohokare Local Municipality is committed to the objectives of local government which are enshrined in section 152 (1) of the Constitution of the Republic of South Africa, 1996 namely:

- (a) To provide democratic and accountable government for local communities;*
- (b) To ensure the provision of services to communities in a sustainable manner;*
- (c) To promote social and economic development;*
- (d) To promote a safe and healthy environment; and*
- (e) To encourage the involvement of communities and community organisations in the matters of local government.*

Mohokare Local Municipality's development strategies are therefore, crafted within the context of ensuring that efforts are focused on delivering the expected outcomes of the developmental mandate of the local sphere of government.

VISION

“To be a community driven municipality that ensures sustainable quality service delivery applying principles of good governance”

MISSION

“A performance-driven municipality that utilises its resources efficiently to respond to community needs”

VALUES

Batho Pele Principles

Good Governance
Community Based Planning
Integrity
Social Cohesion
Accountability
Customer/ Client Centred Approach

3.2. Integrated SWOT and PESTLE ANALYSIS

The Municipality conducted its strategic planning session and resolved to undertake the institutional analysis through conducting both the SWOT ANALYSIS and the PESTLE analysis to ensure intensive comprehension of the Municipal dynamics.

INTEGRATED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<p>Geographic location – surrounded by rivers- serves as a half- way stop between Cape Town & Johannesburg</p> <p>Political stability- leadership and council</p> <p>Human Capital – High skills amongst current staff & management</p> <p>Heritage sites – Tourism</p>	<p>High level of indigence, relating to challenges such as unemployment, revenue collections</p> <p>Lack of resources i.e. service delivery; roads & street lights</p> <p>Aging infrastructure such as roads & equipment & machinery</p> <p>Negative audit opinion - disclaimer</p> <p>Certain IT & building systems need improved security</p>
OPPORTUNITIES	THREATS
<p>Economic Investments</p> <p>National and Provincial Support</p> <p>Natural Resources</p> <p>Tourism</p> <p>Public Private Partnership - form partnerships with local businesses</p> <p>Municipality running accredited training and learnerships</p>	<p>Financial constraints</p> <p>Community uprising & violent protests</p> <p>Illegal immigrants utilising business opportunities</p> <p>Illegal cross border such as Liphiring</p> <p>Unemployment</p> <p>Political situation which in certain cases can become unstable</p>

INTEGRATED PESTLE ANALYSIS

DETAILS	DESCRIPTION	INTEGRATED PESTLE ANALYSIS
POLITICAL	<ul style="list-style-type: none"> ▪ Non-compliance ▪ Political Uprising ▪ Assassinations ▪ Politically stable ▪ Hostile Takeover ▪ National Government 	
ECONOMIC	<ul style="list-style-type: none"> ▪ Unemployment ▪ Declining Revenue ▪ Loss of Revenue ▪ Taxes 	
SOCIAL	<ul style="list-style-type: none"> ▪ Number of Pensioners ▪ High number of people with HIV & Aids ▪ Teenage Pregnancy & woman abuse Progression rates – Students drop out Crime ▪ Substance Abuse – Drug/alcohol ▪ Child headed families – children supporting families ▪ High rate of matriculants passing 	
TECHNOLOGICAL	<ul style="list-style-type: none"> ▪ IT System in Place ▪ Need for an automated billing systems ▪ Limited television signal – no SABC 3 reception in the area 	

<p style="text-align: center;">LEGAL</p>	<ul style="list-style-type: none"> ▪ Treasury Regulations and Guidelines ▪ National Environmental Management Act (NEMA) of 1998 ▪ Development Facilitation Act (DFA) of 1995 ▪ Housing Act ▪ Municipal Finance Management Act ▪ Municipal Systems Act (MSA) of 2000 ▪ Municipal Structures Act ▪ National Spatial Development Perspective ▪ Free State provincial Growth and Development Plan ▪ Development plans of Xhariep District Municipality ▪ Development Plan of Adjacent Municipalities. 	<p style="text-align: center;">INTEGRATED PESTLE ANALYSIS</p>
<p style="text-align: center;">ENVIRONMENTAL</p>	<ul style="list-style-type: none"> ▪ Low pollution ▪ Non compliance to by laws ▪ Illegal dumping or landfill sites 	

3.3. Strategic goals and SWOT analysis per strategic goal

Emanating from the municipal strategic plan the following have been identified as areas of strategic focus and furthermore, Mohokare local municipality aligns and conforms to Government set **Key Performance Areas**, namely;

- Basic service delivery
- Municipal institutional development and transformation
- Local economic development
- Municipal financial viability
- Good governance and public participation
- Environmental management and sustainability

Mohokare is a Municipality for all reasons and this along with the strategic vision and mission has led to the conceptualisation of nine strategic goals. These goals are as follows: mentioned together with a key performance area allocated to a strategic goal.

Strategic Goal 1	Practice sound administration	KPA: Good governance and administration
Strategic Goal 2	Be financially viable and sustainable	KPA: Financial viability
Strategic Goal 3	Achieve and maintain a clean audit	KPA: Good governance and administration
Strategic Goal 4	Eliminate the blockage on basic services	KPA: Basic services
Strategic Goal 5	Promote sustainable economic development and job creation	KPA: Local economic development
Strategic Goal 6	Effect municipal transformation and institutional development	KPA: Municipal Institutional development & transformation
Strategic Goal 7	Be an energy efficient municipality	KPA: Basic service delivery
Strategic Goal 8	Be a tourist destination of choice	KPA: Local economic development
Strategic Goal 9	To be an environmentally friendly municipality	KPA: Environmental management & sustainability

The above mentioned strategic goals pertain to the following;

1. **Practice sound administration;** The Municipality must be in a position to render professional service to our customer base, ensuring legislative requirements are adhered to and the local corporate culture is promoted, staff is properly skilled to ensure that attainment of the goal is realised.
2. **Be financially viable;** Ensuring that a conducive environment is realised and enable communities to contribute significantly in the revenue growth, yet ensuring that the local government financial legislative framework is implemented accordingly without transgression AND financial management promotion.
3. **Achieve and maintain a clean audit;** Ensure that by 2014 Mohokare achieves a clean audit.
4. **Eliminate backlogs on service delivery:** It is essential that all citizens in Mohokare have access to basic services as provided by local government. Access to basic services by all citizens should be 100%. All service delivery constraints need to be mitigated. It is also essential that the municipality ensures that strategic measures are in place to manage risk areas for service delivery such as shortage of electricity and water and that the green industry is stimulated to increase recycling practices and water and electricity saving practices are encouraged. Service delivery also needs to be improved with regards to low cost housing. The Council needs to make land available for developers to ensure that more affordable housing is made available as the demand for housing is still much more than the supply especially for the low income earning population.
5. **Promote sustainable economic development and job creation;** In order to grow the local economy of Mohokare the Municipality has to create an enabling environment which will attract investment into the area. This will stimulate economic activity and result in new business sales and job creation to alleviate poverty. It is just as important to focus on retaining and expanding established businesses in the Mohokare Municipal area. This will be done through business retention and expansion strategies. In order for the economy to grow it is essential that the correct infrastructure is in place to accommodate current and new business activities. Therefore infrastructure investment has to be a primary focus for the next 10 to 15 years. The Municipality needs to ensure economic stimulation to promote agro-processing which is linked to the manufacturing sector as well as tourism development specifically for the **sport and business tourism industry**. Mohokare must also become an important role-player in the green industry relating to solar energy and other green industries which promote clean manufacturing principles. This provides an opportunity for Mohokare to become a national benchmark.

6. **Effect municipal transformation and institutional development;** Mohokare Municipality must ensure that the municipality is transformed to enable it to effectively practice legislative reforms that promote employees performance and most importantly the human resource development of all employees and the council.
7. **Be and energy efficient municipality;** initiate and promote energy saving alternatives to ensure sustainable development of all communities of Mohokare.
8. **Be a tourism destination of choice;** Ensure tourism development for all the three towns, profiling all existing & potential tourism ideas and initiatives.
9. **Be an environmentally friendly Municipality;** Municipality to ensure that in its development planning and implementation, it adheres to the environmental requirements and legislative framework, yet providing livelihood sustainability and a healthy environment for all citizens of Mohokare.

SWOT ANALYSIS PER STRATEGIC GOAL

PRACTICE SOUND ADMINISTRATION	Strength <ul style="list-style-type: none"> ▪ Improved customer care ▪ Policies in place ▪ Variety of skill ▪ Commitment and Dedication ▪ Ability to deliver service 	Weaknesses <ul style="list-style-type: none"> ▪ Poor implementation of existing policies :Lack of knowledge and understanding of Policies ▪ Lack of Confidentiality and Accountability / Not meeting deadlines ▪ Bad Record keeping ▪ Lack of consistent communication ▪ No induction ▪ Lack of capacity
	Opportunities <ul style="list-style-type: none"> ▪ Continuous learning ▪ Good relations ▪ Willingness to learn ▪ Employee wellness – encourage staff moral ▪ Staff commitment 	Threats <ul style="list-style-type: none"> ▪ No of support from relevant government Departments ▪ Non adherence to policies ▪ Staff shortage and office space ▪ No of confidentiality ▪ Budget constraints
FINANCIAL VIABILITY	Strength <ul style="list-style-type: none"> ▪ Dedicated Hard Working Staff ▪ Teamwork environment, ▪ MFMA compliance ▪ Effective implementation of the updated Supply Chain Management policy ▪ Non-reliance on bank loans and overdraft ▪ Payment of creditors within 30days 	Weaknesses <ul style="list-style-type: none"> ▪ Finance policies and procedures are outdated ▪ Vacancy of critical positions ▪ Data management ▪ Grant dependent ▪ Reactive ▪ Indigent register is outdated
	Opportunities <ul style="list-style-type: none"> ▪ Expansion of revenue base for rates ▪ Implementation of an effective revenue enhancement strategy, credit control and indigent support policy ▪ Development and capacitating of a staff 	Threats <ul style="list-style-type: none"> ▪ Budget vs Spending – The municipality does not spend according to the budget ▪ To mitigate this threat we are currently working on an adjusted budget to address all the problems which lead to overspending or

		under spending.
OPERATIONAL CLEAN AUDIT	Strength <ul style="list-style-type: none"> ▪ Policies in place ▪ Action plan developed and adopted by Council ▪ Directors appointed ▪ Commitment and Dedication 	Weaknesses <ul style="list-style-type: none"> ▪ Poor implementation of existing policies :Lack of knowledge and understanding of Policies ▪ No meeting deadlines (“sense” of urgency) ▪ Bad Record keeping ▪ Lack of capacity
	Opportunities <ul style="list-style-type: none"> ▪ Continuous learning ▪ Willingness to learn ▪ Staff commitment 	Threats <ul style="list-style-type: none"> ▪ No collective process management ▪ Non adherence to policies ▪ Staff shortage and office space for filing

BASIC SERVICE DELIVERY	Strength <ul style="list-style-type: none"> ▪ Variation of age groups allows for skills and institutional memory to be preserved ▪ Number of towns allows for proper monitoring of units if the department can be fully staffed 	Weaknesses <ul style="list-style-type: none"> ▪ Lack of technical expertise on the operations and maintenance ▪ Lack of human resource management skills / Lack of Staff ▪ Lack of service delivery equipment ▪ Lack of Office space and Furniture ▪ Lack of commitment from supervisory level ▪ Reporting lines for Unit managers is not clear ▪ Involvement of employees in political activities during working hours
	Opportunities <ul style="list-style-type: none"> ▪ Technical and financial support from government sector departments ▪ Challenges experienced provides individuals with an opportunity for developmental growth ▪ Skills development 	Threats <ul style="list-style-type: none"> ▪ Old infrastructure might collapse without warning ▪ Labour disputes on roles and responsibilities of Municipal officials ▪ Community might lose trust in the municipality due to poor services ▪ Pollution of water resources by stray animals and sewage spillage ▪ Civil case might emanate due to continued negligence from employees(e.g. open manholes)

LOCAL ECONOMIC DEVELOPMENT	Strength <ul style="list-style-type: none"> ▪ Proximity to Lesotho (commercialization of Makhaleng post can be an added advantage) ▪ Proximity to the Eastern Cape ▪ The N6 and Maluti tourism route. ▪ Existing nature conservation facilities ▪ Zastron Mountains 	Weaknesses <ul style="list-style-type: none"> ▪ Minimum participation on LED matters ▪ Lack of job opportunities ▪ Lack of centers for skills development
	Opportunities <ul style="list-style-type: none"> ▪ Huge tourism potential ▪ Fertile agricultural area / Good rainfall ▪ Natural attraction and heritage ▪ Sports and leisure facilities ▪ Large deposits of sand stone that can be used for making building blocks ▪ Montagu and Kloof Dam Holiday resorts. ▪ Plenty of black wattle trees that can be used to produce charcoal ▪ Large deposits of dolerite stone ▪ Game farming in Smithfield 	Threats <ul style="list-style-type: none"> ▪ Poor road infrastructure ▪ Municipal services not efficient ▪ High unemployment rate ▪ Migration of youth

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Strength <ul style="list-style-type: none"> ▪ Relatively young staff component ▪ Critical director posts filled ▪ Policies in place ▪ Internship programme implemented ▪ Established council committees ▪ United council 	Weaknesses <ul style="list-style-type: none"> ▪ Lack of policy implementation ▪ Lack of employment equity implementation ▪ Vacant critical positions i.e. Supply chain management, Internal Auditor, Director: community services
	Opportunities <ul style="list-style-type: none"> ▪ Staff development ▪ Improved administration ▪ United council 	Threats <ul style="list-style-type: none"> ▪ Poor performance by employees ▪ Lack municipal vision ownership by Council and all employees ▪ No implementation of policies ▪ Non – compliance to local government legislation ▪ Political instability at council level ▪ No management implementation in all directorates
ENERGY EFFICIENT MUNICIPALITY	Strength <ul style="list-style-type: none"> ▪ Available strategic staff component 	Weaknesses <ul style="list-style-type: none"> ▪ Extensive technical knowledge ▪ Non – adherence to government priorities in terms of energy efficiency ▪ No implementation of energy saving initiatives by the municipality ▪ High energy consumption by households
	Opportunities <ul style="list-style-type: none"> ▪ Many number of household to implement energy saving initiatives ▪ Available funding from state owned enterprises (ESKOM) ▪ Environmentally friendliness improvement 	Threats <ul style="list-style-type: none"> ▪ High electricity energy usage ▪ Lack of energy saving planning ▪ Unstable environment

TOURIST DESTINATION OF CHOICE	Strength <ul style="list-style-type: none"> ▪ Existing tourism sites ▪ 2nd oldest town in the Free State, Smithfield ▪ Bushmen paintings ▪ Heritage site ▪ Strong culture, (Basotho, Xhosa and Afrikaans) ▪ Vicinity to Lesotho ▪ N6 route ▪ Maluti route ▪ Tourism outdoor centre, Zastron ▪ Smithfield truck - stop 	Weaknesses <ul style="list-style-type: none"> ▪ Vacant tourism development officer position ▪ Lack of technical capacity for tourism development ▪ Lack of tourism profiling of all towns ▪ Lack of tourism promotion publications ▪ Lack of tourism forums
	Opportunities <ul style="list-style-type: none"> ▪ Local economy improvement through tourism marketing ▪ Job creation ▪ Youth development ▪ Structured tourism SMME development ▪ Tourism cooperatives ▪ Strengthened marketing of the Tourism outdoor centre, Zastron 	Threats <ul style="list-style-type: none"> ▪ No tourism development planning ▪ Youth apathy ▪ Lack of youth development in tourism initiatives
ENVI RONM ENTA FRIEN DLY	Strength <ul style="list-style-type: none"> ▪ Environmental health practitioner from Xhariep district municipality ▪ Landfill sites ▪ Funding availability from provincial DTEEA and the district for programmes 	Weaknesses <ul style="list-style-type: none"> ▪ Lack of proper planning ▪ Lack of technical capacity ▪ Lack of machinery
	Opportunities <ul style="list-style-type: none"> ▪ Green municipality 	Threats <ul style="list-style-type: none"> ▪ Lack of commitment from the municipality ▪ Pollution

The **above earlier mentioned strategic goals** are set to become the catalysts to ensure that the vision and mission is achieved in the next five years. In order to ensure that Mohokare is a **community driven municipality that ensures sustainable quality service delivery applying principles of good governance**, each of the nine goals needs to be linked to key implementation priorities. The following section will discuss each of the nine strategic goals and the implementation priorities which are linked to the communities needs and the strategic direction which the municipality and its people are heading in.

ALIGNMENT OF SELECTED NATIONAL, PROVINCIAL, DISTRICT AND LOCAL STRATEGIES

Section 24 (1) and (2) of the Local Government: Municipal Systems Act (No: 32 of 2000) stipulates the following about ***“Municipal planning in co-operative government-***

(1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in Section 41 of the Constitution.

(2) Municipalities must participate in national and provincial development programmes as required in Section 153 (b) of the Constitution.”

Furthermore, Regulation 2(1) (d) stipulates that *“(1) A municipality’s integrated development must at least identify-*

(d) all known projects, plans and programmes to be implemented within the municipality by any organ of state.”

In line with above, this IDP document deals extensively with projects that the Sector Departments of the Free State province will implement within the Mohokare Municipal area. The above are clearly the key planning assumptions for Mohokare Local Municipality in the development of its IDP. This is a progressive planning rationale and is based on a clear legislative framework to ensure consistency and an enhanced quality of the IDP. This planning rationale is underpinned by the principle of Co-operative Governance as entrenched in the Constitution of the Republic of South Africa, 1996.

3.4. The value of Planning Alignment

The capital markets for municipalities have become extremely complex and difficult to access. A common basis for this has been the narrow tax base which is adversely affecting the majority of municipalities in the country. The growth of the area has also sparked a regressive response by some of the key variables in a healthy economy. This growth seems to be outstripping the Municipal infrastructure's capacity and as such, places a huge capital burden on the Municipality. This burden requires an aggressive response by the Municipality to address the challenges of bulk infrastructure and reticulation infrastructure needs.

It is quite clear that the Municipality alone will not be able to meet all its challenges and therefore it will be necessary to explore beyond its own means and perhaps the traditional funding sources. High levels of creativity will be the key ingredient of any strategic response to these massive challenges. Various key strategies and plans are required to gear for maximum utilisation of available resources. Different strategies and plans from all spheres must be considered to:

i. Avoid Duplication of Initiative

Mohokare Local Municipality's IDP must ensure that cognisance is given to the relevant Sector Departments and respective strategies and plans. The IDP must be based on and aligned with all plans of relevant Sector Departments with resource allocations at their respective levels. The powers and functions of the different spheres of government are the means to avert duplication and funding related to those initiatives.

ii. Ensure efficient utilisation of limited resources

Aligned plans ensure that resources are creatively harnessed and, as such, a lot more is achieved than would have had there been a piecemeal approach. Both the IDPs of Xhariep District and Mohokare Municipalities should serve as a platform for all the spheres of government to converge and define the development path of the District in general and more specifically the Mohokare Municipal area. The three main funding sources for the IDP would be the Municipality's own income (tax base), conditional and unconditional grants, and lastly, the Provincial and National Governments' financial interventions. The latter is very important and this suggests that the alignment of planning instruments in the different spheres of government should allow for impact to be maximised by ensuring that limited resources are efficiently utilised. The alignment of selected National, Provincial, District and Local strategies is illustrated in the table below:

National: 12 Key Outcomes		National: MTSF	National: NSDP	Provincial: FSGDS	District: Xhariep IDP	Local: Mohokare IDP
1	Improved quality of basic Education		Improving education and training	Pillar 2: Education, innovation and skills development		
2	A long and healthy life for all South Africans	Improve the health profile of all South Africans	Providing quality health care	Pillar 3: Improved quality of life	Promote sustainable environmental management and public safety Healthy and socially stable communities	Facilitate green Mohokare
3	All people in South Africa protected and feel safe	Intensify the fight against crime and corruption	Transforming society and uniting the nation	Pillar 3: Improved quality of life	Promote sustainable environmental management and public safety	Facilitate a safe Mohokare
4	Decent employment through inclusive growth path	Speed up economic growth and transform the economy to create decent work and sustainable livelihoods	Creating jobs and livelihoods	Pillar 1: Inclusive economic growth and sustainable job creation	Grow the district economy	Local economic development and job creation
5	A skilled and capable workforce to support an inclusive growth path	Strengthen the skills and human resource base	Improving education and training	Pillar 2: Education, innovation and skills development	Build a capacitated workforce	Effect municipal transformation and institutional development
6	An efficient, competitive and responsive economic infrastructure network	Introduce a massive programme to build economic and social infrastructure	Transitioning to a low-carbon economy	Pillar 1: Inclusive economic growth and sustainable job creation	Grow the district economy	Local economic development and job creation
7	Vibrant, equitable and sustainable rural communities with food security for all	Develop and implement a comprehensive rural development strategy linked to land and agrarian reform and food security	Transforming urban and rural spaces	Pillar 4: Sustainable rural development		Local economic development and job creation

8	Sustainable human settlements and improved quality of household life	Build cohesive, caring and sustainable communities	Transforming society and uniting the nation	Pillar 3: Improved quality of life		Facilitate Government housing provision
9	A responsive, accountable, effective and efficient local government system	Build a developmental state, improve public service and strengthen democratic institution	Fighting corruption and enhancing accountability	Pillar 6: Good Governance	Promote good governance	Practice sound administration (Good governance)
10	Environmental assets and natural resources that are well protected and continually enhanced	Ensure sustainable resource management and use		Pillar 3: Improved quality of life		Be an environmentally friendly municipality
11	Create a better South Africa and contribute to a better and safer Africa and World	Pursue African advancement and enhanced international cooperation		Pillar 3: Improved quality of life		Practicing sound administration: IGR
12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Build a developmental state, improve public service and strengthen democratic institution		Pillar 3: Improved quality of life	Building the best-run District municipality in the Free State	Practicing sound administration

CHAPTER 5: SPATIAL DEVELOPMENT PLANNING

Please refer to **Annexure A** for the Spatial Development Plan with Maps included.

CHAPTER 6:

Mohokare Local Municipality Strategic Scorecard 2012 – 2017
Municipal implementation plans
MIG Implementation plan

6.1. INTRODUCTION

A good performance management system should integrate easily with the goals and strategies of a Municipality. It must furthermore allow the Municipality to put its goals and strategies into action in order to provide quality service to its customers, as well as its employees.

Mohokare Local Municipality has developed a Performance Management System to ensure the objectives IDP are achieved. To this end, a Strategic Scorecard has been developed to enable Mohokare Local Municipality to measure and evaluate its strategic progress over a five-year period. The Municipality's Strategic Scorecard is shown in the table below.

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide and maintain safe and sustainable sanitation management and infrastructure	Eliminate the backlog on basic services	Formal households with access to basic level of sewerage services	% of households	979 hh without access	20%	100%	100%	100%	100%
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide and maintain safe and sustainable sanitation management and infrastructure	Eliminate the backlog on basic services	Sewerage purified to requirements of SANS (Green Drop)	% compliance	58.6 %	70%	80%	90%	95%	98%
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class water services in Mohokare to promote development and fulfil basic needs	Eliminate the backlog on basic services	Formal households with access to basic level of water	% of households	100%	100%	100%	100%	100%	100%
Technical services	An effective, competitive & responsive economic infrastructure network	Basic Service delivery	To provide sustainable supply of water	Eliminate the backlog on basic services	Limit water losses through	% of losses	-	20%	20%	20%	20%	20%

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class water services to promote development and fulfil basic needs	Eliminate the backlog on basic services	Water purified to meet SANS requirements (Blue drop)	% compliance	80.1%	90%	95%	95%	100%	100%
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide bulk water supply to promote development and fulfil basic needs	Eliminate the backlog on basic services	Implementation of regional bulk water project	% completion	-	20%	100%	-	-	-
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide and maintain storm water infrastructure to ensure a safe environment & prevent flooding	Eliminate the backlog on basic services	Formal households with access to storm water services	% of households	-	50%	55%	60%	60%	65%
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide trafficable routes and functional streets	Eliminate the backlog on basic services	Gravel roads upgraded	Km of roads upgraded	4km	60km	60km	70km	80km	90km

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Technical services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide good water services in to promote development and fulfil basic needs	Eliminate the backlog on basic services	Water Service Development Plan completed and submitted to Council by the end of Dec 2012	% completed	70%	100%	100%	100%	100%	100%
Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	Effective management of electricity provision to households	Eliminate the backlog on basic services	Electricity master plan developed and aligned with budget & IDP by the end of June 2013	% developed & aligned	-	60%	100%	-	-	-
Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To distribute electricity to all residents	Eliminate the backlog on basic services	Percentage of households with access to basic electricity	% of households with access	100%	100%	100%	100%	100%	100%
Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To distribute electricity to all new settlements	Eliminate the backlog on basic services	Percentage of new settlements supplied with electricity	% of new settlements supplied with electricity	-	-	60%	60%	60%	60%

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	Implementation of alternative energy saving initiatives	Eliminate the backlog on basic services	Percentage of households with access to alternative energy saving initiatives by June 2013	% of households with access to alternative energy saving initiatives	0	60%	100%	100%	100%	100%
Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	Provision of high must lights to promote safe settlements	Eliminate the backlog on basic services	Number of high must light installed	Number of high must light installed	-	5	7	7	7	7
Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Community services	Environmental assets and natural resources that are well protected and continually	Basic Service Delivery	To provide an integrated waste management service for the total municipal area	Eliminate the backlog on basic services	Minimise waste in terms of recycling	Tons waste recycled	-	1200	1250	1300	1350	1400

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Community services	Environmental assets and natural resources that are well protected and continually	Basic Service Delivery	To provide an integrated waste management service for the total municipal area	Eliminate the backlog on basic services	Household refuse collected (transfer station)	Tons of refuse collected / Collected	-	Once a week	Once a week	Once a week	Once a week	Once a week
Community services	All people in South Africa protected and feel	Basic Service Delivery	Traffic law enforcement	Eliminate the backlog on basic services	Appointed traffic officers by June 2014	Number of traffic officers appointed	3 officers appointed	1	2	1	1	1
Community services	All people in South Africa protected and feel safe	Basic Service Delivery	By-law enforcement	Eliminate the backlog on basic services	Developed by-laws and enforced	Number of by-laws developed and enforced	-	All	All	All	All	All
Community services	An efficient, competitive and responsive economic infrastructure	Basic Service Delivery	Sustainable maintenance of municipal properties	Eliminate the backlog on basic services	Developed & implemented maintenance master plan	Plan developed & implemented	-	100%	100%	100%	100%	100%
Community services	All people in South Africa protected and feel safe	Basic Service Delivery	Promoting a safe Mohokare	Eliminate the backlog on basic services	Developed & implemented disaster management plan	Plan developed & implemented	-	100%	100%	100%	100%	100%

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Community services	All people in South Africa protected and feel safe	Basic Service Delivery	Sustainable commonage management	Eliminate the backlog on basic services	Developed & implemented commonage management plan by July 2013	Plan developed & implemented	-	-	100%	100%	100%	100%
Community services	Sustainable human settlements and improved quality of	Basic Service Delivery	Proper provision of Government housing allocations to Mohokare	Eliminate the backlog on basic services	Developed housing sector plan by July 2013	Development of the Municipal housing sector plan	-	-	100%	-	-	-
Community services	Sustainable human settlements and improved quality of	Basic Service Delivery	Improved Municipal planning	Eliminate the backlog on basic services	Reviewed Spatial Development Framework / plan (annually)	Annual Reviewed SDF	100%	100%	100%	100%	100%	100%
Community services	Create an enabling environment by the implementation of programs aimed at achieving gender equality, women's empowerment &	Gender Development	To facilitate & coordinate the strengthening of gender groups within the Municipality	Effect transformation and institutional development	Gender Development is based on a policy and the implementation of Awareness programs	No of awareness programmes	-	2	2	2	2	2
						consultation forums established	-	1	1	1	1	1

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Community services	Vibrant, equitable and sustainable rural communities with food security for all	Disability development	To facilitate& coordinate the strengthening of disability groups within the Municipality	Effect transformation and institutional development	Disability Development is based on a policy and the implementation of Awareness programs	No of awareness programs	-	4	4	4	4	4
						No consultation forums established.	1	4	4	4	4	4
						Empowerment consultation forums to meet the municipal objective	-	4	4	4	4	4
Community services	Improved quality of basic Education	Social Development	Facilitate the functioning of crèches.	Contribute to Early Childhood Development (ECD)	monitoring and Support	Total crèches monitored	-	All	All	All	All	All
Community Services	Vibrant, equitable and sustainable rural communities with food	Basic services	Improved quality of life and poverty alleviation	Promote sustainable economic development and job creation	Establishment / monitoring of food gardens	No of food gardens established	-	200	300	300	300	300

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	security for all					% No of food gardens monitored	-	200	300	300	300	300

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Corporate Services	A responsive, accountable, effective and efficient local government system	Good governance an administration	Obtain a clean departmental audit opinion	Practice sound administration	Clean audit by 2014	100% queries resolved	Disclaimer	-	100%	100%	100%	100%
Corporate Services	A responsive, accountable, effective and efficient local government system	Institutional development	Institutional development	Practice sound administration	Submitted Workplace skills plan by March per annum	Compliant plan submitted	Plan submitted	Plan submitted	Plan submitted	Plan submitted	Plan submitted	Plan submitted
Corporate Services	A responsive, accountable, effective and efficient local government system	Institutional development	Promote corporate identity	Practice sound administration	Annual Review of corporate identity by March	Reviewed identity manual	Reviewed		Reviewed plan	Reviewed plan	Reviewed plan	Reviewed plan

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Corporate Services	A responsive, accountable, effective and efficient local government system	Institutional development	Electronic records management	Practice sound administration	Annual Implementation of management information system	System in place	-	System implemented	System implemented	System implemented	System implemented	System implemented
Financial viability	A responsive, accountable, effective and efficient local government	To maintain effective credit control in the Municipality	Resolve previous audit queries	Financially viable and sustainable	Implemented action plan by June	% of implementation of action plan	-	100%	100%	100%	100%	100%
Financial viability	A responsive, accountable, effective and efficient local government	To maintain effective credit control in the Municipality	Obtain positive audit opinion	Financially viable and sustainable	Reviewed SCM policy & controlled implementation	% of implementation of control measures		100%	100%	100%	100%	100%
Financial viability	A responsive, accountable, effective and efficient local government	To maintain effective credit control in the Municipality	Obtain positive audit opinion	Financially viable and sustainable	Completion of a compliant asset register	% Completion of a compliant asset register	-	100%	100%	100%	100%	100%
Financial viability	A responsive, accountable, effective and efficient	To maintain effective credit control in the Municipality	Increased revenue	Financially viable and sustainable	10% Increased of revenue over 5 years	% of increased revenue	-	-	100% target met	100% target met	100% target met	100% target met

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	local government											
Financial viability	A responsive, accountable, effective and efficient local government	To maintain effective credit control in the Municipality	Increased revenue	Financially viable and sustainable	Completed ward profiles for indigence verification	% of ward profiles completed	-	-	100%	-	-	-
Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To compile the annual budget according to the MFMA and relevant legislation	Effect municipal transformation and institutional development	The main budget is approved by Council by the legislative deadline	Approval of Main Budget before the end of May	Approved before end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To compile the annual budget according to the MFMA and relevant legislation	Be financially viable and sustainable	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February	Budget adjustment tabled on time	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February
Municipal Manager	A responsive, accountable, effective and	Good Governance and Public participation	Arrangement of Council/Committee meetings as per the	Practice sound administration	Effective functioning of council	Number of council meetings per annum	4	4	4	4	4	4

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	efficient local government	n	meeting schedule of Council, and compiling the agenda's and minutes to Council meetings		measured in terms of the number of council meetings per annum							
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Arrangement of Council/Committee meetings as per the meeting schedule of Council, and compiling the agenda's and minutes to Council meetings	Practice sound administration	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per quarter	1	1	1	1	1	1
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practice sound administration	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	-	100	100	100	100	100

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Municipal Manager	A development- orientated public service and inclusive citizenship	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practice sound administration	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	-	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To evaluate the effectiveness of risk management, control and governance processes	Practicing sound administration	The municipality comply with all the relevant legislation	% compliance with laws and regulations	-	80	100	100	100	100
Municipal Manager	Sustainable human settlements and improved quality of household life	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practicing sound administration	IDP and Sectoral Plans aligned with Spatial development plan	% alignment		100	100	100	100	100
Municipal Manager	A responsive, accountable, effective and	Good Governance and Public participation	To ensure effective integrated development planning and performance management in	Practicing sound administration	IDP and approved by the end of May	IDP approved by the end of May	Approved On time	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	efficient local government system		the municipality									
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practicing sound administration	The IDP is comprehensive and complies with the requirements of the Systems Act	Number of required Sectoral Plans included in the IDP	0	4	4	4	4	4
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Effective internal and external communication in the Municipality	Practice sound administration	The municipality listens and talks back to its people by ensuring that the IDP is consulted with all wards	No of ward committees consulted	6	6	6	6	6	6
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practice sound administration	Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	0	6	6	6	6	6

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Effective internal and external communication in the Municipality	Practice sound administration	Effective communication with communities	Development of an all-inclusive external and internal communication policy by July 2012		n/a				
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practice sound administration	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per annum	-	12	12	12	12	12
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practise sound administration	To determine citizen satisfaction	-	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually
Municipal Manager	A development- orientated public service and inclusive citizenship	Good Governance and Public participation	To ensure effective integrated development planning and performance	Practise sound administration	No of Section 57 performance agreements signed by	No of performance agreements signed	5	5	5	5	5	5

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			management in the municipality		the end of July							
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Practice sound administration	Annual report and oversight report of council submitted before the end of January & end of March respectively	Report submitted to Council	Submitted on time	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To evaluate the effectiveness of risk management, control and governance processes	Achieve & maintain a clean audit	Functional performance audit committee measured by the number of meetings per annum	No of meetings held	-	4	4	4	4	4
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To evaluate the effectiveness of risk management, control and governance processes	Achieve & maintain a clean audit	Risk based audit plan approved by June 2013		Plan approved	Approved Plan	-	Review	-	-

Directorate	National Outcome	National KPA	Municipal Objective	Strategic Goal	KPI	Unit of Measurement	Base line 2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Municipal Manager	A responsive, accountable, effective and efficient local government system	Local Economic development	Review of the LED strategy, inclusive of tourism development, SMME development, cooperatives support plan	Promote sustainable development and job creation	Reviewed LED Strategy	Annual Reviewed LED strategy	2006	Annual review	Annual review	Annual review	Annual review	Annual review

6.2. MUNICIPAL IMPLEMENTATION PLANS

BASIC SERVICES – IMPLEMENTATION OF STRATEGIC GOALS								
NO	GOAL	OBJECTIVES	CRITICAL SUCCESS FACTORS	2012/3	2014	2015	2016	2017
1	Traffic law enforcement	Reduction of road accident	Employ more traffic officers Explore ownership new camera system	30 Jul 12		30 Apr 15		
		Revenue enhancement	Improved traffic department	30 Jun 13				
		Enforcement of by-laws	Enforce traffic by-laws	30 Jun 13				
2	Solid waste management	Coordinate waste activities	Adopt and implement the waste management plan	01 Jul 12				
		Cleaner towns	Weekly removal of household waste Cleaning of open spaces and parks	01 Jul 12				
3	Maintenance of council properties	Development of a maintenance master plan	Implement master plan	30 Sep 12				
4	Coordinate a disaster relief fund	Coordinate and manage disaster	Provide for relief fund	01 Jul 12				
5	Sports and recreation	Facilitate sports activities	Provided limited support for sports	30 Jun 12				
6	Human settlement	Develop a housing sector plan Develop Spatial development framework Develop spatial land use management scheme	Adequate provisioning of houses Adopt and development of SDF Develop spatial land use management scheme	01 Jul 13 31 Mar 12 31 Jul 13				
7	Commonage management	Develop commonage management plan Create management committee	Adopt and implement	31 Jul 13 31 Jul 13				
8	Provision of quality compliant Water	Upgrading of the Caledon water Scheme	Approval of additional funding by COGTA (R1.9 M)	Sep 2012				
		Installation of two(2) surface raw water pumps at the abstraction point in Smithfield	Approval of internal funding	June 12				

		Drilling & equipping of boreholes in Rouxville	Approval of Funding by DWA	Nov 12				
		Achieve Blue Drop Certification	Approval of WSDP & implementation of WCWDMP Asset Register Budget allocation		May 14	May 15		
NO	GOAL	OBJECTIVES	CRITICAL SUCCESS	2012/13	2014	2015	2016	2017
		Rouxville Regional Bulk Water Scheme	Finalisation of Servitudes Performance of PSP and Contractor		March 14			
		Smithfield Regional Bulk Water Scheme	Approval of designs and appointment of PSP			March 15		
		Zastron Regional Bulk Water Scheme	Approval of designs and appointment of PSP				March 16	
9	Provisioning of Electricity	Electrification of 78 infill sites	Availability of sites owners Commitment by PSP (Eskom & Centlec)	Mar 12				
		Electrification of 209 sites in Somido Park	Approval of funding by DoE	Nov 12				
		Installation of 16 high mast lights in Refengkhotoso, Phomolong and	Approval and Registration of project by Cogta	Mar 13				
		Implementation of energy saving Programme	Involvement of stakeholders (Centlec, Eskom and DoE)	April 13				
10	Internal Road and Storm water channel	Construction of a storm water channel in Refengkhotoso	Availability of internal funds Appointment of local labour	June 12				
		Roleleyathunya access road(2.67km)	Performance of the contractor	April 12				
		Procurement of Operation and Maintenance equipments	Availability of internal fund	May 12				
		Filling of Pot-holes	Availability of internal funds	Nov 12				
11	Provision of dignified sanitation facilities and management of waste water	Eradication of 52 buckets in Smithfield	Appointment of Contractor	June 12				

		Eradication of 150 Buckets in Zastron	Performance of the Contractor	June 12				
		Upgrading of the Smithfield oxidation ponds	Appointment of contractor(Mechanical & Electrical)	Nov 12				
		Upgrading of Waste Water	Appointment of the contractor (Mechanical & Electrical)	June 13				
		Eradication of 777 buckets in Rouxville	Completion of RBWS for Rouxville Appointment of Contractor for construction of Sewer network		June14			
		Green Drop Certification	Completion of waste water treatment plants in Smithfield and Zastron Approval of WSDP and Implementation of WCWDMP Needs for 24 hour plant operation			March 15		

PUBLIC PARTICPATION & CORPORATE SERVICES – IMPLEMENTATION OF STRATEGIC GOALS								
NO	GOAL	OBJECTIVES	CRITICAL SUCCESS FACTORS	2012/3	2014	2015	2016	2017
1	Install departmental operational Systems	Resolve previous years Audit queries for corporate services	Provide outstanding documentation to auditors	30 Apr 12				
2	Improve audit performance	Improve audit opinion 2012-2013	Ongoing compliance with legislation Proper recordkeeping and accountability Accounting best practices Fixed Assets Register Supply Chain Management Compliance	30 Jun 12				
3	Obtain a clean departmental audit	Obtain Clean audit opinion for 2014	Ongoing compliance with legislation Proper recordkeeping and accountability Accounting best practices Fixed Assets Register Supply Chain Management Compliance		30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
		Maintain Clean audit opinion from 2014 onwards	Ongoing compliance with legislation Proper recordkeeping and accountability Accounting best practices Fixed Assets Register Supply Chain Management Compliance		30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
4	Skills Development	Attain skills development requirements	Workplace skills plan Staff training development & Skills audit	31 Mar 12	31 Mar 14	31 Mar 15	31 Mar 16	31 Mar 17
5	Corporate Identity	Promote corporate identity	Improve communication to communities Greater reporting from ward committees Document management Customer services Signage / Website / Internal news letter	30 Mar 12 30 Jun 12	30 Mar 14 30 Jun 14	30 Mar 15 30 Jun 15	30 Mar 16 30 Jun 16	30 Mar 17 30 Jun 17
6	Human Resources	Achieve a fully functional HR Department	Labour relations Individual performance management system Employee wellness programme Occupational health and safety Skills development Recruitment and selection HR administration	30 Mar 13				

7	Electronic record	Electronic record management	Full implementation of management information system	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
LOCAL ECONOMIC DEVELOPMENT – IMPLEMENTATION OF STRATEGIC GOALS								
NO	GOAL	OBJECTIVES	CRITICAL SUCCESS FACTORS	2012/3	2014	2015	2016	2017
1	Integrated Local Economic Development planning	Energised LED functioning	Develop LED Strategy inclusive of; Tourism development SMME Development Cooperatives support plan Annual review	August 12 Review	August 13/14	August 14/15	August 15/16	August 16/17
1	Local Economic Development	Increase economic growth - increase tourism	Tourism brochure E-Marketing website, Google and social media Establishment of tourism information centre Tourism grading Tourism signage	30 Apr 13				
2	Investment Growth	Create a conducive environment for investment	Public private partnership Speeding up business applications Audited commercial land report	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
3	Promotion of Environment	Enhance environmental security	Achieve ward greening Achieve well managed dumping site Recycling cooperatives	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
4	Agricultural Growth	Expand agricultural sector	Learnerships Strategic plan for agriculture Establishment of Agro-processing	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
5	Promote Employment opportunity, skills and SMME Development	Promote employment opportunity, skills and SMME development	Learnerships Establishment of business forum Public private partnerships	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17

FINANCE FUNCTION – IMPLEMENTATION OF STRATEGIC GOALS

NO	GOAL	OBJECTIVES	CRITICAL SUCCESS FACTORS	2012/3	2014	2015	2016	2017
1	Resolve previous years Audit Queries	Resolve previous years Audit Queries	Provide outstanding documentation to Auditors	30 Apr 12				
2	Obtain Positive Audit Opinion	Improve audit opinion 2012-2013	Ongoing compliance with legislation Proper recordkeeping and accountability Accounting best practices Fixed Assets Register Supply Chain Management Compliance	30 Jun 12				
		Obtain Clean audit opinion for 2014	Ongoing compliance with legislation Proper recordkeeping and accountability Accounting best practices Fixed Assets Register Supply Chain Management Compliance		30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
		Maintain Clean audit opinion from 2014 onwards	Ongoing compliance with legislation Proper recordkeeping and accountability Accounting best practices Fixed Assets Register Supply Chain Management Compliance		30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
3	Increase Revenue	Increase revenue by 10% over the next 5 years	Public Private Partnerships Investment from business Increase Collection Revenue Updating of the indigent registers	30 Jun 13				

6.3. Municipal Grant Implementation plan

It is important to note that this scorecard is inclusive of all Municipal projects and programmes up to and including the Mohokare Regional Bulk water supply project which has been allocated R143 million, where which R63 million has been approved for the **Rouxville** regional bulk water project over a **period 3 years**, starting from 10/11 financial year; R13 million has been gazetted for the 11/12 financial year. The outstanding balance will be utilised in Smithfield and Zastron, respectively, subsequent to the completion of the Rouxville regional bulk project.

Projects	Planned date: Project to be completed													Planned MIG Expenditure for 2012/2013	Planned MIG Expenditure for 2013/2014
		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13		
Mohokare PMU 12/13		78 683.37	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	78 683.33	944 200	996 150
Upgrading of Caledon Water Scheme phase 2A	25-Jun-12	426 598.35	410 259.63	445 176.85										1 282 034.83	-
Upgrading of the Zastron sewage treatment works	31-Oct-12	1 259 695.26	1 489 366.25	1 748 963.84	1 173 940.46									5 671 965.81	676 538.05
Smithfield:Upgrading of the oxidation ponds	14-Dec-12	785 231.96	835 794.05	1 672 306.32	767 356.30	1 108 659.34	876 105.97	-	-				-	6 045 453.94	-
BEP, Phase 1 for 777 sites in Roleleathunya, Rouxville (Sewer Networks)	30-Mar-14									987 354.21	1 085 632.95	598 321.10	1 217 164.65	3 888 472.91	2 196 562.68
Roleleathunya/Rouxville: Access Collectors, Internal Streets & Related Stormwater (4.14km), Phase 1	30-Apr-12										1 051 872.51			1 051 872.51	-

Zastron: Installation of high mast lights in Refenghotso	01-Mar- 14													-	4 225 871.20
Total		2 550 208.94	2 814 103.26	3 945 130.34	2 019 980.09	1 187 342.67	954 789.50	78 683.33	78 683.33	1 066 037.54	2 216 188.79	677 004.43	1 295 847.98	18 884 000.00	8 043 171.93
														18 884 000.00	19 923 000.00

CHAPTER 7: GOVERNMENT PROGRAMMES

Community Work Programme
Neighbourhood development programme
NARYSEC
Youth economic participation

7.1. COMMUNITY WORK PROGRAMME

The Community Work Programme (CWP) is an innovative offering from government to provide a job safety net for unemployed people of working age. The CWP is also a great opportunity for unemployed youth who are actively looking for employment opportunities. The programme will give you that much needed extra cash to make you effective in your search for full-time or part-time employment. Programme participants do community work which may include giving home-based care, agricultural projects and environmental projects – the community decides on the kind of projects to be implemented on the site. Although CWP is not a full employment offer, the unemployed can get a wage of R60 per day and work a maximum of two days per week. Learn more about getting involved in the programme and the sites where it is currently being implemented around the country.

Background

The Community Work Programme (CWP) is a government programme aimed at tackling poverty and unemployment. The programme provides an employment safety net by giving participants a minimum number of regular days of work, typically two days a week or eight days a month, thus providing a predictable income stream.

The CWP is designed as an employment safety net, not an employment solution for participants. The purpose is to supplement people's existing livelihood strategies by offering a basic level of income security through work. It is an on-going programme that does not replace government's existing social grants programme but complements it.

CWP sites are being established in marginalised economic areas, both rural and urban, where unemployment is high. Unemployed and underemployed men and women qualify to apply for work. The daily rate paid at present is R63.18. Communities are actively involved in identifying 'useful work' needed in the area. The first target is one site per municipality operating in at least two wards to reach 237 000 people by 2013/14.

What is CWP?

CWP aims to provide an employment safety net by providing a minimum level of regular work opportunities to participants, with predictable number of days work provided per month. This supplements the existing livelihoods strategies of participants and provides basic level of income through security work.

It is targeted at unemployed and / or underemployed people of working age, including those whose livelihood activities are sufficient to lift them out of poverty.

What ‘work’ have communities prioritised

In practice, a common menu of typical priorities has emerged and these have become the ‘anchor’ programmes;

- A strong focus on food security
- Home-based care, mainly for HIV and TB affected households & auxiliary care: cooking, cleaning.
- Care of orphans and vulnerable children, child headed households;
- Social programmes to tackle alcohol abuse, violence, crime,
- Development of recreation spaces, sporting facilities targeting youth
- Environmental rehabilitation and maintenance, informal settlement upgrading
- Zibambele – type road maintenance.

Mohokare local municipality has managed to foster partnership with National and Provincial CGTA to ensure that this municipality becomes one of the established CWP sites.

The area of focus and work for the participants will be as outlined above; and the target for this municipality is to have 1000 participants from October 2012 for a period of one year, ensuring that this initiative benefits all citizens of Mohokare Local Municipality.

7.2. NEIGHBOURHOOD DEVELOPMENT PROGRAMME

The **Neighbourhood Development Partnership Grant** is a conditional grant to municipalities through the Division of Revenue Act (DORA). It is planned to allocate an amount of R10bn over a ten year period for about 100 initiatives.

The NDPG is driven by the notion that public investment and funding can be used creatively to attract private and community investment to unlock the social and economic potential within neglected townships and neighbourhoods and that this in turn will contribute to South Africa's macro-economic performance and improve quality of life among its citizens.

The key principles forming the foundation of the NDPG are:

- Economic growth is a fundamental prerequisite for achieving other policy objectives including poverty alleviation and improving quality of life.
- Consequently, government spending on fixed investment should be focused on areas where growth opportunities and economic potential has been identified.
- This government investment ought to be aimed at attracting private sector investment, stimulating economic activities and creating long term employment opportunities.
- Government's efforts to address social inequalities should focus on people, not places. Where localities or areas have little development potential, government spending over and above the provision of basic services, ought to focus on providing social transfers, human resource development and labour market intelligence, thereby enabling those who wish to migrate to localities that are more likely to offer economic opportunities and sustainable employment.

Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent or linked to main growth centres. As such, infrastructure investment and development spending should primarily support localities that are earmarked to become major growth nodes.

The NDPG has been established with the ultimate objective of leveraging private sector investment in underserved residential neighbourhoods thereby unlocking the social and economic potential within these areas. It is anticipated that this can be achieved by accelerating investment in

community amenities in these areas by providing a combination of technical support and capital financing for municipal projects that will leverage private sector investment at scale.

Historically, a number of issues have stood in the way of this type of synergy between public investment and its ability to creatively attract private and community investment. It is hoped that the NDPG will provide a vehicle with which to overcome these barriers.

Mohokare Local Municipality will in the next 5 years strive for the application of this grant to attempt to utilise the NDP as one of more tools to unlock the economic potential of the Community of Mohokare.

7.3. Comprehensive Rural Development Programme (CRDP)

Cabinet approved the Comprehensive Rural Development Programme (CRDP) on 12 August 2009.

Comprehensive Rural Development is one of the key priorities of government, aimed at creating sustainable rural communities throughout the country. The programme will seek to achieve social cohesion and development in rural communities and is based on three key pillars namely:

- Coordinated and integrated broad-based agrarian transformation
- An improved land reform programme
- Strategic investments in economic and social infrastructure in rural areas.

The Department of Rural Development and Land Reform has anchored the delivery of comprehensive rural development on agrarian transformation, rural development and land reform.

President Jacob Zuma launched the programme in Giyani, Limpopo on 17 August 2009, saying "The Comprehensive Rural Development Programme is our national collective strategy in our joint fight against poverty, hunger, unemployment and lack of development in our rural areas.

It is an embodiment of our unshaken commitment that we shall not rest in our drive to eradicate poverty."

The Municipality will prioritise and align its development strategies for the next 5 years to the Government Rural Development Strategy to fight poverty.

7.4. NATIONAL YOUTH SERVICE CORPS PROGRAMME (NARYSEC)

The objective of the National Rural Youth Service Corps (NARYSEC) programme was to enhance skills development by providing unemployed youth in the rural areas with opportunities to work in their communities and to be trained to provide the necessary services for local socio-economic development.

A total of 7 398 youth were enrolled in the programme in 2010. The enrolment number will gradually increase by recruiting a further 5 000 youth during 2011/12 and a further 10 000 during the 2012/13 financial year.

Mohokare Local Municipality is one of the municipalities in the country that benefited from this programme, and will ensure that the assistance and the value add intentions of the programme are realised, this will be done through consolidating all information / data between the programme and the municipality, to ensure that we use practical data as reflected on the ground in terms of service delivery and challenges.

7.5. YOUTH ECONOMIC PARTICIPATIONS

The Youth economic participation programme of the Department of Public Enterprises (DPE) which was launched by Mr Malusi Gigaba, Minister of Public Enterprises, signifies a major shift by the department to put youth development high on its agenda for the next three years. The YEP aims to coordinate the efforts of State Owned Companies (SOC) under the DPE, such as Eskom, Transnet, South African Airways, Broadband Infraco, Alexkor, South African Express, the South African Forestry Company and Denel, towards maximising their inputs towards youth economic empowerment, focusing on:

- Job-creation
- Skills development

- Entrepreneurship development
- Corporate Social Investment (CSI) and related initiatives

The Municipality will strive to find alternative creative ways of ensuring youth development and empowerment through this and other government programmes.

7.6. Strategic Framework on Gender and Women's Economic Empowerment

The Strategic Framework on Gender and Women's Economic Empowerment provides guidance, focus, and specific recommendations for the support required to ensure women's full participation in our economy.

As such, it is an important milestone in the economic emancipation of women in South Africa. The support given to women should seek to fully empower them so that they are able to benefit from our democratic reforms, be it politically, socially or economically.

These three areas of empowerment are deeply interwoven, and empowerment in one area will not be fully achieved without empowerment in the others. It is therefore necessary that **the DTI** Strategic Framework on Gender and Women's Economic Empowerment takes a holistic view of how to empower women and to give support to initiatives that will, among other things, create strong institutions to represent women entrepreneurs and become advocates of addressing the unique challenges faced by women in business.

7.7. ENVIRONMENT

WORKING FOR WATER

Invasive alien species are causing billions of Rands of damage to South Africa's economy every year, and are the single biggest threat to the country's biological biodiversity. Invasive alien species are plants, animals and microbes that are introduced into countries, and then out-compete the indigenous species.

Invasive alien plants (IAPs) pose a direct threat not only to South Africa's biological diversity, but also to water security, the ecological functioning of natural systems and the productive use of land. They intensify the impact of fires and floods and increase soil erosion. IAPs can divert enormous amounts of water from more productive uses and invasive aquatic plants, such as the water hyacinth, affect agriculture, fisheries, transport, recreation and water supply.

Of the estimated 9000 plants introduced to this country, 198 are currently classified as being invasive. It is estimated that these plants cover about 10% of the country and the problem is growing at an exponential rate.

The fight against invasive alien plants is spearheaded by the Working for Water (WfW) programme, launched in 1995 and administered through the Department of Water Affairs and Forestry.

This programme works in partnership with local communities, to whom it provides jobs, and also with Government departments including the Departments of Environmental Affairs and Tourism, Agriculture, and Trade and Industry, provincial departments of agriculture, conservation and environment, research foundations and private companies.

Since its inception in 1995, the programme has cleared more than one million hectares of invasive alien plants providing jobs and training to approximately 20 000 people from among the most marginalized sectors of society per annum. Of these, 52% are women.

WfW currently runs over 300 projects in all nine of South Africa's provinces. Scientists and field workers use a range of methods to control invasive alien plants. These include:

- Mechanical methods - felling, removing or burning invading alien plants.
- Chemical methods - using environmentally safe herbicides.
- Biological control - using species-specific insects and diseases from the alien plant's country of origin. To date 76 biocontrol agents have been released in South Africa against 40 weed species.
- Integrated control - combinations of the above three approaches. Often an integrated approach is required in order to prevent enormous impacts.

The programme is globally recognised as one of the most outstanding environmental conservation initiatives on the continent. It enjoys sustained political support for its job creation efforts and the fight against poverty.

WfW considers the development of people as an essential element of environmental conservation. Short-term contract jobs created through the clearing activities are undertaken, with the emphasis on endeavouring to recruit women (the target is 60%), youth (20%) and disabled (5%). Creating an enabling environment for skills training, it is investing in the development of communities wherever it works. Implementing HIV and Aids projects and other socio- development initiatives are important objectives. Mohokare will engage this programme to benefit its.

CHAPTER 8: PERFORMANCE MANAGEMENT PLANNING

INTRODUCTION

The Integrated Development Plan enables the achievement of the planning stage of performance management. Performance management then fulfils the implementation, management, monitoring and evaluation of the Integrated Development Plan. The performance of an organisation is integrally linked to that of its staff. It is therefore vitally important for any organisation to annually review its own performance as well as that of its employees.

OBJECTIVES AND BENEFITS OF A PERFORMANCE MANAGEMENT SYSTEM

Objectives

The objectives of the performance management system are described in the performance management policy and include:

- Facilitate strategy development
- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signals
- Create a culture of best practices
- Facilitate decision-making

The above objectives are aligned with the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and the guidelines of the Department of Development Planning and Local Government.

Benefits of Performance Management

Employees will derive specific benefits from a PMS in that it would:

- Provide better insight in the job and clarify the duties and responsibilities associated with the job;
- Enable employees to see where he/she fits into the municipal structure and contributes to achieve the development objectives of the Municipality as per the IDP;
- Assist employees to discover their own strengths, to recognise their weaknesses and to develop the knowledge, skills and attitudes to overcome these in order to fulfil their potential;
- Enhance individual career development through informed decision-making and focused training; and
- Enable employees to make full use of the opportunities presented by the implementation of employment equity.

Performance management have the following benefits for the Municipality:

- Implement the IDP by making it accessible to all employees, clarify objectives and strategies and promote the accountability of groups and individuals to these;
- Implement focused management linked to an early warning system;
- Continuously reassess structural functionality and enable effective organisational alignment with objectives and strategies;
- Evaluate the job analysis information and rectify faulty aspects thereof;
- Understand the role, duties and responsibilities of employees;
- Identify shortcomings in employment practices, procedures and policies;
- Delegate unambiguous and realistic responsibilities to employees;
- Assess the adequacy or inadequacy of resources available to employees;
- Identify and address training and development needs in a focused and structured manner so as to make use of the opportunities provided by the Skills Development Act;
- Develop the human resources of the Municipality; and
- Provide services in an efficient, effective and economic manner. Performance management will benefit the community through:
- The establishment of a system which translates the IDP into measurable objectives and targets;

- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the
 - performance of the municipality; and
- The promotion of an accountable municipality.

DEFINITION AND KEY STEPS IN PERFORMANCE MANAGEMENT

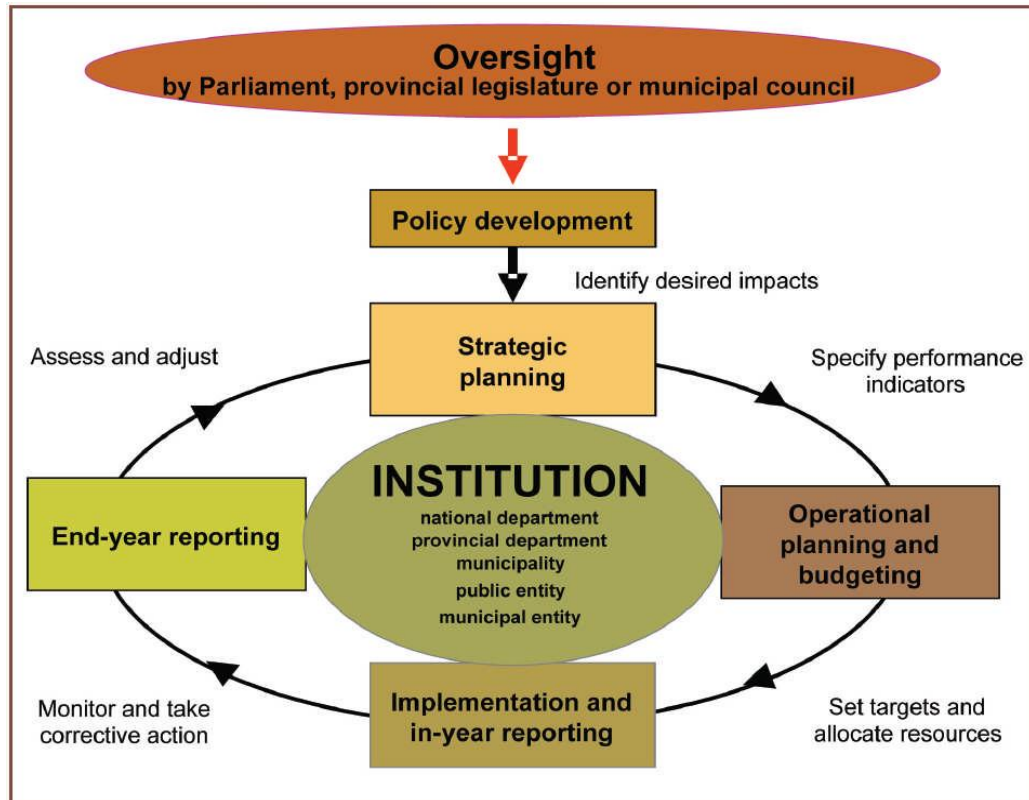
Performance Management System can be defined as a strategic approach to management, which equips councillors, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. This system will therefore in turn ensure that all the councillors, managers and individuals in the municipality are held accountable for their actions which should bring about improved service delivery and value for money.

Performance management is aimed at ensuring that municipalities monitor their IDP's and continuously improve their operations and in terms of Section 19 of the Local Government Municipal Structures Act (MSA), that they annually review their overall performance in achieving their constitutional objectives.

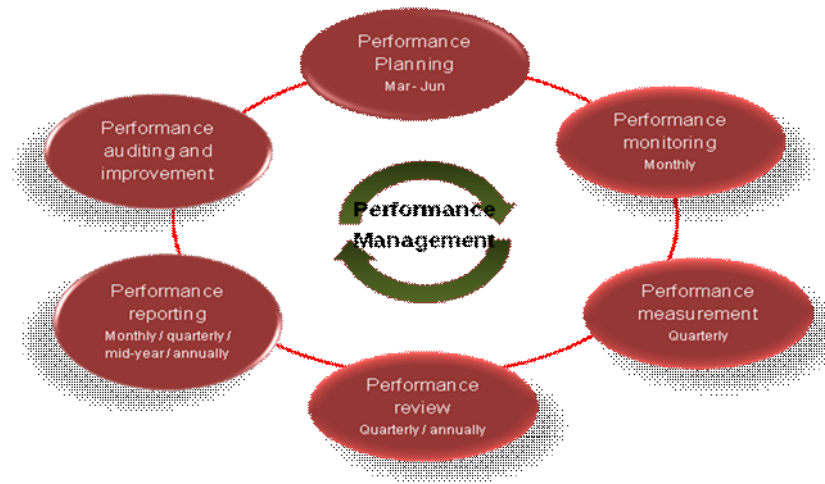
The performance management system can assist to make a significant contribution to organisational and individual performance. The system is designed to improve strategic focus and organisational effectiveness through continually seeking to improve the performance of the municipality as a whole and the individuals in it.

Performance Cycles

The overall planning, budgeting and reporting cycle can be summarised as follows:



The performance cycle can be summarised in the following diagram and each cycle will be addressed in the remainder of this framework:



Each of the above cycles can be explained as follows:

Performance Planning ensures that the strategic direction of the Municipality more explicitly informs and aligns the IDP with all planning activities and resource decisions. This is the stage where Key Performance Areas and Key Performance Indicators are designed to address the IDP objectives, national policy and targets are set.

Performance Measuring and Monitoring is an on-going process to determine whether performance targets have been met, exceeded or not met. Projections can also be made during the year as to whether the final target and future targets will be met. It occurs during key points in a process – for example, on a quarterly and annual basis.

Performance evaluation analyses why there is under-performance or what the factors were, that allowed good performance in a particular area. Where targets have not been met, the reasons for this must be examined and corrective action recommended. Evidence to support the status is also reviewed at this stage. An additional component is the review of the indicators to determine if they are feasible and are measuring the key areas appropriately.

Performance Reporting entails regular reporting to management, the performance audit committee, council and the public.

Performance review/auditing is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to section 45, of the Systems Act, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General. The Municipality have therefore established frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems. Areas of weak performance identified at year-end must be addressed during the following years planning phase.

Key Steps in Performance Management

The key steps in implementing the performance cycle are as follows:

- IDP consultation and strategic processes to determine:
 - a. Strategic Objectives aligned with the National Agenda and local needs.
 - b. Establish the Municipal Key Performance Areas (KPA's).
 - c. Design Strategic Focus Areas.
- Priorities capital projects for budgeting purposes aligned with municipal strategy and approved methodology.
- Start with budget processes.

- Determine organisational Key Performance Indicators (KPIs) in terms of strategy and budget.
- Obtain baseline figures and past year performance.
- Set multi-year performance target dates.
- Determine steps/plans to achieve budget and KPIs.
- Assign strategic focused KPIs to Senior Management (Top Layer SDBIP).
- Assign organisational KPIs to directorates and members of management (Departmental SDBIP).
- Prepare individual performance agreements aligned with budget and SDBIP (S57 and management).
- Prepare performance plans for staff and align work place skills plan with development plans.
- Provide monthly/quarterly status reports on progress with KPI implementation.
- Evaluate performance on individual (1/2 yearly) and organisational levels (monthly and quarterly).
- Compilation of various performance reports.
- Auditing of performance reported and portfolio of evidence (POEs).
- Appoint oversight committee to analyse and prepare report on improvement of performance.
- Submit year-end report to various stakeholders.

THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The IDP process and the performance management process must be seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The organisational performance will be evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality will be implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

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

The SDBIP needs to be prepared as described in the paragraphs below and submitted to the Mayor within 14 days after the budget has been approved. The Mayor needs to approve the SDBIP within 28 days after the budget has been approved.

For each indicator the scorecard will require that a responsible official, usually the respective line manager, be designated. While this official will not necessarily be accountable for performance on this indicator, they will be responsible for conducting measurements of that indicator, analysing and reporting first to their respective superior who in turn will report to the Municipal Manager and then the Executive Mayor on these for reviews.

The municipal performance must be measured monthly and analysed at least quarterly. Municipal performance will be measured during the mid-year review where after the performance scorecard can be adjusted and actions plans developed to address poor performance. The information of the annual review will be included in the Annual Report of the municipality.

8.5 THE MUNICIPAL SCORECARD

The municipal scorecard (Top Layer SDBIP) must consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the top-

layer SDBIP includes:

- **One-year** detailed plan, but should include a **three-year capital plan**
- The 5 necessary components includes:
 - Monthly projections of revenue to be collected for each source.
 - Expected revenue to be collected NOT billed.
 - Monthly projections of expenditure (operating and capital) and revenue for each vote.
 - Section 71 format (Monthly budget statements).
 - Quarterly projections of service delivery targets and performance indicators for each vote.
 - Non-financial measurable performance objectives in the form of targets and indicators.
 - Output NOT input / internal management objectives.
 - Level and standard of service being provided to the community.
 - Ward information for expenditure and service delivery.
 - Detailed capital project plan broken down by ward over three years.

8.5.1 Preparing the Top Layer SDBIP

The financial sheets must be drafted in terms of the approved budget. The structure of the financial sheets is prescribed by MFMA Circular 13, is self-explanatory and all the columns should be completed for each line item. It is however important that the cash flow projections are calculated based on the planned spending / revenue collection for each month.

The capital projects sheet should be completed with the planned start and end dates as the performance will be measured in terms of these dates. The projects should also be assigned to wards. The cash flow per capital project should also be aligned with the planned monthly spending targets.

The Top Layer KPIs must be prepared based on the following:

- KPIs should be developed for the programmes / activities identified to address the Strategic Objectives as documented in the IDP. The KPIs must be aligned with the national and municipal KPAs.
- KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders should be included in the Top Layer SDBIP to confirm alignment.
- KPIs should be developed to address the required National Agenda Outcomes, priorities and minimum reporting requirements. The KPIs must be aligned with the Strategic Objectives, and the national and municipal KPAs.
- The municipal turnaround strategy (MTAS) should be reviewed to determine any actions to be translated into KPIs and to be included in the TL SDBIP. These KPIs must be aligned with the Strategic Objectives, and the national and municipal KPAs.
- The risk register should be reviewed to identify the risks that need to be addressed by strategic KPIs. These KPIs should be developed and be aligned with the Strategic Objectives, and the national and municipal KPAs.
- It is also proposed that each directorate consider 2 KPIs that is output focused and that will make the municipality more developmental or enhance the effectiveness of the municipality.
- Clear quarterly targets should be set and the KPIs must be assigned to a senior manager. In the instance where a target will not be achieved during the current financial year, the target should be included in the outer years.
- These targets should be set after available resources and past year performance has been considered. The KPIs must be analysed to ensure

that the objectives set in the IDP will be achieved by delivering on the KPIs.

8.5.2 Approval of Top Layer SDBIP

The municipal scorecard must be submitted to the Mayor within 14 days after the budget has been approved. The Mayor needs to consider and approve the SDBIP within 28 days after the budget has been approved. The scorecard must be updated after the adjustment estimate has been approved and any changes to the scorecard must be submitted to Council with the respective motivation for the changes suggested, for approval.

Important note: The Mayor should review the document for compliance, alignment and adherence to the Council's Agenda as Municipal Manager

and Directors will use the TL SDBIP as a basis for reporting on performance to the Mayor, Council and the public. The performance agreements of the senior management team will also be based on this document.

8.5.3 Update actual performance

The Top Layer SDBIP will in most instances update automatically with the actual results reported in the departmental SDBIP. The SDBIP / PMS Officer needs to review the results, update the results that require a manual update and document the final performance comments in the relevant columns.

The KPI Owners should report on the results of the KPI by properly documenting the information in the performance response fields and make reference to where the Portfolio Of Evidence can be found. In the instance of poor performance, corrective measures should be identified and documented. The POE should prove that the KPI was delivered and that the expected outcome / impact has been achieved.

The actual performance should be monitored quarterly in terms of the objectives, KPI's and targets set. In order to measure the outcomes of the KPI's, the outputs and performance evidence (POE's) should be evaluated and *documented*.

It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POEs for reporting and auditing purposes.

Quarterly reviews

On a quarterly basis, the Mayor should engage in an intensive review of municipal performance against both the directorate's scorecards and the municipal scorecard, as reported by the Municipal Manager. These reviews will take place in October (for the period July to end of September), January (for the period October to the end of December), April (for the period January to the end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per section 72 of the Municipal Finance Management Act. Section 72 determines that by 25 January of each year the accounting officer must assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan. Many of the indicators in the municipal scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of all the scorecards.

The Mayor will need to ensure that targets committed to in the municipal scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system, by directorates, departments, Portfolio Councillors and the Municipal Manager. The review will also include:

- An evaluation of the validity and suitability of the Key Performance Indicators and recommending must any changes.
- An evaluation of the annual and 5 year targets to determine whether the targets are over stated or understated. These changes need to be considered.
- Changes to KPI's and 5 year targets for submission to council for approval. (The reason for this is that the original KPI's and 5 year targets would have been published with the IDP, which would have been approved and adopted by council at the beginning of the financial year.)
- An analysis to determine whether the Municipality is performing adequately or under-performing.

It is important that the Mayor not only pay attention to poor performance but also to good performance. It is expected that the Mayor will acknowledge good performance, where directorates or departments have successfully met targets in their directorate/departmental scorecards.

Council Reviews

At least annually, the Mayor will be required to report to the full council on the overall municipal performance. It is proposed that this reporting take place using the municipal scorecard in an annual performance report format as per the Municipal Systems Act. The said annual performance report will form part of the municipality's Annual Report as per Section 121 of the Municipal Finance Management Act.

Public Reviews

The Municipal Systems Act as well as the Municipal Finance Management Act requires the public to be given the opportunity to review municipal performance. Section 127 of the MFMA requires that the accounting officer (Municipal Manager) must immediately after the Annual Report is submitted to Council make the report public and invite the local community to submit representations with regards to the Annual Report.

It is proposed that in addition to the Annual Report mentioned above and subject to the availability of funding, a user-friendly citizens' report should be produced for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the Annual Report and municipal scorecard for public consumption.

It is also proposed that a public campaign be embarked on annually to involve citizens in the review of municipal performance over and above the requirements of the MFMA. Such a campaign could involve the following:

- Various forms of media including radio, newspapers and notice boards can be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and possibly also public hearings to be held in a variety of locations.
- The public reviews should be concluded by a formal review of the Annual Report by the IDP Representative Forum of the municipality.
- In the instance where service level agreements (SLAs) have been established, the public should review the SLA outcomes / outputs.

Adjustments to KPIs

KPI's can only be adjusted after the mid-year assessment and/or after the adjustment budget has been approved. KPI's should be adjusted to be aligned with the adjustment estimate (incl. capital projects) and the reason for the adjustment in the indicator / target should be submitted in a report to Council. The KPI's can only be changed on the system after Council approval has been obtained.

Please note that KPI targets may not be adjusted downwards. Refer to the Framework for Managing Programme Performance Information in this regard.

Directorate/Departmental scorecards

The directorate and departmental scorecards (detail SDBIP) will capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic priorities of the municipality, the SDBIP will provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate. It will be compiled by **senior managers** for his/her **directorate** and will consist of objectives, indicators and targets derived from the Municipality's annual service delivery and budget implementation plan and any annual business or services plan compiled for each directorate or department.

Preparing the Departmental SDBIPs

KPI's should be developed for Council, the office of the Municipal Manager and for each Directorate. The KPIs should:

- Address the Top Layer KPIs by means of KPIs for the relevant section responsible for the KPI.
- Include the capital projects KPIs for projects that relates to services higher than R200 000. KPI's for furniture and equipment should be grouped as one KPI per directorate. The targets should to some extent be aligned with the cash flow budgets and project plans.
- Add KPIs to address the key departmental activities.
- Each KPI should have clear monthly targets and should be assigned to the person responsible for the

KPI. KPIs should be SMART.

The number KPIs developed to address National KPAs and Municipal strategic objectives should be spread amongst the aforementioned in terms of National and Local Agendas.

Approval of Departmental SDBIP

The SDBIP of each Directorate must be submitted to the municipal manager for approval within 28 days after the budget has been approved.

Update actual performance

An evaluation of the validity and sustainability of the KPI's should be done and the actual performance results of each target should be updated and evaluated on a monthly basis. In order to measure the input/output of the KPI's, the performance results and performance evidence (POE's) should be evaluated and documented. The KPI owners should report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (If %)
- The reasons if the target was not achieved.
- Actions to improve the performance against the target set, if the target was not achieved.

The municipal manager and his/her senior management team needs to implement the necessary systems and processes to provide the POE's for reporting and auditing.

Monthly reviews

The Directorates will review their performance at least monthly report their performance in terms of the SDBIP to the Municipal Manager and the respective Portfolio Councillor. Decision-makers should be warned immediately of any emerging failures to service delivery so that they can intervene if necessary. It is important that Directorates use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. The Portfolio Committee should have a standing agenda item to discuss at their monthly meetings. The SDBIP report submitted should be used to analyse and discuss performance. The Portfolio Councillor and the senior management team should report on an overview of performance at the following Council meeting. Changes in indicators and targets may be proposed at this meeting, and can only be approved by Council, in consultation with the Municipal Manager.

Adjustments to KPI's

KPIs can only be adjusted after the mid-year assessment and/or after the adjustments budget has been approved. KPIs should be adjusted to be aligned with the adjustment estimate and the reason for the change in KPI's should be documented in a report to the Executive Mayor for approval.

Additional KPIs can be added during the year with the approval of the municipal manager. The approval documents should be safeguarded for audit purposes.

Individual Performance

The performance of a municipality is integrally linked to that of staff. It is therefore important to link organisational performance to individual performance and to manage both at the same time, but separately. Although legislation requires that the municipal manager, and managers directly accountable to the municipal manager, sign formal performance contracts, it is also a requirement that all employees have performance plans. These must be aligned with the individual performance plan of the head of the directorate and job descriptions. In this way all employees are working towards a common goal. It is however the responsibility of the employer, to create an environment, which the employees can deliver

the objectives and the targets set for them in their performance plans and job descriptions.

The Benefits of Individual Performance are to

- Ensure alignment of individual goals and objectives with that of the organisation and to co-ordinate efforts in order to achieve those goals.
- Understand what is expected from the incumbents, by when it is expected and to what standard is expected
- Understand the incumbent's key areas of accountability.
- Determine whether or not performance objectives are being met.
- Make qualified decisions within the incumbents level of competencies
- Avail the incumbents of learning and development opportunities to competently meet their performance targets.

Individual scorecards (Municipal Manager and Section 56 Managers)

The Local Government Municipal Systems Act 2000 and Regulation 805 of August 2006 (Performance of the Municipal Manager and the Managers reporting directly to the Municipal Manager) require the Municipal Manager and the Managers reporting directly to the Municipal Manager to enter into annual Performance Agreements. The Performance Agreements of the Municipal Manager and other Section 56/57 Managers should be directly linked to their employment contract. These Performance Agreements consist of three distinct parts:

- Performance Agreement: This is an agreement between the Section 56/57 Manager and the Municipality, which regulates the performance required for a particular position and the consequences of the performance. The Agreement deals with only one aspect of the employment relationship, namely performance. This agreement must be reviewed and renewed annually, subject to the individual's annual performance.
- Performance Plan: The Performance Plan is an Annexure to the Performance Agreement and stipulates in detail the performance requirements for a single financial year. The SDBIP transcends into the Performance Plan/s of the respective Section 56/57 Managers according to their areas of responsibility.
- Personal Development Plan: The plan is an Annexure to the Performance Agreement and addresses the developmental needs/requirements

of the manager indicating actions and timeframes.

The management of the performance process for the municipal manager and the Section 56/57 managers will be in terms of R805 of 2006. Performance will be reviewed quarterly of which the mid-year and year-end performance will be formal evaluations.

Individual scorecards (rest of staff)

The data obtained from Directorate scorecards (detailed SDBIP), will provide the user with the respective Individual performance contracts for managers reporting to the s57 managers.

Performance Plans are agreed with each employee in job grades 0-6 as part of his / her career development plan and should include the following:

- Qualifications – a record of formal and informal training and experience.
- Job functions – key focus areas for the year.
- Career goals - long term and intermediate career goals.
- Key performance indicators linked to the SDBIP – KPI's in the SDBIP that are the responsibility of the respective manager and KPI's aligned to the job description of the manager.
- Managerial KPI's – the core managerial competencies that the manager will be evaluated on.
- A list of the core managerial competencies (CMC's) is provided on the performance of the performance system and the manager should select between 3 and 5 CMC's. The CMC's and the measurement criteria should be agreed with the respective senior manager.
- Weightings show the relative importance of input or output against another input or output. Every input or output in the performance agreement must be assigned a weighting. The weightings / ratings and the distribution of the ratings per level need to be determined by the management team in the beginning of each financial year and agreed with the employer or group of employers. (employee or group of employees) Development needs and learning plan.

The agreements must be finalised by August every year and be agreed and approved by the respective senior manager. The process on how to prepare performance plans is will be documented in the Performance Management System manual.

All staff reporting up to management

A performance plan should be agreed for all employees and include the following:

- Qualifications – a record of formal and informal training and experience.
- Job functions – key focus areas for the year.
- Career goals - long term and intermediate career goals.
- Performance agreed for all employees on a specific job level.
- Performance agreed with the individual employee unique to the employees daily tasks and aligned to the individuals job description.
- Performance indicators should be designed to ensure effective and efficient service delivery (value-for-money).
- Training or other skills development needs of the employee.

The agreements must be finalised by August every year and be agreed and approved by the respective employee and supervisor. The process on how to prepare performance plans will be documented in the Performance Management System manual.

Skills Development Plan

The skills development plan needs to be compiled / updated with the information obtained from the performance agreements and the development plans. The human resources manager together with the respective line manager is responsible to facilitate the implementation of the skills development plan.

Formal performance reviews

Although performance should be managed on a daily basis, formal performance reviews should be done by the respective supervisor at least bi-annually. The objective review should be based on actual performance and performance evidence. The supervisor and employee needs to prepare for the review and discuss the performance during a focussed performance meeting. The review should be documented on the performance system as set out in the Performance Management System manual. Feedback should be provided during the review.

The reviews should be completed by end February for the period July to December and August for the period January to June.

Please note that performance and growth is the responsibility of each individual employee and employees should ensure that his / her performance plan is executed. Performance measurement is an on-going process and should not only be addressed during the formal reviewing sessions.

Performance should be moderated per department per post level / group level after the performance evaluation of all staff has been finalised. The moderation should be conducted in terms of the performance management manual to ensure objectivity and fairness.

Unacceptable performance needs to be addressed and action plans to improve the performance must be prepared and agreed with the employer who did not perform. The performance against the action plans must be reviewed on a monthly basis.

Appeals process

Section 56/57-Employees

The Appeals process as prescribed in R805 of August 2006 and as agreed in the employment and performance contracts of the Section 56/57- Managers will be applicable in instances where they are not in agreement with their final performance evaluations.

Employees:

Should employees not agree with the contents of their performance agreement after the performance discussions or with the final scores that are allocated to them, they may elect to follow the municipality's normal grievance procedures.

Reward and Recognition

The performance scores will be finalised during the moderation where after it must be approved by the moderation committee (fish-bowl). These scores will be used to recognise excellent performance in terms of the Council's reward and recognition policy.

SERVICE PROVIDERS

A municipal service can be provided by the Municipality by entering into a Service Delivery Agreement in terms of Section 76(b) of the Municipal Systems Act with an external service provider. The Municipality is responsible for monitoring and assessing the implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act.

This section sets out the framework on monitoring and reporting on the performance of service providers in terms of Chapter 8 of the Municipal Systems Act and Section 116 of the Municipal Finance Management Act. While departments have mechanisms in place to monitor the work done by service providers, there is no standard guideline set by the Municipality.

Notification of Service Providers

All service providers or prospective service providers must be made informed of newly adopted system of:

- an assessment and reporting of the service provider's performance;
- setting of performance criteria in terms of the tender, the required deliverables and service level agreement;
- the use of the service provider performance reports when evaluating service providers for registration, pre-qualification, selective

tender list, expressions of interest or awarding of a contract; and

- the exchange of information on service provider performance reports between government units/departments.

Evaluating the Performance of Service Providers

The service provider must sign a service level agreement indicating the services to be delivered, the timeframes and the evaluation methodology. The service provider's performance must be assessed in the context of the project as a whole. The respective roles and obligations of the Municipality and service provider under the contract must be taken into account. Persons preparing or reviewing the performance of a service provider must consider whether satisfactory progress or completion of a project has been affected by any matters which are:

- Outside the service provider's control, or
- The result of some action by the Municipality.

The service provider's performance must therefore be evaluated against set performance criteria, after taking into account matters beyond the service provider's control.

Prescribed procedures to evaluate service providers

The following procedures need to be followed:

- The requirements of this policy must be included in the contract of the service provider.
- The performance of the service provider under the contract or service level agreement must be assessed monthly by the Reporting Officer.
- The assessment must be filed in the contract file or captured onto the database when a database is available.
- The Reporting Officer must complete the Service Provider Assessment Form on the database at the end of each quarter and on completion or termination of the contract.

- The quarterly assessment must be completed within 15 working days after the end of each quarter.
- The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period and on completion or termination of the contract.
- Supply Chain Management Unit will review the quarterly Service Provider assessments within 20 days after the end of each quarter and submit a summary report to Council.
- The Accounting Officer need to develop the necessary forms and report structures to be utilised to manage the above processes. The forms and reporting requirements need to be reviewed on a regular basis.
- In the instance of under-performance:
 - The Municipality will facilitate support interventions to service providers in the identified areas of underperformance.
 - Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
 - The impact of support interventions must be monitored by the Reporting Officer.
 - The records of the support interventions must be documented, signed by both parties and appropriately filed.

EVALUATION AND IMPROVEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

The Municipal Systems Act requires the municipality to annually evaluate its performance management system. It is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report annually, taking into account the input provided by directorates and departments. This report will then be discussed by the Management Team and finally submitted to the Council for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system.
- The adherence of the performance management system to the objectives and principles.
- Opportunities for improvement and a proposed action plan.

While good and excellent performance must also be constantly improved to meet the needs of citizens and improve their quality of life, it is poor performance in particular that needs to be improved as a priority. In order to do this, it is important that the causal and contributing reasons for poor performance are analysed. Poor performance may arise out of one or more of the following:

- Poor systems and processes.
- Inappropriate structures.
- Lack of skills and capacity.
- Inappropriate organisational culture.
- Absence of appropriate strategy.

To improve performance, the appropriate response strategy should be chosen:

- Restructuring is a possible solution for an inappropriate structure.
- Process and system improvement will remedy poor systems and processes.
- Training and sourcing additional capacity can be useful where skills and capacity are lacking.
- Change management and education programmes can address organisational culture issues.
- The revision of strategy by key decision-makers can address shortcomings in this regard.
- Consideration of alternative service delivery strategies should be explored.

Performance analysis is a requirement in order to identify poor performance. The Municipal Manager will implement the appropriate response strategy to improve performance.

Governance

The governance structure was established to offer credibility to the overall performance processes. The audit of performance information and system should comply with section 166 of the Municipal Finance Management Act and Regulation 14 of the Municipal Planning and Performance Management Regulations (2001).

Continuous quality control and co-ordination

The Municipal Manager and PMS Manager are required to co-ordinate and ensure good quality of performance reporting and reviews on an ongoing basis. It is their role to ensure conformity to reporting formats and verify the reliability of reported information, where possible.

The municipal manager must review overall performance monthly while the PMS Manager should support him/her in verifying the performance data and prepare the performance reports.

Performance investigations

The Mayor or Performance Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Mayor for such investigation.

Internal Audit

Section 165 of the MFMA requires that each municipality must have an internal audit unit however such function may be outsourced.

The municipality's internal audit function will need to be continuously involved in auditing the performance reports based on the organisational and directorate/departmental scorecards. As required by Regulation, they will be required to produce an audit report on a quarterly basis, to

be submitted to the Municipal Manager and Performance Audit Committee.

The audit should include an assessment of:

- The functionality of the municipality's performance management system
- The adherence of the system to the Municipal Systems Act
- The extent to which performance measurements are reliable

Performance Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of this audit committee is governed by section 14 (2-3) of the regulations.

According to the regulations, the performance audit committee must

- review the quarterly reports submitted to it by the internal audit unit.
- review the municipality's performance management system and make recommendations in this regard to the council of that municipality.
- assess whether the performance indicators are sufficient.
- at least twice during a financial year submit an audit report to the municipal council.

It is further proposed that the audit committee be tasked with assessing the reliability of information reported.

In order to fulfil their function a performance audit committee may, according to the MFMA and the regulations,

- communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

Performance Reporting

Performance must be reported in terms of the MSA, MFMA and the circulars and regulations issued in terms of the aforementioned legislation. These reports include:

- **Monthly reports**

Monthly reports on the performance of the directorates/departments should be generated from the performance management system and submitted to the portfolio committees and the senior management team.

- **Quarterly reports**

Reports to report on the performance in terms of the TL SDBIP should be generated from the system and submitted to Council. This report should also be published on the municipal website.

- **Mid-year assessment**

The performance of the first 6 months of the financial year should be assessed and reported on in terms of section 72 of the MFMA. This assessment must include the measurement of performance, the identification of corrective actions and recommendations for the adjustments of KPI's, if necessary. The format of the report must comply with the section 72 requirements. This report must be submitted to Council for approval

before 25 January of each year and published on the municipal website afterwards.

- **Annual Performance Report**

The annual performance report must be completed by the end of August and submitted with the financial statements. This report must be based on the performance reported in the SDBIP. Reports should be generated from the system and reviewed and updated in the performance comments field for reporting purposes.

- **Annual Report**

The annual report should be prepared and submitted as per MFMA Circular 11.

CHAPTER 8: FINANCIAL VIABILITY

Municipalities must take the following inflation forecasts into consideration when preparing their 2012/13 budgets and MTREF. Again this information has been updated in a further Budget Circular issued after the tabling of the National Budget on 22 February 2012.

Fiscal Year	2010	2011	2012	2013	2014
Headline CPI inflation	3.3%	5.0%	5.4%	5.6%	5.4%

Previous year's salary increase

Fiscal Year	2009/10	2010/11	2011/12
Salaries	13.5%	8.48%	6.8%

Projected Salary increase

Fiscal Year	2009/10	2010/11	2011/12
Salaries	13.5%	8.48%	6.8%

Salaries as a percentage of operational expenditure

Fiscal Year	2012/13	2013/14	2014/15
% of Expenditure	60%	57%	56%

Councilors allowances

Fiscal Year	2012/13	2013/14	2014/15
Allowances	5.4%	5.4%	5.4%

Municipality Assumptions

Fiscal Year	2012/13	2013/14	2014/15
Staff Salaries	7.9%	7.9%	7.9%
Management Salaries	5.4%	5.4%	5.4%
Councillors Salaries	5.4%	5.4%	5.4%
Medical Aid	10%	10%	10%
Maintenance	10%	10%	10%
Fuel	12%	12%	12%
Electricity purchases, Own Use	20%	20%	20%

Other expenditure	5.4%	5.4%	5.4%
Farmers Rates - Phase-in	0%	0%	0%
Rates	10%	10%	10%
Refuse	9%	9%	9%
Sewerage	9%	9%	9%
Water	9%	9%	9%
Electricity	CENTLAC		
Fiscal Year	2012/13	2013/14	2014/15
	(Million)	(Million)	(Million)
Conditional Grants	R37 191	R42 673	R23 744
Total Equitable Share	R51 002	R54 893	R59 142
TOTAL ALLOCATIONS	R88 193	R97 566	R82 886

Budgeted financial performance (Revenue and expenditure)

Fiscal Year	2012/13	2013/14	2014/15
	(Million)	(Million)	(Million)
Total OPERATING Revenue (Excluding Capital)	R84 008	R89 892	R96 323
Transfers Recognised – Capital	R31 840	R39 874	R21 023
Total Revenue including Transfers	R115 848	R129 766	R117 346
Less:			
Total Expenditure	R77 066	R79 494	R84 856
Contribution recognised – Capital	R31 840	R39 874	R21 023

Contributed Asset	R1 286	R3 515	R3 705
Maintenance	(3 222)	(3 559)	(3 915)
Loan repayments (Capital)	(550)	(550)	(550)
Surplus (Deficit) for the year.	1 945	2 774	3 298

Capital expenditure

FS163 Mohokare - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)							
Strategic Objective	Goal	Current	Year 2012/13 Medium Term Revenue & Expenditure Framework				
		2011/12	Budget	Year	Budget Year +1	Budget Year +2	
R thousand		Adjusted Budget	2012/13	2013/14	2014/15		
Practice Administration	Sound KPA: Good governance and administration		–	–	–	–	–
Be Financially Viable and Sustainable	KPA: Financial viability		170	179	488	515	
Achieve & Maintain Clean Audit	KPA: Good governance and administration		–	–	–	–	–

Eliminate the blockage on basic services	KPA: Basic services	24 135	32 736	41 618	22 862
Promote sustainable economic development and job creation	KPA: Local economic development	–	–	–	–
Effect transformation and institutional development	KPA: Municipal Institutional development & transformation	–	–	400	422
Allocations to other priorities		200	211	882	930
Total Capital Expenditure		24 504	33 126	43 389	24 728

MIG Planned Action

DESCRIPTION	2012/13 MTREF		
	2012/13	2013/14	2014/15
MIG PROJECTS	18 840 000.00	19 874 000.00	21 023 000.00
Mohokare PMU 12/13	944 200.00	993 700.00	1 051 150.00
Upgrading of Caledon Water Scheme Phase 2	1 282 035.00		
Upgrading of the Zastron sewage treatment works	5 671 966.00	5 671 966.00	5 671 966.00

Smithfield: Upgrading of the oxidation ponds	6 045 454.00		
BEP, Phase 1 of 77 sites in Roleleathunya (Sewer Net	3 844 472.00	2 196 563.00	2 196 563.00
Rouxville: Access Collectors, Internal Streets	1 051 873.00		
Zastron: Installation of high mast lights		4 225 872.00	4 225 872.00
Not Registered		6 785 899.00	7 877 449.00
	18 840 000.00	19 874 000.00	21 023 000.00

FMG Spending

PART 2: ACTIVITY PLAN FOR 2012/13 FINANCIAL YEAR

Section A: Improved capacity in financial management of municipalities including at least 5 Interns and address gaps in the MFMA Implementation plan.

Key Activities	Inputs	Completion Date	Responsible Official	2012/2013
Employment / Payment of salaries for Five Interns.	Recruitment of Intern If Applicable	July 2012	Corporate Services Manager	474 250.00
Training of Interns (5)	Training of Interns	Continuous	HR Manager	175 000.00

Section C: Appropriately skilled financial officers appointed in municipalities consistent with the competency regulations.

Training of one Senior Official (Sect 57 Manager) MM	LG Seta Programme. S&T & Course Fees	Continuous	HR Manager	94 000.00
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Training of one other Senior Official (Sect 57 Manager) CFO	LG Seta Programme. S&T & Course Fees	Continuous	HR Manager	94 000.00
Training of one other Senior Official (Sect 57 Manager) Corporate Services Manager	LG Seta Programme. S&T & Course Fees	Continuous	HR Manager	94 000.00
Training of Senior Finance officers - Chief Accountant	LG Seta Programme. S&T & Course Fees	Continuous	HR Manager	88 750.00
Section D: Continuous improvement in budgeting, financial statements and audit outcomes.				
Drafting of AFS 2011-12	Appoint Service Provider	30 August 2012 - Adjust recommendations of Audit Committee	of CFO	480 000.00

INTEGRATION

SPHERE	PROGRAMMES & GUIDELINES	MOKOHARE RESPONSES
National	Legislation & Policies	Process Plan recognizes the list that informs our IDP approach
	National Spatial Development Perspective	Resolved to revise its SDF to incorporate objectives of NSDP
	Millennium Development Goals	Have set target for water & sanitation backlogs – which must be facilitated with Xhariep DM
	National LED Framework	Will utilise the framework as guide in its current process of formulating LED Strategy
	National KPAs	Incorporated and mainstreamed into adopted KPAs that will form part of PMS
Province	Provincial Growth & Development Strategy	Have identified key strategic localised projects in response to the Free State Provincial
	Provincial Spatial Development Framework	Have adopted the hierarchy principle in determination of nodal areas
Sector Departments	5 Year plans	Have acknowledged all key projects that are budgeted and conformed for implementation in 2012/13 within Mokohare.
		Formal letters of confirmation of commitments to be issued to the Mayor as part of lobbying departments to act on their commitments - 2012/13
District	IDP Framework	Informs our Process Plan activity schedule
	Water Services Development Plan	Informed by our target priorities for meeting millennium goals
	Disaster Management Plan	Informs our localised fire fighting responses - work closely at operational level
	Waste Management Plan	Informs our localised refuse collection strategies - work closely at operational level
	LED Strategy	Key district commitments relating to the District Economic Development Plan & FSGDS to be reinforced

DECLARATION OF ADOPTION

COUNCIL RESOLUTION DATE FOR 1st draft IDP ADOPTION:

SIGNATURES

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Mr. T. C. Panyani

MUNICIPAL MANANGER

.....

DATE

.....

Mrs M. Shasha

MAYOR / SPEAKER

.....

DATE