

2013/14

# Annual Performance Report



Greater Tzaneen  
Municipality

Office of the Municipal Manager  
August 2014

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## List of Abbreviations

<b>AG</b>	Auditor General
<b>BDC</b>	Blue Drop Certificate
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>COGTA</b>	Department of Cooperate Governance & Traditional Affairs
<b>COGHSTA</b>	Department of Cooperative Governance, Human Settlements and Traditional Affairs (Limpopo)
<b>CORP</b>	Corporate Services Department
<b>CSD</b>	Community Services Department
<b>DOC-</b>	Drop Off Centre
<b>CWP-</b>	Community Works Programme
<b>DWA</b>	Department of Water Affairs
<b>EED</b>	Electrical Engineering Department
<b>EIA</b>	Environmental Impact Assessment
<b>EPMS</b>	Employee Performance Management System
<b>EPWP</b>	Expanded Public Works Programme
<b>ESD</b>	Engineering Services Department
<b>FABCO</b>	Farmers Business Cooperative
<b>GIS</b>	Geographical Information System
<b>GTEDA</b>	Greater Tzaneen Economic Development Agency
<b>GTM</b>	Greater Tzaneen Municipality
<b>IDP</b>	Integrated Development Plan
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>LLF</b>	Local Labour Forum

<b>MDM</b>	Mopani District Municipality
<b>MM</b>	Municipal Manager
<b>MVA</b>	Mega Volt Ampere
<b>NDPG</b>	Neighbourhood Development Programme Grant
<b>PED</b>	Planning and Economic Development Department
<b>PMS</b>	Performance Management System
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework

## 1. Background

The institutional performance of Greater Tzaneen Municipality is monitored through the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP is the link between the Integrated Development Plan (IDP), which is the output of a 5-year planning process and the budget of the current financial year. The SDBIP contains the budget allocations per vote (revenue and expenditure) as well as service delivery targets expressed in terms of Key Performance Indicators (KPIs), programmes and projects, per department. Quarterly SDBIP performance reports are submitted to Council to ensure that Council is kept up to date with the performance in relation to programme and project implementation, revenue collection and also expenditure levels.

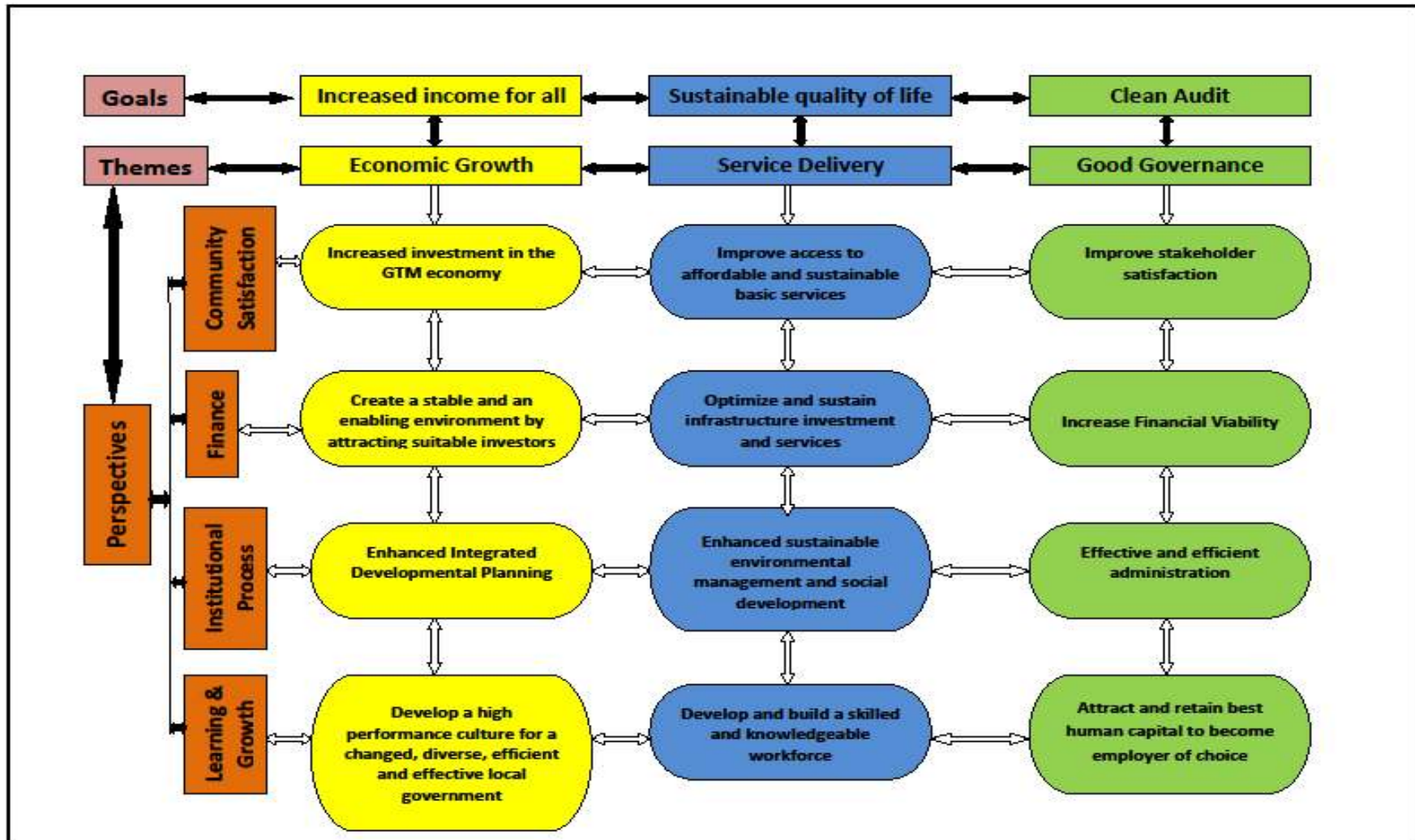
The Annual Performance Report (APR) contains the actual achieved for service delivery targets by year end, as set out in the 4<sup>th</sup> Quarter SDBIP report for 2013/14, in comparison to the previous year's performance. The projects and KPIs, for each department, are reported on as per the Key Performance Areas (KPA's) and strategic objectives of Council, as contained in the Strategy map in the IDP. The report further highlights reasons for deviations as well as efforts to improve performance. The APR also includes a section on the expenditure on conditional grants and on the performance in terms of capital expenditure. Lastly, the report contains an evaluation of critical aspects that GTM should improve on to ensure better performance in the future.

The content of the report was audited by Internal Audit. *However, it must be emphasized that all financials contained in this report should be viewed as preliminary as the report was finalised prior to the submission of the Annual Financial Statements (AFS) to the Auditor General. In the absence of electronic systems, a shortage of personnel in both PMS and the Budget office does not allow for the balancing of all financials with the APR prior to submission to the AG.*

The 4th Quarter SDBIP is attached as **Annexure A**. A detailed breakdown of quarterly progress with project implementation during 2013/14 is contained therein. It should be noted that the actual achieved is colour coded as follows:

<b>Target Achieved Fully</b>	<b>Blue</b>
<b>Below target (50-99%)</b>	<b>Orange</b>
<b>Far below target (0-49%)</b>	<b>Red</b>

## 2. GTM Strategy Map for 2013/14



### 3. Performance per Key Performance Area (KPA)

The performance of Greater Tzaneen Municipality in terms of the KPAs, as set out in the Strategy map contained in the approved Integrated Development Plan for 2013/14 is as follows:

#### 3.1 KPA 1: Economic Growth

The goal of the economic growth KPA is to ensure an increased income for all; this will be achieved through the following strategic objectives:

**Objective: Increased investment in the GTM economy**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Expanded Public Works	# of EPWP work opportunities created through EED projects	New indicator <sup>1</sup>	916	189	916 was impractical and unrealistic	916 have been reduced to 420 for in 2014/15 financial year.
Expanded Public Works	# of EPWP work opportunities created through ESD projects	930	916	367	Projects not implemented as planned	Supply Chain process to be improved
Expanded Public Works	# of EPWP work opportunities created through CSD projects	New indicator	168	247	None	N/A
Expanded Public Works	# of work opportunities created through EPWP projects (FTE)	159	1291 (445)	588	Delayed implementation of projects	Supply Chain process challenges to be resolved
Community Works Programme	Number of job opportunities created through the CWP	2000	2045	1827	Delayed by COGHSTA to appoint Service Provider	Continuous recruitment of participants
Community Works Programme	Nr of cooperatives established and still functional in wards where the CWP is implemented	4	4	4	None	N/A
Marketing and Investor Targeting	# of jobs created through municipal LED initiatives including Capital Projects	503	600	452	Capital project implementation delayed	SCM processes to be improved

<sup>1</sup> New Indicator is an indication that the KPI did not exist during the previous financial year

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Tourism	# of Tourism SMMEs exposed to the market	10	30	12	No events for exposure held due to limited cashflow	Partnering with SEDA and Maruleng Local Municipality
Tourism	Tourism landmark project	No Progress	Tourism Landmark project proposal finalised	No progress	Struggling to get an Investor	To review the project for 2014/15 with GTEDA.
Agriculture	# of jobs created through agricultural value chain	0	250	250	None	Currently organising the farming community people through FABCO
Marketing and Investor Targeting	GTEDA Trade and Investment initiatives	GTEDA Sustainability plan was finalized and approved by the Board.	Monitor GTEDA operations attend Board meetings and report progress on projects to Council	The Board term was extended till 31 December 2014. The term of office for the CEO was also extended by three months till 30 September 2014.	None	N/A
Enterprise Development (SMME support)	# of SMMEs capacitated through GTEDA	N/A <sup>2</sup>	30	40	None	N/A
Enterprise Development (SMME support)	SMME Support	4 cooperative were established through CWP in ward 34: Horticulture, Decor Waving, Sewing and Solar Energy. Identified 40 cooperative members to attend the New Venture Creation skills development training facilitated by Tzaneen FET to start from the 22 April to 26 July 2013.	Facilitate the SMME development activities in partnership with other development agencies (SEDA, LDC, LEDA) SMME in Business, Agriculture, Nkowankowa Industrial and Trade	Facilitated the establishment of FABCO on March 2014 and linked to Seda for registration. Facilitated Business Association launch in all Clusters except Bulamahlo was aborted due to service delivery protests. Construction of 10 market stalls started on 20 May 2014 funded by LEDET. Exporter's workshop held on 18 June 2014. Land Reform/Support Forum	None	N/A

<sup>2</sup> In instances where a KPI or Project was not applicable to the financial year N/A will be reflected.



Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
				on 12 June 2014.		
Economic Growth and Investment	# of committed investors attracted through GTEDA	New indicator	3	3	None	N/A
Revitalization of farms	Sapekoe (GTEDA)	Renovation of Staff compound completed by Dec 2012	Concept plan for Sapekoe noting by the Board. Funding Agreement facilitated	Concept plan finalised. Reports submitted to the Board. Funding agreement not finalised	The process of finalisation of the MOU between Beneson Agri/ZZ2 and Makgoba Trust (which outlines the role of Beneson Agri/ZZ2) took longer than planned and such delayed subsequent processes and activities.	Engaging LEDA to finalise agreement on the role of GTEDA
Revitalization of farms	Tours farm (GTEDA)	N/A	Facilitate advertising to secure investor. Compile monthly and quarterly reports. Support project implementation and monitoring	No progress this quarter. Reports submitted to the Board.	Project suspended due to disputes between Maake Tribal Authority and farmers	The matter was discussed at the Board meeting and will be escalated to GTM for assistance
Revitalization of farms	Mamahlola (GTEDA)	N/A	Funding agreement signed. Adopt the concept document to be implemented in the future. Compile monthly and quarterly reports	No progress this quarter. Reports submitted to the Board.	Project suspended due to disputes between Mamahlola CPA and Department of Rural Development.	The matter was discussed at the Board meeting and will be escalated to GTM for assistance
Revitalization of farms	Bahlabine (GTEDA)	N/A	Funding agreement signed. Adopt the concept document to be implemented in the future. Compile monthly and quarterly reports	Funding agreement not yet signed. Reports submitted to Board	The identified Investor has made a submission regarding altering of some conditions in the agreement	The matter is being discussed with the CPA, Vumelana Advisory Fund and GTEDA, a compromise will be reached soon
Shopping Centres	Nwamitwa (GTEDA)	N/A	Social facilitation plan and procurement plan finalised	Appointment of developer not yet finalised. Social facilitation and procurement plan not	The Tribal Authority has stopped all processes regarding development of the shopping centre	The matter has been escalated to GTM for assistance

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
				finalised. Reports submitted to the Board.		
Shopping Centres	Morutji (GTEDA)	N/A	Social facilitation plan and procurement plan finalised	Finalised social facilitation plan Reports submitted to Board	Procurement plan not finalised, awaiting final approval from Modjadji Royal Council	Presentation made at Modjadji Royal Council for final approval
Shopping Centres	Dan/ Bendzulani (GTEDA)	N/A	Concept plan approved by the Board. Facilitate drafting of Terms of Reference. Facilitate community public participation. Compile monthly and quarterly reports	No progress this quarter. Reports submitted to the Board.	The project has been suspended due to disputes regarding land ownership	The matter has been escalated to GTM for assistance
Shopping Centres	Mokgwathi (GTEDA)	N/A	Concept plan approved by the Board	Finalised social facilitation plan Reports submitted to Board	Procurement plan not finalised, awaiting final approval from Modjadji Royal Council	Presentation made at Modjadji Royal Council for final approval
Subtropical Fruit and Nuts	Commodity Association (GTEDA)	N/A	Register commodity associations. Adjudicate over possible investor. Project implementation plan approved by the Board	Facilitated meetings with commodity groups, the consultation process is ongoing.	Many members, diverse commodities and vastness of GTM local area	The process will be finalised in the next financial year
Subtropical Fruit and Nuts	Blueberry Farming (GTEDA)	N/A	Implementation Plan approved by the Board	Concept plan not yet finalised.	No identified funder to help with finalisation of the concept plan	The process will be finalised in the next financial year
Livestock Improvement	Leather making (Monye-Le-Shako) - GTEDA	N/A	Resource Mobilisation concluded and MOU signed. Support project implementation and monitoring of the project. Compile monthly and quarterly reports	Signed MOU Stakeholders identified to assist with resources. Project implementation plan supported and monitored. Reports submitted to Board	None	N/A
Livestock Improvement	Tannery (Torha hides) - GTEDA	N/A	Concept Plan, Implementation plan approved by the Board. MOU signed. Finalise	Drafting of the concept plan not yet completed. Finalised draft MOU Drafting of TOR for	Tannery implementation plan not done, pending finalisation of the concept plan	The process will be finalised in the next financial year

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
			tannery concept plan. Finalise project implementation plan. Finalise Terms of Reference for securing investor	securing investor underway		
Tourism Development	Tzaneen Dam (GTEDA)	N/A	Mobilise funding and sign MOU. Adjudicate over possible investor - Compile monthly and quarterly reports	Mobilised a potential investor, MOU not signed. Reports submitted to Board	Vongani Skills Development and VVV group did not agree on possible partnership deal	Engaging LTA to identify another potential partner.
Tourism Development	Tours Dam (GTEDA)	N/A	Project implementation plan approved by the Board Implement project plan. Compile monthly and quarterly reports	No progress this quarter. Reports submitted to the Board.	Project suspended due to disputes between Maake Tribal Authority and Masoma community	The matter was discussed at the Board meeting and will be escalated to GTM for assistance
Business Support Services	Seda Jewellery Incubator (GTEDA)	N/A	Resource Mobilisation concluded and MOU signed. Support resource mobilisation initiatives Compile report Support project implementation and monitoring of the project	No progress with resource mobilisation. Reports submitted to the Board.	The project has been put on hold due to lack of funds for implementation	We are engaging SEDA and DTI to identify sources of funding
Business Support Services	Village Bank (GTEDA)	N/A	Project implementation plan approved by the Board, MOU signed and Members recruited Facilitate drafting of project implementation plan. Compile monthly and quarterly reports	Finalised project implementation plan and approved by Board. MOU finalised Reports submitted to Board	None	None
Business Support Services	Internet Café (Lenyenye) (GTEDA)	N/A	Resource Mobilisation concluded and MOU signed	Finalised draft MOU Resource mobilisation plan underway	Business Advisor not available to do his work	The matter has been referred to Board for disciplinary measures
Business Support	Community Radio Station (GTFM) (GTEDA)	N/A	Resource Mobilisation concluded and MOU	MOU signed Resource mobilisation	Lack of cooperation between GTEDA and	The matter has been referred to GTM for a

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Services			signed	plan not concluded. Reports submitted to Board	GTFM	resolution
Business Support Services	Tipfuxeni Bakery (GTEDA)	N/A	Resource Mobilisation concluded and MOU signed	Resource mobilisation plan not concluded MOU signed	Business Advisor not available to do his work	The matter has been referred to Board for disciplinary measures
Research and Innovation	Establish an Ideas Hub (GTEDA)	N/A	Feasibility Study concluded and approved by the Board. Check viability of the ideas hub and plan project implementation. Compile report	Concept plan launched Establishment of a blog underway	The project has no budget, hence slow implementation	Engaging possible funders to assist with implementation

Of the 34 items listed under the objective to increased investment in the GTM economy the outcome was as follows:

- Target reached at 100%: 9 (26%)
- Target reached at 50-99%: 8 (24%)
- Target reached below 50%: 17 (50%)

**Objective: Create a stable and enabling economic environment by attracting suitable investors**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Electricity Infrastructure	Available MVA - Town	35MVA	45MVA	45MVA	None	N/A
Electricity Infrastructure	Available MVA - Outlying	50MVA	50MVA	50MVA	None	N/A

Of the 2 items listed under the objective to develop Create a stable and enabling economic environment by attracting suitable investors the outcome was as follows:

- Target reached at 100%: 2 (100%)
- Target reached at 50-99%: 0 (0%)
- Target reached below 50%: 0 (0%)

**Objective: Integrated Developmental Planning**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Integrated development planning	IDP credibility rating	High	High	High	None	N/A
Integrated development planning	# of IDP Technical Committee meetings	4	6	4	None adherence to the IDP process plan	IDP Process Plan must be complied with
Integrated development planning	# of IDP steering Committee meetings	4	6	4	None adherence to the IDP process plan	IDP Process Plan must be complied with
Integrated development planning	# of IDP Rep forum meetings	4	5	4	None adherence to the IDP process plan	IDP Process Plan must be complied with
Integrated development planning	Draft IDP approved by Council by 31 March annually	31-Mar	31-Mar	07-Mar	Compliance to Circular 70 from National Treasury	None
Integrated development planning	Submission of draft IDP to COGHSTA & PT within 10 days of approval	7 days	10 days	9 days	None	N/A
Integrated development planning	Final IDP approved by Council by 31 May annually	28-May	31-May	27 May 2014.	None	N/A
Integrated	Final IDP submitted to	New indicator	10 days	6 days	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
development planning	COGHSTA & Treasury within 10 working days of approval					
Integrated development planning	Placing of final IDP on the website within 14 days of approval	New indicator	14 days	2 days	None	N/A
Integrated development planning	Advertising the draft and final IDP in the media for public inputs within 14 working days	New indicator	14 days	Draft (13 days) & Final (2 days)	None	N/A
Integrated Developmental Planning	IDP Strategic Planning Workshop	Conducted on 23-25 January 2013.	Conduct IDP strategic session in October	Conducted 4-6 Dec 13	Delayed due to the unavailability of key stakeholders	IDP Process Plan must be complied with
Integrated Developmental Planning	IDP stakeholder register	The advert was done. A list of stakeholders who have applied for registration was compiled and invited to meetings.	Advertise for local stakeholders to register with GTM on the IDP stakeholder register. Updated register ready by 30 August '13. Monitor attendance and devise means to improve attendance	4 Rep Forum meetings held in total. Last Rep Forum was held on 26 May 2014. The attendance by stakeholder was not satisfactory	Poor coordination of stakeholders and non provision of transport	Plans in place to improve our stakeholder relations through internal analysis of the stakeholders
Integrated Developmental Planning	IDP/Budget & PMS Process Plan	Process plan not adhered to	Ensure approval of IDP/Budget and PMS process plan by 31 August. Monitor adherence to the process plan	IDP/Budget and PMS process plan was approved by Council on the 30th August 2013. The Process plan was not fully adhered to with phases combined to complete in time	The IDP and Budget Process Plan had to be amended as per Circular 70 from National Treasury	IDP Process Plan must be complied with
Integrated Developmental Planning	IDP review	The Final IDP 2013/2014 was approved by Council on the 28 May 2013 and was submitted to COGHSTA	Advertise IDP for public input within 10 working days of approval, consolidate inputs and present to Council by 30 May. Submit final IDP to COGHSTA within legislated timeframes.	The draft was advertised 13 days after approval. Council approved the final IDP 2014/15 on the 27th May 2014. Submitted to COGHSTA 6 days after approval.	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Integrated Developmental Planning	IDP, Budget & PMS alignment	SDBIP drafted in line with IDP and budget. SDBIP approved by the Mayor by 18 June '13	Manage the drafting of the IDP and Budget. Ensure that the SDBIP is aligned to the IDP & Budget and compliance to the Process Plan. Final IDP & Budget approved by Council by 31 May. Submission to relevant authorities	The IDP, Budget and SDBIP was approved within the required timeframes but not all planned committee meetings took place and full alignment has not been achieved	Postponement of IDP Lekgotla and committee meetings. Omissions on strategic phase in IDP	Adherence to the process plan must be improved
Integrated Development Planning	Rural Development Strategy	Project differed to 2013/14	Submit Rural Development Strategy to Council for adoption along with the IDP.	Compilation of specifications	No budget allocated	Project is part of SDF review in 2014/15
Integrated Development Planning	Rural Nodal Development Plans Bulamahlo (Community Centre)	Project underway application submitted to Rural Development Department. Awaited outcome of public participation	Service Provider appointed. Draft feasibility study presented to Councilors. Approve Conditions of Establishment. Proclaimed township	Draft Plans in place	Legislation impediments	Project is part of SDF review in 2014/15
Integrated Development Planning	Socio - Economic survey	Survey completed and report submitted to the Cluster	Submit report to Council on the findings of the Socio - Economic survey	Report presented only to LED for comments and inputs on 10 April 2014. Not yet submitted to Council	Submission to Council delayed, awaiting final report from Univen.	To finalize during 1st quarter financial year 2014/15.
Land Acquisition	Establishment of Lenyenye Cemetery	Negotiations to acquire land	Commissioning of regional cemetery	Land for Cemetery has been secured from Nkuna Traditional Council on Muhlava's location 567LT. Cemetery was establishment and is ready for Burial. Regional cemetery is done at strategic/ higher level. Negotiations with Traditional Authority it's ongoing.	Political office still busy with negotiations	Negotiations to be concluded

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Land Acquisition	Acquisition of land at Politsi (residential)	Negotiations with owner	Valuation and negotiations with owner. Payment of deposit.	R6 Million has been paid as a deposit towards the purchase of the land.	None	N/A
2030 Vision	Vision 2030 Strategy	No progress. No budget available	Appointment of Steering Committee for Vision 2030 finalised.	The steering Committee was appointed. Two (2) meetings have already been convened to plan the development of Vision 2030.	None	N/A
Integrated Spatial development	Maintenance of Parks 994 & 2065 (NDPG)	Construction underway, completed about 60%	Maintenance of park and park facilities	Parks maintenance is going well and done by NDPG, no challenges.	None	N/A
Integrated Spatial development	Maintenance of Ritavi River Park (NDPG)	Construction underway, completed about 60%	Maintenance of park and park facilities	Parks maintenance is going well and done by NDPG, no challenges.	None	N/A
Integrated Spatial development	Review of Spatial Development Framework	N/A	SDF finalised and approved by Council	Specifications to Supply Chain Unit to conclude in 2014/15	No funding in 13/14	Budget provided for in 2014/15
Integrated Spatial development	Land Use Management System	N/A	Data collection, legislative compliance, public participation, socio-economic research and approval	Project on hold, legislative impediments	Awaiting approval of Provincial legislation	COGHSTA to approve legislation
Integrated Spatial development	Nkowankowa Central Development Initiative (NDPG)	Public Participation undertaken. Designs and plans ready	Appointment of Service provider	Service provider not yet appointed	Delayed by Engineering Dept and the Consultant	Tender will be advertised before end of July 2014
Integrated Spatial development	Indoor sports Centre (NDPG)	N/A	Construction	Construction at 23%	Contractor is struggling, rain delays, consultant delays	Contractor on penalties, remedial programme has been submitted by the contractor
Integrated Spatial development	External Sports Facilities (NDPG)	N/A	Construction of synthetic turf	External Sports Facilities completed	None	N/a
Integrated Spatial development	Rural Broadband	Project Complete and all Satellite Offices now connected. New Satellite offices to be	Appointment of Service provider	Project completed as scheduled	None	N/A



Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
		connected on adhoc basis.				

Of the 29 items listed under the objective integrated developmental planning, the outcome was as follows:

- Target reached at 100%: 14 (48%)
- Target reached at 50-99%: 7 (24%)
- Target reached below 50%: 8 (28%)

***Objective: Develop a high performance culture for a changed, diverse, efficient and effective local government***

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Employee Performance Management	# of formal performance reviews for Sect 57	2	2	1	2012/13 annual assessment delayed by non availability of key panel members and suspension of MM.	Training was conducted for Directors and Managers on PMS & Audit
Employee Performance Management	# of critical posts with signed performance agreements (MM, CFO, Engineer, Town Planner, CORP, Communications)	2	6	4	PED & Communications positions vacant	PED & Communications positions to be filled urgently
Employee Performance Management	# Section 56/57 Managers with signed Performance Agreements/ within legislated timeframes	7	7	6	PED position vacant.	PED position to be filled urgently
Employee Performance	Employee Performance Evaluation	Audit conducted on 11/12 Annual Individual	Conduct audit on 2012/13 Annual and	Mid-year performance evaluation cancelled	Suspension of MM and also non-compliance by Directors	Training took place on 2 June

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Management		Performance Report only. Mid-year assessments did not take place.	2013/14 Mid-year Individual Performance Report and submit report to MM & audit committee within 2 weeks	and replaced with training on PMS & performance auditing that took place on 2 June	and Managers to PMS requirements regarding Scoresheets & POE's	
Employee Performance Management	Performance monitoring & evaluation	Informal Performance Assessments of Managers not taking place. Only Annual Assessment for 2011/12 conducted	Ensure that an informal evaluation of 1st & 3rd Quarter Performance & Formal 2nd and 4th Qtr of relevant employees in the Office of the MM is conducted and a report drafted	4th Qtr Assessment for 2012/13 concluded. Informal assessments and Mid-year not done	MM suspended	Assessments for 14/15 will be done by Acting MM
Performance Management and Development	Institutional Scorecard finalised by 30 May (GTEDA)	n/a	30-May	30-Jun	Delayed due to efforts to align with GTM Scorecard	Alignment achieved, timeframe will improve next year
Performance Management and Development	Nr of Signed Performance Agreements by 30 June (GTEDA)	10	9	7	One employee resigned and one refused	Disciplinary process underway
Performance Management and Development	Nr of performance assessments concluded (GTEDA)	4	4	4	None	N/A

Of the 8 items listed under the objective to develop a high performance culture for a changed, diverse, efficient and effective local government the outcome was as follows:

- Target reached at 100%: 1 (12.5%)
- Target reached at 50-99%: 6 (75%)
- Target reached below 50%: 1 (12.5%)

### ***Main Challenges relating to KPA 1: Economic Growth***

- a) Job creation targets not met in terms of both EPWP and Municipal LED initiatives
- b) Tourism sector development not progressing to make use of untapped potential, with a Local Tourism Association also not established
- c) Projects allocated to GTEDA are not achieving the set targets, the outcome of these activities are also not measurable
- d) IDP process plan was not adhered to with some phases compacted or omitted, compromising the credibility of the IDP and also the alignment between the IDP and SDBIP.
- e) Poverty alleviation through the Socio - Economic Survey done in Ward 1, is not showing any progress in being cascaded to other wards
- f) NDPG project implementation delayed, placing the continuous funding of such developmental initiatives at risk
- g) Employee performance appraisals only taking place on an annual basis
- h) Filling of critical posts, with the PED position vacant since 1 Aug 2013 and the Communications Manager position vacant since April 2013.

### 3.2 KPA 2: Basic Service Delivery

The goal of the Service Delivery KPA is to ensure a sustainable quality of life, which will be achieved through the strategic objectives outlined below:

**Objective: Enhance environmentally sound practices and social development**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Mandela Day	Social Inclusion (GTEDA)	N/A	Host Mandela week events (July 2013). Facilitate meetings in preparation for Mandela week events (2014/2015)	Facilitated toy run for distribution to local hospitals. Built additional classroom at Ntokoto Creche (Mulati). Litter Picking around Tzaneen. Voluntary health care and other essential services to the community and rendered basic Municipal services at Lenyenye. Facilitated meetings with GTM, Business Chamber and Tzaneen Country Lodge to host events for 2014.	None	N/A
Disaster management	# of disaster awareness campaigns conducted (wards)	10	15	14	Time constraints	Re-prioritised for 14/15
Disaster management	Annual Disaster Management report submitted to Council within legislated timeframes	January '12	31-Jul	6 Aug '13	Delay in the Council sitting	Alignment with Corporate Calendar
Disaster management	Annual Disaster Management report submitted to MDM	Not submitted	30-Jun	Not done	Annual disaster management report to be submitted to MDM by 31 July 2014	Target to be amended to be 30 July
Disaster management	% of disaster incidences responded to (relieved) within 72-hours	100%	100%	100%	None	None
Disaster management	# of Event Disaster Risk and Contingency Plans	New indicator	12	26	None	None

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
	developed for stakeholders					
Disaster management	Disaster response and recovery	Training workshop on disaster management for Councillors and Dept of Health was held on the 18th of April 13, with assistance from MDM and PDM.	Train departments on the implementation of the Response and recovery plan	Training has not yet been conducted	Time constraints	Training will be conducted in July '14
Disaster management	Disaster Risk assessment	Awareness campaign held and Disaster emergency plan to be reviewed. Wards covered: 2,3,7,8,9,11,16,18,22,29,30,32,33,34	Consolidate risk assessment report and submit to Council	Risk assessment report not submitted to Council	Disaster risk ward committees were not established in all wards	Assessment will be conducted through disaster risk management ward committees and MDM
Environmental Health management	% compliance to the environmental legislation checklist	76%	80%	90%	High percentage achieved due to the continued improvement in the management of landfill site	None
Environmental Health management	% of water samples that comply with SANS 0241	80%	80%	86%	None	N/A
Environmental management	Environmental Health Services	84 Evaluation, 18 condemnations, 3 Blitz operations in Lenyenye, Nkowankowa and Tzaneen, 28 follow up notices issued. 4 Certificates of acceptability issued.	Ensure that Environmental Health law enforcement is implemented in urban areas.	Informal sector: preparation of applications for 2014/15 permits. 2 joint operations with SAPS. Formal sector: 5 Certificates of Acceptability were issued. 22 contravention notices were issued with 12 follow up notices. 26 actions of food condemnations.	None	N/A
Library Services	Library management	93984 Library users 80907 Library items	Ensure that Libraries are well managed. Facilitate the	95800 Library users; 75347 Library items circulated; 513 project	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
		distributed, 116 Displays mounted, 104 School groups hosted, 650 school project themes assisted with 889 Donated books processed.	establishment of new libraries.	themes assisted with; 113 Displays mounted; 14 Book related events and 3 holiday programmes hosted; 67 Groups of school children were hosted in the libraries; 18 Schools were visited by Library Services; 596 Donated books were processed; 362 Books were donated to schools and community libraries; 2409 Entries to the Annual Library Competition were received; 37% Progress with linking to SLIMS on average; DSAC contract staff final assessment reports submitted; Sport, Arts and Culture Cluster updated on new libraries; Both new libraries have been connected to ESKOM; The Shiluvane Library has been furnished and books shelved; A new ablution block was built at the Letsitele Library through the DSAC through the National Library Grant.		
Maintenance and upgrade of parks and open spaces	Parks & open space policy development	N/A	Monitor implementation of Parks, Cemeteries and Open Space Policy	Policies not yet submitted to Council	Comments by other departments not yet received	Director CSD to ensure that Parks policy is finalised and approved by Council
Special Programmes	Special Programmes Management	Youth assembly not held, Disability Council not held. National Women, youth and disability celebrations supported	Ensure that GTM coordinates Calendar days for special programmes and are mainstreamed	-Youth Council plenary was held on 10/04/2014 at Lenyenye community Hall. -Disability Council was launched on 11 April 2014 at Tzaneen Travel Lodge. -Youth month celebrations were held locally at Runneymede Thusong Centre and provincially at	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
				Modimole. - 365 Days on no violence against women and children was held at Relela Community Hall.		

Of the 14 items listed under the objective to enhance environmentally sound practices and social development the outcome was as follows:

- Target reached at 100%: 8 (57%)
- Target reached at 50-99%: 2 (14%)
- Target reached below 50%: 4 (29%)

**Objective: Optimise infrastructure investment and services**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Infrastructure Planning	Infrastructure Development Plans	Only Electrical Master Plan in place	Monitor the drafting of the Infrastructure Development plans (Water, Sewer, Roads, Parks & Cemetery master plans)	Water Master plan to be drafted by MDM, Roads master plan to be drafted by MISA, Electrical Master Plan put on hold due to financial constraints. Parks & Cemetery Development Plans are in place	Not sufficient funds to draft plans, Development of Roads Master plan by MISA not showing progress	Electricity Master Plan budgeted for 14/15
Infrastructure Planning	5 Year Capital Investment framework	Projects prioritisation was done too late to complete framework for inclusion in draft IDP,	Ensure the revised 5-Year Capital Investment framework is included in the draft IDP	Submitted to IDP division for inclusion in the final IDP	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
		was included in final IDP				
Asset Management	R-value spent on maintenance of electricity infrastructure as % of asset value	2.0%	2.8%	1,9%	Less maintenance was required on electricity infrastructure	Budget for maintenance of infrastructure to be increased
Asset Management	<i>R-value spent on fleet maintenance as % of asset value</i>	4.5%	6%	0,6%	High volume of maintenance was carried out on vehicles	Budget for maintenance of infrastructure to be increased
Asset Management	<i>R-value spent on maintenance of municipal buildings as % of asset value</i>	1.4%	2%	0,2%	Less maintenance was done on municipal buildings	Budget for maintenance of infrastructure to be increased
Asset Management	<i>R-value spent on maintenance of roads infrastructure as % of asset value</i>	4.5%	4.5%	0,67%	Less maintenance was done on roads due to insufficient budget	Budget for maintenance of infrastructure to be increased
Cost Recovery	Electricity loss (kwh)	17%	17% (65,292,342 kwh)	20.39% (75 262 386.9 kwh)	Administrative shortfall contributing to the technical losses	Administration on accounts to be investigated
Electricity network upgrade and maintenance	R-value electricity maintenance	R 36 240 806	R 40 387 346	R 38 932 678	Cashflow constraints	Cashflow Management to improve
Electricity network upgrade and maintenance	Km of overhead lines rebuilt	20	12	0	Delayed Appointment of service providers	Project to be rolled over to 2014/15 financial year
Electricity network upgrade and maintenance	Km of underground HT cable replaced	New indicator	10	0	Funds reallocated during adjustment	Budget provision to me made to replace HT cables
Water and Sewer maintenance	% reduction in distribution losses (water) (Tzaneen, Haenertsburg,	20%	10%	17.8%	None	Improved recycled water from ponds



Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
and upgrade	Letsite)					
Fleet management	Purchase a vehicle for the Speaker	N/A	Procurement of vehicle for the speaker by 31 July	Service provider not yet appointed	Delays in SCMU processes	SCMU to speed up appointment of service provider
Water and Sewer maintenance and upgrade	Water & Sewer master plan	N/A	Liaise with MDM & MISA on the drafting of a Water and Sewer Master plan, report progress	The process is going on and implemented by MISA through consultation with MDM	Project implemented by MDM	MDM to develop the Water Master Plan
Maintenance and upgrading of municipal buildings	Construction of a new carport at the Museum	N/A	Construction of a car port completed by 30 Sept '14	The project is 90% completed	Delayed by SCMU processes	SCMU to speed up appointment of service provider
Maintenance and upgrading of municipal buildings	Provision of parking at Waste Management offices	N/A	Construction of a carport at Waste Management offices completed by 30 Sept	100% completed	Delayed by SCMU processes	SCMU to speed up appointment of service provider
Maintenance and upgrading of municipal buildings	Expansion of storage facility at Nkowankowa Testing Station and shelves	N/A	Expansion of storage facility at Nkowankowa Testing Station and shelves completed by 30 Sept	The project is being implemented internally by maintenance team and the project is not completed yet	Delayed by User department as clarity on requirements had to be sought	User department to include implementing division when they budget for projects to avoid delays on the scope of work
Maintenance and upgrading of municipal buildings	Convert H.C.R.W. storeroom into office/conference room in Tzaneen	N/A	Conversion of H.C.R.W. storeroom into office/conference room in Tzaneen completed by 30 Sept	100 % completed	Delayed by SCMU processes	User department to include implementing division when they budget for projects to avoid delays on the scope of work
Maintenance and upgrading of municipal buildings	Upgrading and extension of trade license office	N/A	Upgrading and extension of trade license office completed by 30 Sept	The project is implemented internally by maintenance team and the project not completed yet	Delayed by User department as clarity on requirements had to be sought	User department to include implementing division when they budget for projects to avoid delays on the scope of work
Maintenance and upgrading of municipal	Partitioning of Tourism Centre	N/A	Partitioning of Tourism Centre completed by December '13	Designs finalized busy with buying materials	Delayed by User department as clarity on	User department to include implementing division when they

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
buildings					requirements had to be sought	budget for projects to avoid delays on the scope of work
Maintenance of municipal assets	Renovation of Municipal Swimming Pool in Tzaneen	N/A	Physical Construction of swimming pool at 35%	Tender closed on 23 May 2014. Bid Evaluation Committee still busy with the report.	Slow progress by the SCMU	The process has passed the BEC and its now with the BAC
Maintenance of municipal assets	Upgrading of Lenyenye Stadium	N/A	Physical construction at 35%	Tender closed on 23 May 2014. Bid Evaluation Committee finished its report and now waiting for Bid Adjudication Committee	Slow progress by the SCMU	The process has passed the BEC and its now with the BAC
Roads & Storm water maintenance and upgrade	Roads masterplan Development	Consultant appointed by MISA	Liaise with MISA on the drafting of a Road Master Plan. Report Progress	Waiting for MISA to appoint project service provider	Service Provider appointed by MISA	Monitor progress by consultant for MISA
Roads & Storm water maintenance and upgrade	Water Tankers and TLBs	N/A	Drafting of Specifications. Appointment of a service provider. Acquisition of a water tanker and TLBs concluded	Project was advertised and closed on the 27th of June	Delayed by SCMU processes	SCMU to speed up appointment of service provider
Water and Sewer maintenance and upgrade	BlueDrop Water Certification (BDC)	Blue Drop improvement plan in place but no performance report available yet	Maintain blue drop status by monitoring compliance to SANS 241:2011 at Tzaneen & Letsitele water system. Implement water safety plans and policies for Nkowankowa and Lenyenye to secure BDC	Blue Drop improvement plan in place but no performance report available yet	Minister to release the report	Continues improvement to sustain BDC performance in Letsitele and Tzaneen
Water and Sewer maintenance and upgrade	GreenDrop Certification (GDC)	Green Drop improvement plan in place but no performance report available yet	Develop plans for waste water management to secure GDC for Tzaneen & Nkowankowa and Lenyenye. Monitor	Green Drop improvement plan in place but no performance report available yet	Minister to release the report	Continues improvement to retain GDC

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
			activities to ensure adherence to SANS 241:2011			
Water and Sewer maintenance and upgrade	Water Service Authority	N/A	Follow-up with COGSTA on progress with GTM Service Authority Status recommendation and report progress	Council had resolved that GTM's PMT will meet with Mopani District Municipality Mayoral Committee.	WSA status issue not controlled by GTM	Continuous engagement with DWA & MDM
Maintenance and upgrading of municipal buildings	Building Access Control system	Service provider appointed. Contractor on site	Ensure that access control to Civic Centre is managed. Report progress on a monthly basis	Access Control at the Stores and MPAC offices is not yet operational	Due to IT issues with supplying of IP Address the project at Stores, MPAC offices was delayed	A meeting was held with IT and Service Provider to sort out the IP Address

Of the 27 items listed under the objective to optimise infrastructure investment and services the following was the outcome:

- Target reached at 100%: 4 (14.8%)
- Target achieved at 50-99%: 6 (22.2%)
- Target achieved below 50%: 17 (63%)

**Objective: Improve access to sustainable and affordable services**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Free Basic Services	% of households earning less than R1100 (indigent) served with free basic	100% (15000)	100% (20000)	100% (28354)	New applicants	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
	electricity					
Electricity Infrastructure	R-value of Free Basic Electricity to Households	R 3 500 000	R 3 500 000	R 3 452 865	None	N/A
Free Basic Services	% households earning less than R1100 with access to free basic waste removal (registered as indigents)	13%	15%	13%	Number of Households adjusted according to Census 2011	None
Free Basic Services	Total number of registered indigent households who received free basic water and sanitation (5 formal towns)	22827	2654	2527	Limited number of registered indigents in formal towns	Indigent registration process to be widely advertised
Electricity Infrastructure	% of households with access to electricity	89.00%	94% (102377 of 108926)	91% (99 541 of 108 926)	3510 households not yet energised	Project expected to be completed during the 1st quarter of 2014/15
Electricity Infrastructure Development	Electrification of Lekgwareng (215 units)	Not completed. Project Rolled over to next financial year due to having to re-advertise tenders because of changes in SCM legislation.	Project completed 215 units energised	Physical Construction Completed (89%)	Awaiting Eskom Outage to do Closing span	Project expected to be completed during the 1st quarter of 2014/15
Electricity Infrastructure Development	Electrification of Mbekwana and Lwandlamuni (570 units)	Not completed. Project Rolled over to next financial year due to having to re-advertise tenders because of changes in SCM legislation.	Project completed 570 units energised	Physical Construction at Lwandlamuni Completed (89%) Mbekwana at construction phase (80%)	Awaiting Eskom outage to do closing span at Lwandlamuni. Delays caused by amendment of contract due to increased scope at Mbekwana	Project expected to be completed during the 1st quarter of 2014/15
Electricity Infrastructure Development	Split Meters (Mbekwana)	N/A	Project completed 438 units energised	Project at construction phase (80%)	Delays caused by amendment of contract due to increased scope	Project expected to be completed during the 1st quarter of 2014/15
Electricity Infrastructure Development	Electrification of Mohlaba Cross and Malekeke (564 units)	Not completed. Project Rolled over to next financial year due to having to re-advertise	Project completed 564 units energised	Project at construction phase (80%)	Delays caused by lack of capacity in Eskom's network	Project expected to be completed during the 1st quarter of 2014/15

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
		tenders because of changes in SCM legislation.				
Electricity Infrastructure Development	Electrification of households at Khujwana (Phase 1 and 2)	N/A	Project completed units energised in Phase 1 is 418 and 674 in Phase 2	Project at construction phase (68%)	Delayed project handover and rain	Project expected to be completed during the 1st quarter of 2014/15
Electricity Infrastructure Development	Electrification of Dan Ext 2	Design approved by Eskom awaiting handover	Electrification of 544 households completed	Project completed and energised (541 units connected) (own funds)	No deviation	None
Electricity Infrastructure Development	Electrification of households at Thapane	N/A	Completed and energised (395 Units)	Project at construction phase (83%)	Delayed project handover and rain	Project expected to be completed during the 1st quarter of 2014/15
Electricity Infrastructure Development	Apollo lights at Dan village	N/A	Apollo lights in Dan Village completed	No Apollo lights erected	Estimated cost from Consultants is too high which makes the project not cost effective. Report given to MM to make contract a turnkey project	Waiting for outcome of application from acting MM
Electricity Infrastructure Development	Apollo lights at Motupa village	N/A	Apollo lights in Motupa Village completed	No Apollo lights erected	Same as above	Waiting for outcome of application from acting MM
Electricity Infrastructure Development	Apollo lights at Nyagelani (Radoo) village	N/A	Apollo lights in Nyagelani Village completed	No Apollo lights erected	Same as above	Waiting for outcome of application from acting MM
Electricity Infrastructure Development	Apollo lights at Tickyline village	N/A	Apollo lights in Tickyline Village completed	No Apollo lights erected	Same as above	Waiting for outcome of application from acting MM
Electricity Infrastructure Development	Apollo lights at Moruji	N/A	Apollo lights in Moruji Village completed	No Apollo lights erected	Same as above	Waiting for outcome of application from acting MM
Electricity Infrastructure Development	Purchase electrical equipment	N/A	Procure equipment as and when required	R13412.24 was spent on equipment, including insulation testers	None	N/A
Electricity	Service Contribution	N/A	Ensure that service	Funds to be rolled over to 14/15	Unavailability of funds	Allocate funds to

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
network upgrade and maintenance			contribution funds received are allocated to projects	financial year for the Capacity Project		infrastructure projects
Electricity network upgrade and maintenance	Energy efficiency and demand	N/A	Monitor the implementation of recommendations of energy audit report. 25% of energy saving plan implemented	Contractor appointed in June 2014	Late appointment of Service Providers (SCMU process and cash flow)	Accelerate appointments and fast track projects once approved.
Electricity network upgrade and maintenance	Rebuilding of Lines- Atherstone sub -redbank and Enslin (12km)	N/A	Instruction to contractor and implementation	BEC evaluation was done recommendation were done waiting for appointment of service provider	Delayed Appointment of service providers	Project to be rolled over to 2014/15 financial year
Electricity network upgrade and maintenance	Electricity capacity building - Avis old SAR to Power station	N/A	Contractor appointed and material acquired. (20% progress)	SCMU Process to appoint Contractor	Late appointment of Service Providers (SCMU process and cash flow)	Accelerate appointments and fast track projects once approved.
Electricity network upgrade and maintenance	SAB Re-routing of HT Cable NERSA Audit	N/A	Installation of cable	All materials and equipment were procured	Waiting for availability of Backactor from civil engineering to open trench R465000 were transferred to ESD	EED dependant on ESD will continue to liaise with them to secure Backactor
Electricity network upgrade and maintenance	Renewal R and M on airconditioners	N/A	Renewal of airconditioners as and when the need requires	BEC evaluation was done, recommendation were done, Contractor only appointed in June	Contractor only appointed in June	Contractor was appointed in June 2014
Electricity network upgrade and maintenance	Renewal Repairs and Maintenance on distribution network	N/A	Identify lines to be rebuilt and procure service provider and implement	Ongoing repairs and maintenance of overhead power lines.	No deviation	None
Electricity network upgrade and maintenance	Renewal, Repairs and Maintenance on pre paid meters	N/A	Replace old technology with new meters and equipment. 90 connections completed and concentrators installed	Replacing old technology, 83 Connections completed. 37 Data Concentrators to be installed in 14/15 financial year	Human Resource limitations, budgeted positions not filled	Personnel shortage to be addressed by HR

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Electricity network upgrade and maintenance	Installation of New Automatic reclosers	N/A	Installation of Automatic Recloser and commissioning By end March	Auto- Recloser installed and commissioned	No deviation	None
Electricity network upgrade and maintenance	New Double garage to house protection equipment	N/A	Double garage completed	No Activities	Could not get building plan for double garage from Engineering Department and funds was later removed during the adjustment budget	None
Building Control	# of contravention notices issued to decrease non-compliance to building regulations	90	80	50	The number of notices was reduced to less than what was targeted	Ongoing process regular monitoring and issuing of notices reduces non compliance
Roads and Storm water Infrastructure Development	Km of roads tarred	9	19	15 km	Projects on arbitration	Management to resolve challenges urgently
Roads and Storm water Infrastructure Development	Sasekani to Nkowankowa D Tar Road	Construction physical progress is at 45%. Contractor has stopped working on 3 June 2013 pending the approval of VO's.	7.2 km Tar road completed	The contractor is busy tipping for the base layer. (81% Physical Progress)	Arbitration processes	Still managing the contractor on site while awaiting the outcome of the arbitration.
Roads and Storm water Infrastructure Development	Mafarana, Ntsako, Bonn to Sedan Tar Road (2km)	Contractor is on site and busy with site establishment, by-passes and roadbed	5km tar road completed. Expenditure at 100%	The contractor is busy with stabilization of base layer from cho.00 to ch3000.00, placing of base material on other section and construction of culverts. (79% Physical Progress)	Slow progress by the contractor and rain interruptions affected the progress.	The contractor is working over weekends. Extension of time approved.
Roads and Storm water Infrastructure Development	Nkowankowa C - Ring Road	Construction	Site handover	Project on practical completion	Delay due to contractor slow progress	Contractor was on penalties
Roads and Storm water	Agatha street (Tzaneen) Refurbishment	N/A	Investigations concluded	Investigations concluded only	Budget was redirected during budget	Project to be re-submitted for IDP

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Infrastructure Development					adjustment	prioritization
Roads and Storm water Infrastructure Development	Sapekoe drive (Tzaneen) Refurbishment - phase 1	N/A	Investigations concluded	Investigations concluded only	Budget was redirected during budget adjustment	Project to be re-submitted for IDP prioritisation
Roads and Storm water Infrastructure Development	Khayalami street (Nkowankowa) Refurbishment - phase 1	N/A	Investigations concluded	Investigations concluded only	Budget was redirected during budget adjustment	Project to be re-submitted for IDP prioritisation
Roads and Storm water Infrastructure Development	Bankuna street (Nkowankowa) Refurbishment - phase 1	N/A	Investigations concluded	Investigations concluded only	Budget was redirected during budget adjustment	Project to be re-submitted for IDP prioritisation
Roads and Storm water Infrastructure Development	Senakwe (Mantswe) to Morapalala Tar (Phase 2)	Construction physical progress is at 61%. Contractor is on site and busy with mass earth works and layer works.	6.8km tar road completed, 99% expenditure	Contractor busy with layer works at the intersection and fill at the three main culverts. Rock issue has not yet been solved, waiting for management. (68% Physical Progress)	Rain delayed the progress and the rock issue has not yet been solved.	Extension of time approved.
Roads and Storm water Infrastructure Development	Thapane to Moruji Tar	Contractor was appointed on 28 June 2013	11,5km Tar road completed, expenditure at 99%	Contractor is 100% complete with site establishment, clearing and grubbing is 100% complete from km0.00 to km5.00 and 23% with bulk earthworks from km0.00 to km5.00. Very little progress done. (17% Physical Progress)	Slow progress by the contractor and late appointment of the contractor.	Contractor has brought two teams on site.
Roads and Storm water Infrastructure Development	Matupa Low Level bridge	N/A	Project completed	Project 98% completed contractor is busy with concrete approach slabs	On practical completion	None
Roads and Storm water Infrastructure Development	Thako to Sefolwe low level bridge	N/A	Project completed	Project is 98% completed contractor is busy with stone pitching	On practical completion	None
Roads and Storm water	Mopye Local Level bridge	N/A	Project completed	Project is 70% completed contractor is busy with back	Slow progress by the contractor	In process of applying penalties



Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Infrastructure Development				filling of the road		
Roads and Storm water Infrastructure Development	Politsi Low Level bridge	N/A	Mass earth works completed	Project on hold	Community disputing the location of the project	Mayor's office has intervened and is in consultation with the community
Roads and Storm water Infrastructure Development	Rikhotso, Khwekhwe, Mokonyane and Mawa Block 12 low level bridges	Consultant has just completed the designs which are approved	Appointment of contractor.	Designs completed Environmental Impact Assessment consultant is busy with EIA processes	Insufficient funds for completion during 13/14, scheduled for roll-over to 14/15	Budget provision for Mawa Block 12 and Mokonyane in 14/15
Roads and Storm water Infrastructure Development	Lenyenye Cemetery Road	Not done awaited the approval of the new Lenyenye Cemetery site.	Construction of stone pitching and regravelling	Parking, road inside the cemetery regravelling of critical section, installation of stormwater pipes and stone pitching have been done	Further improvements on the road to be completed in 14/15	Critical areas to be identified for improvement
Roads and Storm water Infrastructure Development	Ramotshinyadi Road (Gravel to Tar)	Construction physical progress is at 86%. 9km's of Phase 1 has been completed. The contractor is busy with sub base and base layers, also blasting of outcrops of Phase 2.	12.5 km of road completed by 30 Sept	12.5km Road completed	None	N/A
Roads and Storm water Infrastructure Development	Claude Wheatly road (Refurbishment)	Construction physical progress is at 45%. Contractor has finished the other part of the road which is open for use and now busy with layer works, kerbing and surfacing	Road, Taxi rank shelters & Palisade fence completed	The roads is on practical completion and open for use. Construction of palisade fence has commenced and taxi roof canopies are still outstanding. (93% Physical Progress)	Approval of the VO took long and delayed the progress on site. Clarity on shelters not yet received from management.	The contractor is back on site completing the palisade fence and quotations of shelters have been obtained.
Cemetery development	# of new cemeteries developed	0	2	1	Land for Nkowankowa cemetery not yet received from PED. Lenyenye cemetery is not yet recognised as full fleshed cemetery because boundaries are	PED to pursue the land issue from the neighbour farm to extend the Nkowankowa cemetery. The Lenyenye cemetery

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
					still a challenge and the G24 Rectification process is still outstanding. There is no Establishment Notice. Only 2500 m <sup>2</sup> developed and burials are taking place between Moime and Muhlava Cross.	size matter is with the office of the Acting MM to finalise.
Traffic Services	Traffic fine collection rate [(Rand value received for fines/ R value of fines issued as (%)]	60%	70%	70%	No cashier on site	Dedicated cashier has been appointed
Traffic Services	# of planned road blocks	0	52	15	More detailed road blocks were held	Joint Roadblocks with Province to be held
Traffic Services	GTM Law Enforcement	Roadblocks conducted. Road safety education success school visits continue	Ensure that Traffic Law Enforcement is implemented in the GTM area. Report areas covered	Areas covered are Tzaneen, Letsitele, Naphuno, Nkowankowa, Georges Valley and Magoebaskloof roads. Roadblocks, Scholar patrol duties joint with Province	None	N/A
Waste Management	R-value spent on waste management	N/A	R 54 079 624.22	R 50 599 965	Due to "Cash-flow" constraints expenditure was controlled	Cashflow management to be improved
Waste Management	% Households with access to basic level of solid waste management services	12%	12%	11%	Stats SA 2011 was reconciled	None
Waste Management	# of service areas (rural waste) serviced (EPWP)	7	7	7	None	N/A
Waste management	Waste Management Service in rural areas	66 Rural Waste Service Areas is demarcated and Service Level Conditions (SLC's) was work-shopped with 7 Pilot Groups successfully. The	Ensure that Waste Management in rural areas is implemented. Report progress monthly	Waste Management in rural areas is only implemented by means of CBPs (Community Based Projects registered i.t.o. Sec. 25 as "Transporters of Waste") in 7 Rural WSAs (Waste Service Areas)	Unfunded & non-prioritized I.D.P. projects relates to hap-hazard kerbside collection in rural W.S.A.'s	Projects to receive the required I.D.P. Project prioritization + budget

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
		position of WMO for this tasks is now vacant for 12 months, no further progress can be made				
Waste management	<i>Waste Management Services (Urban)</i>	100% effective compliance to Municipal Kerbside collections & Litter picking in Tzaneen, Haenertsburg and Letsitele and 100% expenditure.	Ensure that Waste Management in urban areas is implemented. Report progress monthly	Waste Management in urban areas is being implemented continuously as per schedules in all 5 urban suburbs	None	N/A
Integrated Human Settlements	<i>IHSSP approved by 30 June '13</i>	New indicator	30 June 2014	Not done	PED requested COGHSTA and HDA to conduct urban appraisal and informal settlements upgrading. Due to lack of cashflow. The report must still be approved by Council	Report to be submitted to Council
Integrated Human Settlements	<i># of RDP housing units facilitated, coordinated and complied</i>	New indicator	600	0	COGHSTA rolled the project to 2014/15 financial year.	COGHSTA to resolve the challenges
Integrated Human Settlements	<i>Ha of land acquired for development</i>	New indicator	7 ha	7 ha	None	N/A
Human settlements	Emergency Housing (44 units)	All 44 Emergency Units are completed.	Monitor implementation and report progress	44 units completed	None	N/A
Human settlements	<i>Housing coordination (600 RDP units)</i>	Out of 333 units there is : <b>29</b> at foundations, <b>77</b> at Roof & finishes, <b>132</b> VIP Toilets and <b>59</b> Untouched progress is very slow, Developers not paid since April 2013.	Monitor Project implementation and report progress on the building of houses at the allocated villages	COGHSTA rolled the project to 2014/15 financial year	COGHSTA responsibility, beyond the control of GTM	None

Of the 60 items listed under the objective to improve access to sustainable and affordable services the following was the outcome:

- Target achieved at 100%: 15 (25%)
- Target achieved at 50-99%: 29 (48.5%)
- Target achieved below 50%: 16 (26.5%)

**Objective: Develop and build skilled and knowledgeable workforce**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Capacity building and Training	# of employees successfully trained	119	230	172	Budget constraints	Financial recovery Plan must be developed to assist
Capacity building and Training	Work place skills plan submitted to LGSETA by 30 Jun	30-Jun	30-Jun	30-Apr	WSP was submitted on the 30th of April 2014, the submission date has been changed from 30th of June to 30th April	None
Capacity building and Training	Skills Audit Report finalised by 31 Dec	None	30-Jun	None	A tender to appoint a service provider was advertised however all the bidders quoted above threshold	None
Capacity building and Training	# of Senior managers successfully completed minimum competency levels	21 Senior Managers & 6 Councilors	23	1	Financial constraints	Financial recovery Plan to assist
Capacity building and Training	# of budgeted level 0-6 positions filled	81	92	147	None	N/A
Labour Relations	# of Local Labour Forum (LLF) meetings	5	12	7	The last meeting was postponed on reasons	The meeting will be rescheduled for a future

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
					that the meeting could not form a quorum	date
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for youth	1201	516	387	Capital project not implemented as planned	Demand management plan to be developed
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for women	1263	710	543	Capital project not implemented as planned	Demand management plan to be developed
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for disabled persons	21	26	11	Capital project not implemented as planned	Demand management plan to be developed
Capacity building and Training	% municipal budget for implementing Workplace Skills Plan	1.32%	1.00%	0.17%	Financial constraints	Budget Management to improve
Capacity building and Training	Workplace Skills Plan	WSP approved 28 June 2013. 95.99% spent on training.(R748 733)	Finalise the Workplace Skills Plan and implement. Submit to LG Seta by 30 June 2013. Develop a training implementation plan by 30 June 2013. Implement approved Work Place Skills plan. 100% Expenditure Submission of ATR by 30 June '13	100% expenditure for 2013/14 Workplace Skills Plan implementation. Workplace Skills Plan for 2014/15 and Training Report for 2013/14 was submitted on the 30th April 2014 to LGSETA.	Submitting to LGSETA on the 30th of April 2014 per the new regulations	N/A
Skills Development	Percentage of Officials trained in line with the Work Place Skills Plan (GTEDA)	100%	100%	78%	2 staff members did not enroll for 2014 academic year due to maternity leave	Employees to enroll for training in 2015
Skills Development	Number of employees with approved Personal Development Plans (GTEDA)	10	9	7	None	N/A

Of the 13 items listed under the objective to develop and build skilled and knowledgeable workforce the following was the outcome:

- Target achieved at 100%: 3 (23%)
- Target achieved at 50-99%: 6 (46%)
- Target achieved below 50%: 4 (31%)

### ***Main Challenges relating to KPA 2: Basic Service Delivery***

- a) GTM Disaster Management not involved in Disaster Risk assessment for GTM by MDM and no training done for GTM employees
- b) The development of Master plans have not taken place, only Electricity has a Master plan guiding service delivery
- c) Supply chain management process is delaying service delivery with most projects giving this as the reason for not completing the projects on time (in many instances tenders are only awarded in the 4th Quarter)
- d) Water Service Authority Status has not yet been allocated to GTM thereby hampering direct intervention to address community needs
- e) Outcome of road maintenance activities are not being monitored through the SDBIP and progress therefore not reported, while it is a major service delivery concern for the public
- f) Road projects - the funds for refurbishment projects were reallocated during adjustment but not re-prioritised in the 14/15 IDP
- g) Traffic fine administration is deteriorating with no dedicated internal cashier to receive payments while the actual issuing and capturing of fines have been outsourced. There is no integration between the two systems to allow close monitoring and an improved collection rate.
- h) Continuous roll-over of projects implications for performance reporting and continuous monitoring
- i) Operational budget allocated for the maintenance of services such as electricity, roads and solid waste removal is not sufficient to sustain these services, while the Capital budget has increased from R115 million in 12/13 to R 165 million in 13/14.
- j) Roll-over of capital projects from one year to the next due to slow procurement processes and poor project management will continue to contribute to a poor audit outcome
- k) Budget allocated to train employees are not sufficient with available funds mainly utilised for the MFMP training for Managers

- l) The adjustments to the Capital budget, in part due to the roll-over of projects, are putting compliance to the IDP at risk. Projects prioritised by the community and approved by Council for a financial year are not implemented
- m) The absence of substantiating documentation for Internal Audit to validate service delivery activities continues to compromise the audit outcome on predetermined objectives

### 3.3 KPA 3: Good Governance (Including Financial Viability & Public Participation)

The goal of the Good Governance KPA is to achieve a clean audit; this will be done through the strategic objectives presented below:

**Objective: Improved stakeholder satisfaction**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Intergovernmental relations	Municipal IGR	100% of premier IGR resolutions implemented	Ensure regular attendance of IGR meetings and implementation of resolutions	IGR Meetings held on a District Level. MM attends IGF meetings	None	N/A
Communication	# of media briefings arranged	2	4	2	Several informal sessions were held between GTM and the media houses	Media briefings to be held regularly
Communication	# of newsletters produced	0	4	1	Budget constraints	An Editorial Diary was developed with all the deadlines which will ensure that regular newsletters be distributed
Communication	# of statutory provisions complied with as contained in Section 75 (a-l) of MFMA within 5 days of approval	New indicator	12	23	None	N/A
Public Participation	# of Mayoral (local) imbizos held	0	4 (1 per cluster)	1	Political programmes inhibited the plans	Programme for Imbizos developed for 14/15
Ward Committees	# of monthly ward committee meetings	408	408	103	Most ward committees hold their meetings only	Ward Committee forum established to monitor the



Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
					once per quarter. CDWs do not attend meetings.	functionality of the committees
Ward Committees	# Fully functional ward committees	34	34	34	Not all ward committees are fully functional.	Template developed to assess functionality of the ward committees
Communication	Communication strategy	Communication Strategy not approved	Submit revised Communication strategy to Council for approval by 31 May. Ensure that all Official communication activities are in line with the approved strategy	Communication strategy approved by Council on the 05th November 2013, Resolution no: A53	None	N/A
Regulatory Framework	Communication Policy	Communication Policy not approved	Submit Communication Policy to Council for approval by 31 May	Communication policy approved by Council on the 05th November 2013, Resolution no: A51	None	N/A
Customer care	Customer Call Centre (Mayoral Hotline)	Not implemented	Monitor progress with the Mayoral hotline system and provide technical assistance in consultation with the Service Providers	Not implemented	No Budget available	Will ensure it will be budgeted for in the 2015/2016 Financial Year
Public Participation	Public Participation management	Integrated Public Participation implementation plan has been developed, and we are using the District Wide plan which was approved by Speakers Forum	Draft Integrated Public Participation programme in consultation with all Departments and finalise by 31 July. Monitor implementation of the Integrated Public Participation Programme	Not done	None	Integrated Public Participation programme to be developed
Ward Committees	Ward Committees Functionality	34 Wards are all functional, monthly reports are submitted	Monitor support given to ward committees ensure that monthly reports are submitted and service delivery issues directed to the relevant department	408 Ward Committee meetings and 136 Community Feedback meetings were held.	None	N/A

Of the 12 items listed under the objective to improved stakeholder satisfaction the following was the outcome:

- Target achieved at 100%: 5 (42%)
- Target achieved at 50-99%: 2 (6%)
- Target achieved below 50%: 5 (42%)

**Objective: Increase Financial Viability**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Budget management	% of capital spent on projects as prioritised in IDP for specific year	100%	100%	100%	None	N/A
Budget management	% of municipal budget spent	90%	100%	94%	Figure not final, AFS not yet finalised	Final adjustments still to be made
Budget management	% Capital expenditure	78%	100%	95%	Slow Supply Chain process	Matter discussed in the Finance Cluster
Budget management	% of departmental budget spent (MM)	92%	100%	85%	Cashflow challenges	Informal financial recovery plan to be developed
Budget management	% of departmental budget spent (CORP)	101%	100%	99%	None	N/A
Budget management	% of departmental budget spent (EED)	77%	100%	88%	Cashflow constraints and delays in Supply Chain process	Financial recovery plan required to improve cashflow
Budget management	% of departmental budget spent (ESD)	84%	100%	92%	Budget adjustment	Financial recovery plan required to improve cashflow
Budget management	% of departmental budget spent (CSD)	99%	100%	101%	None	N/A
Budget	% of departmental budget	80%	100%	90%	Cash flow	Financial recovery plan

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
management	spent (PED)				constraints	required to improve cashflow
Budget management	% MIG funding spent	92%	100%	77.4%	Supply Chain delays	Finance Cluster meeting to address the issue
Budget management	Number of Monthly Financial Reports submitted to GTM by the 7th of every month (GTEDA)	12	12	2	Due to the Agency Entity issues, submissions could not be made until GTM obtained a Council and Treasury approval.	All quarterly financials were submitted to GTM during board meetings
Budget management	Financial Statements (AFS) submitted to GTM by 15 August (GTEDA)	1	15 Aug	02-Aug	None	N/A
Budget management	Approved 3 year budget by 30 April annually(GTEDA)	1	30-Apr	5 Apr	None	N/A
Budget management	% of GTEDA budget spent (GTEDA)	100%	100%	105%	Some projects were not implemented due to disputes	Engaged GTM for assistance
Supply chain management	# of Tenders awarded that deviated from the adjudication committee recommendations	0	0	0	None	N/A
Supply chain management	% of Bids awarded within 2 weeks after adjudication committee resolution	100%	100%	100%	None	N/A
Asset Management	Annual Asset verification report concluded by 30 June	30-Jun	30-Jun	30-Jun	None	N/A
Asset Management	Assets Management Services	N/A	Monitor asset management by the service provider and ensure skills transfer	Verification conducted	None	N/A
Asset Management	% GRAP compliance on Asset Register (GTEDA)	100%	100%	100%	None	N/A
Budget management	Draft Budget submitted to Council by 31 March every	27-Mar	31 March	07-March	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
	year					
Budget management	Annual Budget tabled by 31 May annually	28-May	31-May	27-May	None	None
Budget management	Annual Adjustment budget approved by Council by 28 Feb	28-Feb	28-Feb	26-Feb	None	N/A
Budget management	Cost coverage	1.3	1.2	1	Budget management	Budget Management must improve
Budget management	Debt coverage	20.1	17.5	15.6	Budget management	Budget Management must improve
Budget Management	Budget Process Plan	Annual and adjustment budget approved by Council by the legislated timeframes	Monitor adherence to the budget process plan and manage deviations	Annual Budget submitted to Council within required time frame		N/A
Expenditure Management	% creditors paid within 30 days	100%	100%	95%	Not all invoices are paid within 30 days, due to financial constraints	Implementation of Financial Recovery Plan by all departments
Expenditure Management	% of capital budget for electricity spent	97%	100%	43.92%	Late appointment of Service Providers (SCMU process and cash flow)	Accelerate appointments and fast track projects once approved
Financial reporting	# of Section 71 reports submitted to NT & PT by no later than 10 working days after the end of the month	12	12	12	None	N/A
Financial reporting	Timeouts submission of annual financial statements to AG and PT & NT	31-Aug-11	31-Aug-	02-Sep-13	None	N/A
Financial reporting	% of AG queries responded to within 3 working days (MM)	70%	100%	94%	AG office relocated to Polokwane during last week of the audit and while GTM officials was in their offices, new queries was issued in GTM offices	AG to improve communication
Financial	% of AG queries responded to	100%	100%	94%	AG office relocated	AG to improve

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
reporting	within 3 working days (CFO)				to Polokwane during last week of the audit and while GTM officials was in their offices, new queries was issued in GTM offices	communication
Financial reporting	% of AG queries responded to within 3 working days (EED)	100%	100%	100%	None	N/A
Financial reporting	% of AG queries responded to within 3 working days (PED)	100%	100%	100%	None	N/A
Financial reporting	Operation Clean Audit	Audit Plan drafted and approved and implemented	Implementation of the Audit Action plan. Put processes in place for audit preparation	Final Audit findings responded to. Audit Action Plan could not be drafted	Non compliance by Auditor -General with Audit report not available by 30 June	AG to resolve
Financial viability	5 Year Financial Plan	Projects prioritisation was done too late to complete framework for inclusion in draft IDP	Submit 5 Year Financial plan to the MM for inclusion in the draft IDP.	5 year financial plan drafted and submitted to the IDP office during April 2014 after the preliminary budget was approved by Council	None	N/A
Financial Viability	Cost recovery	All formal towns stand data has been verified, only farms need to be completed. Continuous credit control and debtors collection	Monitor performance of the service provider in line with the SLA.	Reports received monthly	None	N/A
Financial Viability	Cash flow management	N/A	Monitor cashflow (liquidity) and Report monthly	Cash Flow Statement prepared on a monthly basis	None	N/A
Financial Viability	Financial System improvement	N/A	Comprehensive system analysis and official training	GRAP training attended by five officials, no further activities this quarter	N/A	N/A
Revenue Management	# of Households billed	20 000	21800	22 667	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Revenue Management	Average % Payment rate for municipal area	90%	92%	91%	None	N/A
Revenue Management	% increase in R-value revenue collection	3%	4%	8%	None	N/A
Revenue Management	Outstanding service debtors to revenue	40%	40%	37%	None	N/A
Revenue Management	% equitable share received	100%	100%	98%	Unspent grant (NDPG) amounting to R4 million deducted from EQS	Supply Chain management to improve
Revenue Management	# of indigents registered	15 000	24 000	28 354	None	N/A
Revenue Management	Revenue protection	Credit control and debt collection policy has been reviewed and submitted to council for approval.	Monitor revenue billing system and report to Council	Monthly reports submitted to Council	None	N/A
Revenue Management	Revenue enhancement Strategy	Revenue enhancement strategy implemented and monitored Stand data verification 90% completed. Data cleansing done on ID and Tel no's	Monitor implementation of the revenue enhancement strategy	Monitored the implementation of Revenue enhancement strategy	None	N/A
Revenue Management	Valuation Roll	Valuation Roll in accordance with the MPRA ready for implementation 1 July 2013	Advertise valuation roll, finalise objection process and submit to Council for approval	New valuation roll implemented, objections finalised, supplementary & advertised	None	N/A
Revenue Management	R-value revenue generated from alternative (Not GTM & IDC) sources	R 1.2m	R 480 000	R642 888	GTEDA facilitation at SAPEKOE terminated	Negotiating with LEDA for a new facilitation contract
Revenue Management	R-value grant funding received	R5.5m	R 5 500 000	R 5 500 000	None	N/A
Supply chain management	% of tenders recommended to MM within 60 days after closing date of tender	100%	100%	60%	Committees not sitting	Finance Cluster in process of investigations
Supply chain management	# of SCM reports submitted to national treasury	12	12	12	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Supply chain management	Supply chain functionality improvement (MTAS)	Policy Adopted and approved. Functionality criteria not developed.	Draft a list of criteria to measure SCM functionality. Report quarterly on progress made on improving functionality	List of criteria not developed. Reporting monthly on SCM processes	Bid Register & Contract Register use to monitor SCM	Monthly reports to evaluate SCM functionality

Of the 52 items listed under the objective to increase financial viability the following was the outcome:

- Target achieved at 100%: 33 (63%)
- Target achieved at 50-99%: 14 (27%)
- Target achieved below 50%: 5 (10%)

**Objective: Efficient and Effective administration**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Council Support	% of GTM Council resolutions implemented (actual number vs. number passed)	New indicator	100%	94% (122 of 130)	Not possible to implement all the resolutions within a given time	Resolution register closely monitored
Council Support	# of Council meetings held	9	4	10	None	N/A
Council Support	# of Exco meetings held	19	28	21	Scheduled meetings postponed due to other commitments of council by members.	Corporate Calendar developed
Council Support	# of Cluster meetings held	91	108	54	Most Cluster meetings postponed due to the National election period.	Corporate Calendar developed
Council Support	MPAC oversight report on	New indicator	31 March	27-Mar	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
	Annual Report submitted to Council by 31 March					
GTEDA Board support	Updated governance charters by December 2013	1	31-Dec	26 Oct	None	N/A
GTEDA Board support	% of Board members inducted and orientated	100%	100%	0%	No new Board members appointed, contracts extended	New Board members will be inducted
GTEDA Board support	Number of quality Board Packs with all required documents contained therein	4	4	4	None	N/A
GTEDA Board support	Number of Board packs circulated 7 days before each meeting	4	4	4	None	N/A
GTEDA Board support	Percentage of Board Resolutions implemented	100%	100%	79%	Inadequate staff members	Vacant posts will be filled soon
GTEDA Board support	Annual report approved by the Board by end December	1	20 Dec	26-Oct	None	N/A
GTEDA Board support	Annual report submitted to GTM by 10 January	1	10 Jan	09-Jan	None	N/A
Information management	Centralised Filing & Record Keeping	N/A	Ensure that all employees utilise the centralised filing system and proper record keeping of all official documents	Communiqué issued on 11 April 2014 to encourage the centralised filing system and the safe-keeping of the municipal documentation.	None	N/A
Information management	Delegation of Authority	Delegations was revised and taken to Council but was not approved	Monitor adherence to Delegations of Authority	Delegation of Authority taking place as per delegations approved by Council on 30/04/2014 (Resolution A24).	None	N/A
Information management	Computers and IT Equipment for the CFO's department	N/A	Computers & IT equipment procured	7 Computers and 5 Laptops were procured in the 2nd qtr. None during last quarter	None	N/A
Information	Purchase of Laptops	N/A	Procure Laptops	30 Laptops were	None	N/A



Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
management				procured in the 1st Qtr.		
Legal services	% of SLAs concluded within 5 days of information provided	New indicator	100%	14(92)%	Contracts in MM's office awaiting signature.	Weekly follow-up will be done.
Legal services	% of SLAs signed within 10 days of receiving acceptance	New indicator	100%	14(92)%	Contracts in MM's office awaiting signature.	Weekly follow-up will be done.
Legal services	# of monthly contract management reports submitted	New indicator	12	12	None	N/A
Management and Administration	# Management meetings	9	12	7	MM suspended	None
Management and Administration	# of departmental meetings (CFO)	8	12	9	Many informal meetings not minuted	Target to be reduced
Management and Administration	# of departmental meetings (ESD)	0	12	10	No meetings in Dec & Jan	None
Management and Administration	# of departmental meetings (EED)	1	12	5	Excessive meetings not practical	4 meetings per annum set as the new target.
Management and Administration	# of departmental meetings (CSD)	3	12	8	None	N/A
Management and Administration	# of departmental meetings (PED)	6	12	0	PED Director position vacant	PED Director to be appointed
Management and Administration	Purchase office furniture, equipments and books for the Corporate Services department	Furniture was bought for 4 fulltime Councilors	Procurement of furniture and books as and when the need requires	Furniture procured (conference table, reception desks etc.) Local Government Libraries (books) purchased for EXCO members during February 2014.	Remaining Budget transferred to cover Legal Fees	None
Management and Administration	Purchase office furniture and Equipment for the MM's department	Furniture procured for Risk Manager & Internal Audit	Procurement of furniture	None purchased	Budget removed with adjustment	N/A
Management and Administration	Purchase and Installation of Air conditioners for the Corporate Services department	N/A	Procurement of air conditioners for CORP by 30 Sept	Waiting for appointment for service provider	Delays in SCMU processes	SCMU to speed up appointment of service provider

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Management and Administration	Purchase furniture and Library equipment	Procured Librarian's desk, Trestle tables for Study room, 12 Compartment locker Fridge (Shiluvane) Cement table and chairs for outside area Letsitele Library Small safe , Stepstool (Letsitele) & shelves	Procurement of furniture and equipment	Book trolleys were purchased for the Tzaneen Library; A desk, urn and safe were bought for the Shiluvane Library. (All other furniture for the Shiluvane Library were supplied by the DSAC, through the National Library Grant)	None	N/A
Management and Administration	Purchase furniture for Nkowankowa and Lenyenye Community Halls, Julesburg and Burgersdorp Sport Facilities	N/A	Procurement of furniture and equipment	Not procured	Funds removed with adjustment	N/A
Management and Administration	Purchase office furniture and Equipment for the PED department	N/A	Procurement of furniture	Equipment purchased.	None	N/A
Performance monitoring and reporting	Midyear Performance Report submitted to PT, COGHSTA and AG within legislated timeframes	24-Jan	25 Jan	24-Jan	None	N/A
Performance monitoring and reporting	Draft Annual Report considered by Council within legislated timeframes	31-Jan	31-Jan	29-Jan	None	N/A
Performance monitoring and reporting	Draft Annual Report advertised for public comments	05-Feb	05-Feb	14-Feb	Submission of Advert to newspapers delayed	Newspaper schedules to be adhered to
Performance monitoring and reporting	Annual Report approved by Council within legislated timeframes	31-Mar	31-Mar	27-Mar	None	N/A
Performance monitoring and reporting	# of Quarterly SDBIP reports submitted to Council	4	4	2	1st Qtr report not submitted, not audited in time, 3rd Qtr report delayed	PMS & Audit training for Directors & Managers on 2 June to improve timeliness and quality of reports
Performance	# of Outcome 9 reports	4	4	4	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
monitoring and reporting	submitted on time					
Performance monitoring and reporting	Draft Annual Performance Report submitted to the AG, AC and Mayor by 31 August	31-Aug	31-Aug	30-Aug	None	N/A
Performance monitoring and reporting	Submission of draft SDBIP to the Mayor within 28 days of budget approval	10 days	28 days	23 days	None	N/A
Performance monitoring and reporting	# of performance reports audited prior to submission to Council	0	4	0	Delays in submission of information by Departments delays the finalisation of performance reports	PMS & Audit training for Directors & Managers held on 2 June to improve the process
Performance Monitoring and Reporting	Performance Reporting	3rd Quarter MTAS and Outcome 9 reports submitted to COGHSTA & SDBIP reports to Council	Submit 3rd Quarter MTAS & SDBIP reports to DLGH within 5 weeks of close of quarter	3rd Qtr Outcome 9 was completed and submitted. 3rd Qtr SDBIP was completed and submitted to Council without audit being completed, still awaiting approval	None submission of POEs by Directors to Internal Audit	PMS & Audit Training for Directors & Managers during May/June
Regulatory Framework	# of budget related policies reviewed annually	16	17	17	None	N/A
Regulatory Framework	Promulgation of By-laws	Public Participation process delayed	Ensure that by-laws are promulgated. Monitor the public participation process and finalise by-laws for promulgation	By-Laws and programme for Public Participation was prepared but there was political intervention to postpone till further notice	Political Intervention	Will proceed in the 1st qtr of new financial year.
Regulatory Framework	Hawkers Policy & By-law	No progress due to public participation in Lenyenye & Nkowanowa not finalised	Gazetted By-law	Policy and By law not yet submitted to Council	Public participation programme postponed on 11/06/2014	Enquiries were made resulting in the drawing up of public participation programme.
Policies and Delegations	Number of Policies aligned to GTM policies	N/A	1	1	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Risk management	# of Risk Management progress reports submitted to Council	17	4	0	4th Qtr report for 12/13 was not drafted as unit was newly established, 1, 2 & 3rd Qtr submitted late	Risk Manager appointed
Risk management	Risk Assessment	Risk Assessment was completed on the 29th June 2013 Risk Management Plans were submitted and approved by council on the 28th June 2013. Quarterly Risk Monitoring report was completed on the 30th June 2013	Quarterly reporting on the top 10 risks to the Audit Committee. Update Risk Register	Quarterly reports were submitted and presented to the Risk Committee but did not serve before Audit Committee.	Audit Committee meetings are not taking place.	Coordination of Audit Committee meetings to improve
Risk management	Risk management implementation plan	Risk officer appointed will start 1 April 2013.	Coordinate Risk Management committee meetings	Risk Committee meetings are taking place. Risk Management Implementation Plan was reviewed by the Risk Committee. The Plan is a standing item in all Risk Committee meetings.	None	None
Risk management	Risk regulatory framework	Risk Management Policies and Strategy were submitted and approved by council on the 28th June 2013	Submit customised Risk Management Strategy to Council for approval by 30 June	There is no change of legislation in the approved Risk Management policies. The policies will be presented in the 4th quarter Risk Committee meeting for acknowledgement.	None	None
Risk Management	Number of quarterly updated Risk Registers submitted to the Board (GTEDA)	4	4	1	Risk management reports not reviewed due to Audit	GTEDA has reinstated the Audit Committee

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
					Committee disbandment	
Sound Governance	# of quarterly internal audit reports submitted to audit committee	4	4	2	Reports were submitted but the AC meetings did not take place	Coordination of Audit Committee meetings to improve
Sound Governance	3 year Strategic Risk based plan submitted to Audit Committee by 30 June	None	30-Jun	Not done	Audit committee meeting still outstanding	To be held before the end of July
Sound Governance	# of Audit committee packs submitted 7 days before meeting	0	4	3	AC reports submissions delayed	AC meetings coordination to be improved, own committee to be considered
Sound Governance	Annual Audit Plan approved by Audit Committee by 30 June	13-Dec	30-Jun	Not done	Audit committee meeting still outstanding	To be held before the end of July
Sound Governance	Internal submitted to Audit Committee by 30 June	13-Dec	30-Jun	Not done	Audit committee meeting still outstanding	To be held before the end of July
Sound Governance	# of audit queries from AG	55	0	124	Management Report from AG on 12/13 received too late to develop Implementation Plan	Audit Implementation Plan will be developed for 13/14 Audit Report
Sound Governance	Audit opinion	Disclaimer	Clean audit	Qualified	AG not complying, submitted Audit report only in August '14	Improve corporate governance
Sound Governance	# audit committee meetings held	4	4	2	2nd and 3rd Qtr meetings was not held	Functionality of the Audit committee must be improved. GTM to appoint own Audit Committee
Sound Governance	Audit Committee Support	Administrative support is done effectively. 4 Meetings held	Provide administrative support to the Audit Committee by ensuring that the	2nd & 3rd Quarter Audit committee meetings did not take place	2nd & 3rd Quarter Audit committee meetings postponed	Item to be sent to Council regarding the option of appointment of GTM own Audit Committee

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
			Agenda is Prepared, required documentation is submitted in time and minutes are prepared. Submit quarterly Internal Audit reports			
Sound Governance	Annual Audit Plan	N/A	Implement Audit plan and report progress	82% of the audit plan implemented .	IT audit remaining, unit does not have the capacity to audit IT and there is no funds to outsource	Funds to be provided for IT related audit.
Sound Governance	Council Resolution Implementation	Council Resolution registers are sent to Management Meetings for updating and circulated via email to all Directors and Secretaries.	Monitor the implementation of Council resolutions. Keep register of progress	Reports are submitted quarterly to Council on the progress of the implementation of the Council resolutions.	None	N/A
Sound Governance	% of compliance issues attended to within 7 working days (GTEDA)	100%	100%	90%	Inadequate staff members	Vacant posts will be filled soon
Sound Governance	Unqualified audit opinion for GTEDA (GTEDA)	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	N/A	N/A
Sound Governance	Number of quarterly audit committee reports submitted to the Board (GTEDA)	4	4	2	GTEDA Audit Committee disbanded and replaced with shared AC with GTM	Items submitted to GTM Audit Committee
Fraud & Anti-corruption	Anti-corruption strategy implemented	N/A	Anti-Corruption Strategy Approved Anti-Corruption & Risk Management committee established	Anti-Corruption strategy was implemented in 2013/2014 FY though no cases of corruption were reported. Risk Committee Established	None	N/A
Fraud & Anti-corruption	Corruption and Maladministration	N/A	Monitor administration to curb corruption and maladministration.	There are no cases of Fraud and Corruption reported. Structure of Anti-Corruption must be	None	N/A

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
				reviewed as agreed in the Risk Committee. Corporate Services should assist in this regard.		
Safety and Security	# of theft cases from council buildings	New indicator	0	4	Theft from offices	Strengthening of security with surveillance cameras

Of the 67 items listed under the objective to efficient and effective administration the following was the outcome:

- Target achieved at 100%: 33 (49%)
- Target achieved at 50-99%: 14 (21%)
- Target achieved below 50%: 20 (30%)

**Objective: Attract and retain best human capital to become employer of choice**

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Occupational Health and Safety	# OHS committee meetings	12	12	13	None	N/A
Organisational Design	Number of Section 57 posts vacant for more than three months	2	1	1	PED Position not yet filled	Shortlisting and appointment to be prioritised
Organisational Development	Percentage of organogram filled (GTEDA)	100%	100%	84%	Project Coordinator post not yet filled due to dispute	The matter has been referred to GTM for assistance
Organisational Development	Percentage of third party payments made timeously monthly (GTEDA)	100%	100%	100%	None	N/A
Organisational	Number of quarterly Local	4	4	0	No internal LLF	LLF forum to be established

Programme	Project/ KPI	Actual Achieved (30 June 2013)	Annual Target (2013/14)	Actual Achieved (30 June 2014)	Reason for deviation	Efforts to improve performance
Development	Labour Forum meetings (GTEDA)				structure	
Human Resource Management	% Staff turnover	7.1%	6.6%	3.5%	None	N/A
Human Resource Management	% Employees that are female	30.9%	36%	34%	None	N/A
Human Resource Management	% Employees that are youth	26.6%	26.6%	28.0%	None	N/A
Human Resource Management	% Employees that are disabled	2%	2.2%	2.2%	None	N/A
Human Resource Management	# of critical posts filled (MM, CFO, Engineer, Town Planner, Communications, CORP)	4	6	5	Post advertised and shortlisting completed.	Appointment to be finalised urgently
Human Resource Management	# of people from employment equity target groups employed in the three highest levels of management	27	27	27	None	N/A
Labour Relations	Local Labour Forum	Coordinated 5 LLF Meetings	Coordinate monthly Local Labour Forum meetings.	7 LLF meetings conducted	Last meeting could not form a quorum	LLF meetings placed on Corporate Calendar
Labour Relations	Labour Relations management	N/A	Ensure that all employees are workshopped on Conditions of service.	22 Workshops conducted	None	N/A

Of the 13 items listed under the objective to attract and retain best human capital to become employer of choice the following was the outcome:

- Target achieved at 100%: 7 (54%)
- Target achieved at 50-99%: 5 (38%)



- Target achieved below 50%: 1 (8%)

### **Main Challenges relating to KPA 3: Good Governance**

- a) The integration of public participation initiatives and the feedback mechanisms between Ward committees and Council
- b) Media relations is not managed well
- c) Audit committee functionality and the impact thereof on Internal Audit and the GTM audit outcome
- d) Performance auditing not effective due to the late and none submission of supporting documentation to Internal Audit
- e) Internal Audit functionality at risk with the 14/15 Audit Charter and Audit plan not approved by the Audit Committee
- a) Portfolio committee (cluster) meetings not taking place
- b) Promulgation of by-laws are not showing any progress, with public participation on this now continuing for 2 years
- c) Financial Management as a whole and specifically cashflow management with overspending on overtime and legal fees being a big concern. This while capital is not being spent, mainly due to the delays in the procurement process
- d) GTM cost coverage at only 1, GTM therefore has no cash reserves placing operations at risk, should ratepayers withhold payments for any reason
- e) Roll-over of capital projects from one year to the next exceeding the available cash at hand by year-end
- f) The inability to pay creditors within the required 30 days, in some instances resulting in interest being charged
- g) GTEDA sustainability with no revenue generated for the Agency from alternative sources
- h) Functionality of Supply Chain Management committees resulting in bids expiring and having to be re-advertised
- i) Weak Contract Management with various contracts renewed on a month to month basis, resulting in irregular expenditure, with some continuing since 2012/13
- j) Monitoring and reporting on the performance service providers not being done
- k) Skills audit not conducted to inform the Work Place Skills Plan, last audit was done during 2009/10
- l) Filling of vacant positions at Director level taking longer than 12 months.

#### 4. Performance on conditional Grants 2013/14

Table 1 below presents the progress made with the implementation of projects funded by conditional grants.

Table 1: Performance on Conditional Grants for 2013/14 (excluding MIG)								
Project/ Initiative	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
<b>Neighbourhood Development Partnership Grant</b>								
Maintenance of Parks 994 & 2065 (NDPG)	Maintenance of park and park facilities	Parks maintenance is going well and done by NDPG, no challenges.	R 225 000	N/A	R-	R 225 000	N/A	None
Maintenance of Ritavi River Park (NDPG)	Maintenance of park and park facilities	Parks maintenance is going well and done by NDPG, no challenges.	R 137 500	N/A	R157 632	R -20 132	N/A	None
Nkowankowa C Ring Road	Site handover	Project on practical completion	R 5 000 000	N/A	R 9 240 985	R -4 240 985	N/A	Delay due to contractor slow progress
Rural Broadband	Appointment of Service provider	Project completed as scheduled	R 2 387 501	N/A	R -	R 2 387 501	N/A	None
Nkowankowa Central Development Initiative (NDPG)	Appointment of Service provider	Service provider not yet appointed	R 13 499 999	N/A	R 3 000 621	R 10 499 378	N/A	Delayed by ESD and the Consultant
Indoor sports Centre (NDPG)	Construction	Construction at 23%	R 2 500 000	N/A	R 1 431 837	R 1 068 163	N/A	Contractor is struggling, rain delays, consultant delays
External Sports Facilities (NDPG)	Construction of synthetic turf	External sports fields completed	R 4 500 000	N/A	R -	R 4 500 000	N/A	None
<b>Total</b>			<b>R 28 250 000</b>	<b>N/A</b>	<b>R 13 831 075</b>	<b>R 14 418 925</b>	<b>N/A</b>	

Table 1: Performance on Conditional Grants for 2013/14 (excluding MIG)								
Project/ Initiative	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
<b>Finance Management Grant</b>								
Establishment of Supply Chain, Internal Audit and Audit Committees	Risk and SCM training	SCM training not conducted	R 150 000	N/A	R 4 000	R 146 000	N/A	Funds used for Asset Management
Interns	Employment of interns	Salaries and traveling and accommodation for Interns	R 800 000	N/A	R 739 784	R 60 216	N/A	None
Supplier Database & Fleet Management	Acquisition of a Supplier Database & Fleet Management System	Consultant appointed to assist with Asset Management	R 200 000	N/A	R 200 000	R0	N/A	Funding used for consultants on Assets
Annual Financial Statements	Preparation of the Annual Financial Statements	Preparation of the Annual Financial Statements	R 200 000	N/A	R 200 000	R0	N/A	Funds used for Asset Management
Revenue Enhancement Strategy	Review of the Revenue Enhancement strategy	Consultant appointed to assist with Promis functionality	R 200 000	N/A	R 464 827.85	R-264 827.85	N/A	Funding used for consultant support
<b>Total</b>			<b>R 1 550 000</b>	<b>N/A</b>	<b>R 1 608 612</b>	<b>R -58 612</b>	<b>N/A</b>	
<b>Municipal Systems Improvement</b>								
Ward Participation	Training for ward	Not implemented	R 290 000	N/A	R0	R 290 000	N/A	Function of

<b>Table 1: Performance on Conditional Grants for 2013/14 (excluding MIG)</b>								
<b>Project/ Initiative</b>	<b>Planned activities</b>	<b>Actual Activities</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Budget Variance</b>	<b>Adjustment Variance</b>	<b>Reasons for deviations</b>
	committees							COGHSTA
Information systems	CASE ware and GRAP training	CASE ware and GRAP training conducted	R 400 000	N/A	R 105 283	R 294 717	N/A	None
Turnaround strategies	MFMP training	Not utilised	R 200 000	N/A	R0	R 200 000	N/A	None
<b>Total</b>			<b>R 890 000</b>	<b>N/A</b>	<b>R 105 283</b>	<b>R 784 717</b>	<b>N/A</b>	
<b>National Electrification(INEP)</b>								
Electrification of Joppie/Mavele and Morvatshehla Villages	Project completed 256 units energised	Project at construction phase (80%)	R 2 573 216	N/A	R 2 366 875	R 206 341	N/A	Project delayed due to rain
Electrification of Makaba Village	Project completed 257 units energised	Project completed and energized. 201 households connected.	R 2 389 744	N/A	R 2 389 744	R-	N/A	None
Electrification of Mookgo Block 6 and Block 7 Villages	Project completed 146 units energised	Project completed and energized 190 households connected	R 2 365 564	N/A	R 2 365 564	R-	N/A	None
Electrification of Mbekwana / Lwandlamuni	Project completed 570 units energised	Physical Construction at Lwandlamuni Completed (89%) Mbekwana at construction phase (80%)	R 10 473 480	N/A	R 8 053 659	R 2 419 821	N/A	Awaiting Eskom outage to do closing span at Lwandlamuni. Delays caused by amendment of contract due to

Table 1: Performance on Conditional Grants for 2013/14 (excluding MIG)								
Project/ Initiative	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
								increased scope at Mbhekwana
Electrification of Mohlaba Cross / Malekeke	Project completed 564 units energised	Project at construction phase (80%)	R 5 839 144	N/A	R 3 927 812	R 1 911 332	N/A	Delays caused by lack of capacity in Eskom's network
Electrification of Lekgwareng	Project completed 215 units energised	Physical Construction Completed (89%)	R 2 332 042	N/A	R 2 131 707	R 200 335	N/A	Awaiting Eskom outage to do Closing span
Electrification of Khujwana	Project completed units energised in Phase 1 is 418 and 674 in Phase 2	Project at construction phase (60%)	R 9 500 844	N/A	R 7 564 610	R 1 936 234	N/A	Delayed by project handover process and rain
Electrification of Thapane	Completed and energised (395 Units)	Project at construction phase (83%)	R 2 919 920	N/A	R 2 398 613	R 521 307	N/A	Delayed by project handover process and rain
<b>Total</b>			<b>R 38 393 954</b>	<b>N/A</b>	<b>R 31 198 584</b>	<b>R 7 195 370</b>	<b>N/A</b>	
<b>Municipal Infrastructure Grant</b>								
<i>Sasekani to Nkowankowa D Tar Road</i>	7.2km Tar road completed	The contractor is busy tipping for the base layer. (81% Physical Progress)	R 6 500 843	R 21 750 094	R 14 175 341	<b>R -7 674 498</b>	R 7 574 753	Arbitration process

Table 1: Performance on Conditional Grants for 2013/14 (excluding MIG)								
Project/ Initiative	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
<i>Mafarana, Ntsako, Bonn to Sedan Tar Road</i>	5km tar road completed. Expenditure at 100%	The contractor is busy with stabilization of base layer from cho.oo to ch3000.00, placing of base material on other section and construction of culverts. (79% Physical Progress)	R 16 137 152	R 25 445 601	R 15 286 204	R 850 948	R 10 159 397	Slow progress by the contractor and rain interruptions affected the progress.
<i>Ramotshinyadi Bridge</i>	Completion of bridge	Bridge completed	R 12 006 030	R 11 677 911	R 13 044 904	R -1 038 874	R -1 366 993	None
<i>Senakwe (Mantswa) Tar Morapalala Tar</i>	6.8km tar road completed, 99% expenditure	Contractor busy with layer works at the intersection and fill at the three main culverts. (68% Physical Progress)	R 20 767 635	R 19 921 851	R 10 953 250	R 9 814 385	R 8 968 601	Rain delayed the progress and the rock issue has not yet been solved
<i>Thapane to Moruji Tar</i>	11,5km Tar road completed, expenditure at 99%	Contractor is 100% complete with site establishment, clearing and grubbing is 100% complete from km0.00 to km5.00 and 23% with bulk earthworks from km0.00 to km5. Very little progress done. (17% Physical Progress)	R 37 991 687	R 15 484 031	R 8 087 186	R 29 904 501	R 7 396 845	Slow progress by the contractor and late appointment of the contractor.
<i>Ramotshinyadi Road</i>	12.5 km of road completed	12.5km Road completed	R -	R 12 497 615	R 11 977 672	R -11 977 672	R 519 943	Roll-over from 12/13

Table 1: Performance on Conditional Grants for 2013/14 (excluding MIG)								
Project/ Initiative	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
<i>Renovation of Municipal Swimming Pool in Tzaneen</i>	Physical Construction of swimming pool at 35%	Tender closed on 23 May 2014. Bid Evaluation Committee still busy with the report.	R 3 692 000	R 6 892 000	R 831 206	R 2 860 794	R 6 060 794	Slow progress by the SCMU
<i>Upgrading of Lenyenye Stadium</i>	Physical construction at 35%	Tender closed on 23 May 2014. Bid Evaluation Committee finished it's report and now waiting for Bid Adjudication Committee	R 5 000 000	R 6 000 000	R 1 435 911	R 3 564 089	R 4 564 089	Slow progress by the SCMU
<i>Upgrading of Nkowitz Stadium</i>	Implementation of upgrading programme	Not implemented	R 2 000 000	R -	R -	N/A	N/A	Removed with adjustment
<i>Hawkers esplanades in rural areas</i>	Drafting of implementation plan	Not implemented	R 100 000	R -	R -	N/A	N/A	Removed with adjustment
<i>Hawkers esplanades in Tzaneen</i>	Drafting of implementation plan	Not implemented	R 140 000	R -	R -	N/A	N/A	Removed with adjustment
<i>Construction of a new community hall at Relela Cluster</i>	Application to MIG	Not implemented	R 1 000 000	R-	R -	N/A	N/A	Removed with adjustment
<b>Total</b>			<b>R 105 335 347</b>	<b>R 119 669 103</b>	<b>R 75 791 674</b>	<b>R 26 303 673</b>	<b>R 43 877 429</b>	

As can be seen from Table 1 above, the implementation of projects funded through conditional grants are not on target with especially the implementation of MIG projects as cause for concern. Only 2 MIG projects were finalised and these were roll-overs from previous years. Very little, (only 11%) of MSIG funding was spent. Of further concern is the fact that only 48.95% of the NDPG was spent, putting further funding at risk.

## 5. Implementation of Capital Projects

The progress made with the implementation of Capital projects is presented below in **Table 2**.

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
MM	Purchase office furniture and Equipment for the MM's department	Procurement of furniture	No furniture procured	R 409 000	R 39 000	R 3 098	Budget reduced with adjustment, no further furniture required
CORP	Purchase office furniture, equipment and books for the Corporate Services department	Procurement of furniture and books as and when the need requires	Furniture procured (conference table, reception desks etc.) Local Government Libraries (books) purchased for EXCO members during February 2014.	R 230 500.00	R 110 500	R 157 807	Remainder of the Budget transferred to cover Legal Fees
	Computers and IT Equipment for the CFO's department	Computers & IT equipment procured	7 Computers and 5 Laptops were procured in the 2nd qtr. None during last quarter	R 200 000	R 0	R 200 000	Additional funds removed with 13/14 Adjustment budget
	Purchase of Laptops	Procure Laptops	30 Laptops were procured in the 1st Qtr.	R 84 000	R 0	R147 970	Funds removed with 13/14 Adjustment budget
CFO	Purchase office furniture and Equipment for the CFO's office	Procurement of furniture	No furniture procured	R 300 000	R 0	R 0	Removed with 13/14 Adjustment budget
EED	Apollo lights at Dan village	Apollo lights in Dan Village completed	No Apollo lights erected	R 500 000	R 200 000	R 0	Estimated cost from Consultants is too high which makes the Apollo light projects not cost effective. Report given to MM to make contract a turnkey project
	Apollo lights at Motupa village	Apollo lights in Motupa Village completed	No Apollo lights erected	R 500 000	R 200 000	R 0	



Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
	Apollo lights at Nyagelani (Radoo) village	Apollo lights in Nyagelani Village completed	No Apollo lights erected	R 500 000	R 200 000	R 0	
	Apollo lights at Tickyline village	Apollo lights in Tickyline Village completed	No Apollo lights erected	R 500 000	R 200 000	R 0	
	Apollo lights at Moruji	Apollo lights in Moruji Village completed	No Apollo lights erected	R 500 000	R 200 000	R 0	
	Purchase electrical equipment	Procure equipment as and when required	Amount of R13412.24 were spend equipment including Insulation testers	R 30 000	R 25 000	R 13 412	No deviation as equipment is procured when needed
	Service Contribution	Ensure that service contribution funds received are allocated to projects	Funds to be rolled over to 14/15 financial year for the Capacity Project	R 15 000 000	R 15 000 000	R5 537 175	Unavailability of funds
	Energy efficiency and demand	Monitor the implementation of recommendations of energy audit report. 25% of energy saving plan implemented	Contractor Appointed in June 2014	R 5 000 000	R 7 000 000	R 425 417.35	Late appointment of Service Providers (SCMU process and cash flow)
	Rebuilding of Lines (Campsies Glen sub)	Not applicable for 13/14	Not applicable for 13/14		R 683 773	R 683 773	Roll over from 12/13
	Rebuilding of Lines- Atherstone sub -redbank and Enslin (12km)	Instruction to contractor and	Awaiting for appointment of service provider	R 2 160 000	R 2 160 000	R 0	Delayed appointment of service providers

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
		implementation					
	Network upgrading (capacity building)	Not applicable for 13/14	Not applicable for 13/14	R0	R11 316 226	R 7 649 407	Roll over from 12/13
	Capacity Project	Not applicable for 13/14	Not applicable for 13/14	R0	R 2 682 415	R 2 509 397	Roll over from 12/13
	Electricity capacity building - Avis old SAR to Power station	Contractor appointed and material acquired. (20% progress)	Awaiting appointment of a contractor	R 8 000 000	R 2 000 000	R 0	Late appointment of Service Providers (SCMU process and cash flow)
	SAB Re-routing of HT Cable NERSA Audit	Installation of cable	All materials and equipment were procured	R 800 000	R 800 000	R696 770	Waiting for availability of Backactor from ESD to open trench R465 000 were transferred to Jobs
	Renewal repairs and Maintenance on airconditioners	Renewal of airconditioners as and when the need requires	Awaiting for appointment of consultant	R 40 000	R 40 000	R 0	Consultant to be appointed by SCMU
	Renewal Repairs and Maintenance on distribution network	Identify lines to be rebuilt and procure service provider and implement	Ongoing repairs and maintenance of overhead power lines.	R 3 000 000	R 3 000 000	R 2 983 590	None
	Renewal, Repairs and Maintenance on pre paid meters	Replace old technology with new meters and equipment. 90 connections completed and concentrators	Replacing old technology, 83 Connections completed. 37 Data Concentrators to be installed in 14/15 financial year	R 500 000	R 500 000	R 496 725	Human resource limitations

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
		installed					
	Installation of New Automatic reclosers	Installation of Automatic Recloser and commissioning	Auto- Recloser installed and commissioned	R 300 000	R 300 000	R 216 751	None
	New Double garage to house protection equipment	Double garage completed	No Activities	R 150 000	R 150 000	R 0	Could not get building plan for double garage from Engineering Services Department and funds was later removed during the adjustment budget
	Splitmeters (Mbekwana electrification)	Project completed 438 units energised	Project at construction phase (80%)	R 0	R 4 500 000	R 0	Delays caused by amendment of contract due to increased scope
	Electricity capacity building - Cable network renewal	Installation of cable	Not done	R 2 000 000	R 0	R 0	Removed with 13/14 Adjustment budget
<b>ESD</b>	Claude Wheatly	Refurbishment of Claude Wheatly street	Roll-over from 12/13		R 181 217	R 181 216	Roll over from 12/13
	Sasekani to Nkowankowa D Tar Road	7.2km Tar road completed	The contractor is busy tipping for the base layer. (81% Physical Progress)	R 6 500 843	R 21 750 094	R 14 175 341	Arbitration process
	Mafarana, Ntsako, Bonn to Sedan Tar Road	5km tar road completed. Expenditure at 100%	The contractor is busy with stabilization of base layer from cho.oo to ch3000.00, placing of base material on other section and construction of culverts. (79% Physical	R 16 137 152	R 25 445 601	R 15 286 204	Slow progress by the contractor and rain interruptions affected the progress.

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
			Progress)				
	Nkowankowa C - Ring Road	Site handover	Project on practical completion	R 13 000 000	R 3 500 000	R 9 240 985	Slow progress by contractor
	Ramotshinyadi Bridge	Bridge construction completed	Bridge completed	R 12 006 030	R 11 677 911	R 13 044 904	None
	Agatha street (Tzaneen) Refurbishment	Refurbishment completed	Investigations concluded only	R 1 500 000	R 625 000	R 0	Budget reduced with adjustment, amount not sufficient to refurbish road
	Sapekoe drive (Tzaneen) Refurbishment - phase 1	Refurbishment completed	Investigations concluded only	R 2 500 000	R 625 000	R 0	Budget reduced with adjustment, amount not sufficient to refurbish road
	Khaya street (Nkowankowa) Refurbishment - phase 1	Refurbishment completed	Investigations concluded only	R 2 500 000	R 625 000	R 0	Budget reduced with adjustment, amount not sufficient to refurbish road
	Bankuna street (Nkowankowa) Refurbishment - phase 1	Refurbishment completed	Investigations concluded only	R 3 000 000	R 625 000	R 0	Budget reduced with adjustment, amount not sufficient to refurbish road
	Senakwe (Mantswa) Tar Morapalala Tar	6.8km tar road completed, 99% expenditure	Contractor busy with layer works at the intersection and fill at the three main culverts. (68% Physical Progress)	R 20 767 635	R 9 921 851	R 10 953 250	Rain delayed the progress and the rock issue has not yet been solved
	Thapane to Moruji Tar	11,5km Tar road completed, expenditure at 99%	Contractor is 100% complete with site establishment, clearing and grubbing is 100% complete from km0.00 to km5.00 and 23% with bulk earthworks from km0.00 to km5.00. Very little progress	R 37 991 687	R 15 484 031	R 8 087 185	Slow progress by the contractor and late appointment of the contractor.

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
			done. (17% Physical Progress)				
	Ramotshinyadi Road	12.5 km of road completed	12.5km Road completed	R 0	R 12 497 615	R 11 977 672	Roll-over from 12/13
	Claude Wheatly Road	Refurbishment of Claude Wheatly road	The road is on practical completion and is open for use. Construction of palisade fence has commenced and taxi roof canopies are still outstanding. (93% Physical Progress)	R 0	R 13 143 296	R 4 580 786	Roll-over from 12/13
	Matupa Low Level bridge	Project completed	Project 98% completed contractor is busy with concrete approach slabs	R 0	R 1 025 000	R 808 932	None
	Thako to Sefolwe low level bridge	Construction of bridge	Roll over from 12/13	R 0	R 322 983	R 0.00	Roll over from 12/13
	Thako to Sefolwe low level bridge (phase 2)	Project completed	Project is 98% completed contractor is busy with stone pitching	R 0	R 950 000	R 1 000 694.86	None
	Mopye Local Level bridge	Construction of bridge	Roll over from 12/13	R 0	R 500 000	R 109 768.21	Roll over from 12/13
	Mopye Local Level bridge (phase 2)	Project completed	Project is 70% completed contractor is busy with back filling of the road	R 0	R 1 380 000	R 702 806.18	Slow progress by the contractor
	Politsi Low Level bridge	Construction of bridge	Roll over from 12/13	R 0	R 322 983	R 256 125.85	Roll over from 12/13

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
	Politsi Low Level bridge (phase 2)	Mass earth works completed	Project on hold	R 0	R 2 200 000	R 829 065	Community disputing the location of the project
	Rikhotso, Khwekhwe, Mokonyane and Mawa Block 12 low level bridges	Appointment of contractor.	Designs completed Environmental Impact Assessment consultant is busy with EIA processes	R 0	R 2 000 000	R 87 633	Roll-over from 12/13
	Lenyenye Cemetery Road	Construction of stone pitching and regravelling	Parking, road inside the cemetery regravelling of critical section, installation of stormwater pipes and stone pitching have been done	R 0	R 2 000 000	R 1 587 710	None
	Water Tankers and TLBs	Drafting of Specifications. Appointment of a service provider. Acquisition of a water tanker and TLBs concluded	Project was advertised and closed on the 27th of June	R 0	R 1 656 704	R 0	Delayed by SCMU processes
	Purchase a vehicle for the Speaker	Procurement of vehicle for the speaker by 31 July	Service provider not yet appointed	R 480 000	R 480 000	R 0	Delays in SCMU processes
	Construction of a new carport at the Museum	Construction of carport at the Museum	The project is 90% completed	R 100 000	R 100 000	R 0	Delayed by SCMU processes
	Provision of parking at Waste Management offices	Construction of a carport at Waste	100% completed	R 10 000	R 10 000	R 0	Delayed by SCMU processes

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
		Management offices					
	Expansion of storage facility at Nkowankowa Testing Station and shelves	Expansion of storage facility at Nkowankowa Testing Station and shelves completed	The project is being implemented internally by maintenance team and the project is not completed yet	R 40 000	R 40 000	R 0	Delayed by User department as clarity on requirements had to be sought
	Convert H.C.R.W. storeroom into office/conference room in Tzaneen	Conversion of H.C.R.W. storeroom into office/conference room in Tzaneen completed	100 % completed	R 100 000	R 100 000	R 0	Delayed by SCMU processes
	Upgrading and extension of trade license office	Upgrading and extension of trade license office completed	The project is implemented internally by the building maintenance team and the project is not completed yet	R 40 000	R 40 000	R 0	Delayed by User department as clarity on requirements had to be sought
	Partitioning of Tourism Centre	Partitioning of Tourism Centre completed by Dec	Designs finalized busy with buying materials	R 250 000	R 250 000	R 0	Delayed by User department as clarity on requirements had to be sought
	Renovation of Municipal Swimming Pool in Tzaneen	Physical Construction of swimming pool at 35%	Tender closed on 23 May 2014. Bid Evaluation Committee still busy with the report.	R 3 692 000	R 6 892 000	R 831 206	Slow progress by the SCMU
	Upgrading of Lenyenye Stadium	Physical construction at 35%	Tender closed on 23 May 2014. Bid Evaluation Committee finished it's report and now waiting for Bid	R 5 000 000	R 6 000 000	R 1 435 911	Slow progress by the SCMU

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
			Adjudication Committee				
	Purchase and Installation of Air conditioners for the Corporate Services department	Procurement of air conditioners for CORP	Waiting for appointment for service provider	R 66 000	R 66 000	R 0	Slow progress by the SCMU
	Upgrading of Nkawkowa Stadium	Implementation of upgrading programme	Problem with MIG MIS system by Mid-year	R 2 000 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Purchase Survey Equipment	Procurement of survey equipment by 30 Sept	Not done due to cashflow constraints	R 150 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Purchase generators	Procurement of generator	Not done due to cashflow constraints	R 60 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Purchase welding machines	Procurement of welding machines	Not done due to cashflow constraints	R 25 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Purchase Diesel bowser	Procure Diesel bowser	Not done due to cashflow constraints	R 65 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Purchase 2 Chain Saws	Procurement of 2 chainsaws	Not done due to cashflow constraints	R 20 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Replacement of small tools	Procurement of small tools	Not implemented	R 50 000	R 0	R 0	Removed with 13/14 Adjustment budget



Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
	Hawkers esplanades in rural areas	Drafting of implementation plan for the establishment of Hawkerc Esplanades in the rural areas.	Not implemented	R 100 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Hawkers esplanades in Tzaneen	Drafting of implementation plan for the establishment of Hawkerc Esplanades in Tzaneen areas.	Not implemented	R 140 000	R 0	R 0	Removed with 13/14 Adjustment budget
	Construction of a new community hall at Relela Cluster	Application to MIG	Consultant busy with designs at mid-year	R 1 000 000	R 0	R 0	Removed with 13/14 Adjustment budget
<b>CSD</b>	Securing of Rates Hall & Access Control	Roll over from 12/13	Roll over from 12/13		R 1 384 932	R 65 060	Roll over from 12/13
	Renovation of Parks - Maritz Street and Extension 13, Lenyenye, Letsitele and Haenertsburg	Renovation of parks	Not implemented	R 1 000 000	R 1 000 000	-	Removed as it could not pass MIG requirements
	Purchase furniture and Library equipment	Procurement of furniture and equipment	Book trolleys were purchased for the Tzaneen Library; A desk, urn and safe were bought for the Shiluvane Library. (All other furniture for the Shiluvane Library were supplied by the DSAC,	R 50 000	R 50 000	-	Removed with 13/14 Adjustment budget

Table 2: Capital Projects implementation during 2013/14							
Dept	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
			through the National Library Grant)				
	Purchase furniture for Nkowankowa and Lenyenye Community Halls, Julesburg and Burgersdorp Sport Facilities	Procurement of furniture and equipment	Not procured	R 100 000	R 0	-	Removed with 13/14 Adjustment budget
<b>PED</b>	Establishment of Lenyenye Cemetery	Commissioning of regional cemetery	Partially implemented	R 1 250 000	R 1 250 000	R 19 457.59	Negotiations with Traditional Authority is ongoing
	Purchase office furniture and Equipment for the PED department	Procurement of furniture	All required furniture purchased and paid	R 40 000	R 0	R 14 256	Removed with 13/14 Adjustment budget
	Acquisition of land at Politsi (residential)	Payment of deposit.	R6 Million has been paid as a deposit towards the purchase of the land (7ha)	R 1 000 000	R6000 000	R6000 000	None
<b>Total</b>				<b>R 173 434 847</b>	<b>R 206 129 132</b>	<b>R 122 526 689.57</b>	

From **Table 2** it is clear that 13 projects have been identified as not being implemented in time due to delays in Supply Chain Management processes, with the majority of them implementation did not commence by the end of the financial year. Various projects will again be considered for roll-over to 2014/15.

## 6. Institutional Performance Evaluation

Considering the overall performance of GTM the following issues need to be addressed in order to improve future performance:

### 6.1 Supply Chain Management

During the 12/13 APR the challenge of the Supply Chain Management process was highlighted with the absence of a Demand Management Plan identified as the root cause, along with the following:

- Poor communication/feedback from SCMU
- Delays in the submission of specifications to the SCMU
- Submission of specifications which are insufficient / not complete
- Delays in or short notice arrangements for BEC and BAC meetings by SCMU
- Continuous postponement of BEC and BAC meetings

**Table 3** and **Table 4** present the outcome of the bid processes, which shows that the percentage of Bids awarded decreased from 63% in 2012/13 to only 44% in 13/14. By 30 June '14 38 bids were adjudicated while only 22 was awarded, which is an award rate of only 58%. Confirming that the supply chain management process have serious challenges.

FY	Number of Bids on Register	Number of Awards made	% Bids awarded	Number of Bids in Tendering Process (not yet awarded)	% of Bids not yet awarded	No of Re-advertisements	% of Bids re-advertised	Cancelled Projects	% of Bids cancelled
2012/13	41	26	63%	15	37%	8	20%	12	29%
2013/14	50	22	44%	28	56%	7	14%	10	20%

	BSC	BEC	BAC	% Bids Adjudicated
2012/2013	38	39	29	71%
2013/2014	50	45	38	76%

The 2013/14 financial year witnessed a continuation of the problems with supply chain management, with hardly any projects starting within the planned timeframe, in spite of a Demand Management Plan being in place. In addition to this, contracts are not being managed well, with various contracts extended on a month to month basis resulting in repeated irregular expenditure. At the time of compiling this report no Demand Management Plan was in place for 2014/15, predicting a repeat of the situation which has the following implications:

- Limits GTM's capacity to implement projects and deliver cost effective services
- Bids advertised only in the 4th Quarter of the year in which implementation should have started, resulting in roll-over projects
- Roll-over projects puts further pressure on the already stressed cashflow situation
- The monitoring and evaluation of budget implementation through quarterly performance reports are compromised, as roll-over projects are not contained in the approved SDBIP (approval for roll-over must first be received from Treasury)
- Credibility of the IDP is brought into contention as projects are not implemented in the financial year for which they were planned. If the situation is not remedied, Council may have to consider implementing no new projects in 2015/16.

***Recommendations to improve performance in Supply Chain Management:***

- a) CFO (Supply Chain Management Unit) to ensure that a Demand Management Plan is approved by Council on the 30th of June, annually
- b) Monthly reports must be submitted to Management and quarterly to Council on the progress made with the implementation of the Demand Management Plan.

## **6.2 Financial Management**

Financial viability is essential to GTM being able to continuously deliver services to our community. The challenges relating to financial management are interlinked with contract management, the procurement process and human resource management issues. Cashflow constraints are hampering the implementation of projects while excessive amounts are being spent on legal fees and overtime, amongst others. Irregular expenditure due to, amongst others, the lapsing of contracts contributes to the non-achievement of a clean audit outcome. Although GTM is complying in terms of the submission

of monthly reports as well as the approval of the budget, adjustment budget and the submission of the Annual Financial Statements the management of available financial resources to ensure efficiency in service delivery can be improved.

***Recommendations to improve performance in Financial Management:***

- a) A financial recovery plan must be drafted by the CFO to improve the cashflow of Council
- b) Internal Audit and Risk Management to assist the CFO in putting controls in place to ensure that funds are not misused
- c) The continued extension of contracts on a month to month basis must be addressed
- d) An investigation should be conducted to establish the root causes for the many legal cases instituted against GTM
- e) Labour relations management to be improved to manage disciplinary cases in a manner that reduce the cost to Council

### **6.3 Performance Management**

During the Audit of 2012/13 the Auditor General expressed a concern regarding the lack of supporting evidence for information reported in the performance reports and therefore questioned the reliability of especially information presented with respect to service delivery. In order to address this concern a dedicated Internal Auditor was appointed to verify performance information on a quarterly basis. However, even during 13/14 Internal Audit could again not verify performance information due to the following:

- Performance Reports consolidated very late due to the delays in submission of data by Departments to the PMS office
- No Portfolio of evidence submitted for the first three quarters
- Portfolio of evidence for the fourth quarter was submitted late (except for PED who did not submit at all)
- Departments not responding to the draft internal audit findings in time for internal audit to finalise the audit report

Due to the above the first and second quarter reports were submitted to Council unaudited, while the third quarter report was referred back for auditing. The information presented in the annual performance report was audited, with adjustments made in line with the findings, in spite of the fact that some Directors did not comment on the draft audit findings. It is therefore a major concern that the audit findings on predetermined objectives cannot improve without the cooperation from all departments in keeping records of all service delivery activities, to validate reports. In addition to this, the audit on performance information conducted by Internal Audit for the 4th Quarter SDBIP revealed that incorrect information is submitted on performance reports because the function of completing these reports have been delegated to officials who do not understand the performance management system and that this information is not verified by Directors prior to submission. Directors and Managers are therefore not taking ownership of performance information.

Similarly, employee performance management also suffered from the late or non-submission of Portfolios of Evidence to Internal Audit by Directors and Managers alike, with the mid-year assessments cancelled due this. Furthermore, the informal assessments of employees are not being done. In order to remedy the situation, outlined above, training was conducted for Directors and Managers on the 2nd of June.

The manual system of managing performance information is contributing to the challenges experienced as it is time consuming to draft reports manually, compile hard copy files for a Portfolio of Evidence and then audit all these files. The human resources allocated to the Performance Management function is very limited, considering the size of the institution and also the fact that the workload for this function has increased tremendously with the introduction of new regulations.

***Recommendations to improve Performance Management:***

- a) Directors to verify performance information prior to submission to the MM (PMS office)
- b) Directors must compile Portfolios of Evidence for performance information on a quarterly basis, within 10 working days of close of the quarter, and submit to Internal Audit
- c) Directors must respond to draft audit findings on performance information within 2 working days
- d) The PMS Framework and Policy must be revised to align to new regulations and to include penalties for non-compliance

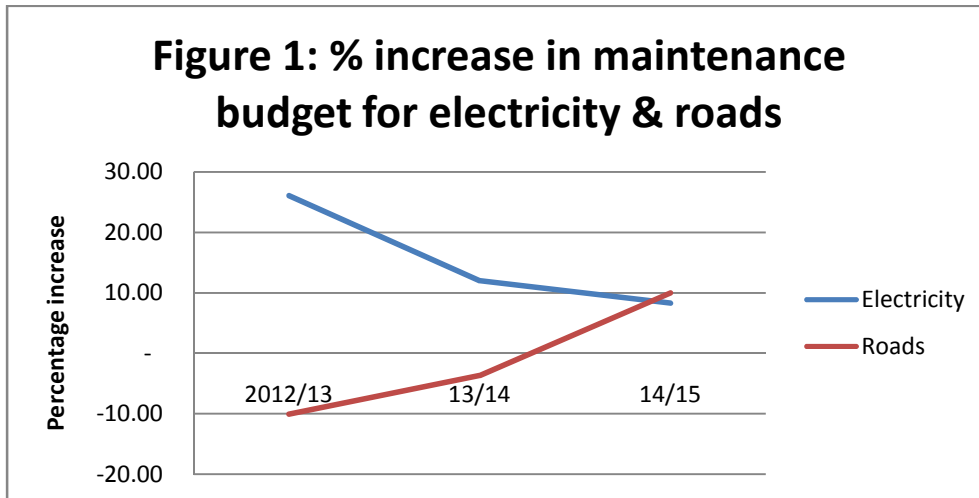
- e) The procurement of an electronic system to manage performance information be prioritised to speed up reporting and auditing turnaround times
- f) Performance Management capacity to be strengthened by increasing the human resources allocated to the function

## 6.4 Basic Service Delivery

Looking at the overall performance on the strategic objectives of Council relating directly to service delivery the fact that only 18.5% of the targets on optimising infrastructure investment and services and only 25% of those aimed at improving access to services where achieved at 100%, should be a major concern. Of the Capital Projects in the 13/14 IDP, 18 projects were removed during adjustment, for 15 projects the budget allocation was reduced and only 4 projects (of which 2 are roll-overs from 12/13) were completed by the end of the financial year (See **Table 2**). The slow progress in the appointment of service providers and slow project implementation results in projects being rolled-over from one year to the next impacting on the ability of Council to fund the capital works plan for the financial year. Projects rolled over since 2012/13 amount to R21,420,813 with an estimated R41 834 052 worth of grant funding projects to be rolled over to 14/15 (if approved by Treasury) in addition to an estimated R58 349 923 for projects funded from own sources.

The provision of water remain the most important priority in GTM wards however, direct intervention in this regard is hampered by the fact that Mopani District Municipality is the Water Service Authority. Reporting on performance on water issues are therefore also done on a District level. GTM's capacity to provide water service has once again been proven by the retention of Bluedrop and Greendrop certification.

Ageing infrastructure requires the operational budget for maintenance to be increased significantly to avoid the total collapse of the road and electricity network. **Figure 1** below presents the challenge existing in relation to the maintenance budget since 2012/13 for roads and electricity. The percentage increase in the maintenance budget of electricity is decreasing annually, while the demand for the service is continually increasing and putting more pressure on the aging infrastructure. For roads, the percentage increase in the maintenance budget is on the rise but from a negative basis.



In addition to the above, a major concern is the fact that master plans for basic services have not yet been developed. In spite of the fact that the development of the master plans has been identified as a critical aspect of ensuring sustainable service delivery, at IDP strategic planning sessions, they have never been drafted. It has been indicated that MISA has committed to the development of master plans for GTM, this has been the case since 2012/13, with no tangible progress to date.

Lastly, various projects were delayed by internal departments not supporting each other with either information or services. The integration between departments in project implementation is a major challenge and should be resolved through the IDP process (Project Phase). As indicated in the IDP guide packs: *"The formation of Project Task Teams is a cornerstone for getting a well-functioning planning/implementation link established. Project Task Teams may form the foundations for smooth coordination of the project implementation process"*.

***Recommendations to improve Performance on Basic Service Delivery:***

- a) The performance of service providers must be monitored and reported on. Key performance indicators must be included in the contracts of service providers and progress be reported in the monthly reports to Council by the owner department, these indicators must also be included in the Performance Plan of the project owner.
- b) The budget allocations for maintenance of infrastructure must be revisited to ensure that allocations are sufficient to ensure the sustainability of existing infrastructure.



- c) Master plans must be developed for water, electricity and roads and this should ideally be done along with the revision of the Spatial Development Framework.
- d) The slow progress with the Master Plans by MISA must be investigated and addressed
- e) Alternatively, investigate the possibility of forging Public Private Partnerships to fund and/or develop master plans
- f) IDP project teams to be established during the Projects Phase to ensure alignment and integration between departments
- g) That no new capital projects be initiated during 15/16 to allow all projects for 13/14 and 14/15 to be completed, in an effort to contain roll-overs

## **6.5 Vision 2030 - Economic Growth & GTEDA**

The development of a Growth and Development Strategy (Vision 2030) for GTM was contained in the 2012/13 SDBIP, but has not yet been done. The continued postponement of the development of this strategic plan, which should guide GTM's approach to stimulating growth, is a major concern. Also GTM's performance in terms of Local Economic Development is key to the achievement of Vision 2030. However, the outcome on key performance areas relating to the increasing investment in the GTM economy is that only 23% of the key performance areas were achieved fully. A major concern is the performance of GTEDA, which is a key stakeholder in this area. Hardly any of the projects allocated to GTEDA were completed fully and, in addition to this, the outcomes of the activities conducted by GTEDA are extremely difficult to measure. The existing measures for GTEDA focus on activities (outputs) and not on outcomes (what was the effect of the activities undertaken).

Another key aspect to GTM stimulating the local economy is the provision of sustainable basic services and along with that, the maintenance of existing infrastructure. Further development in Tzaneen town, which is the economic heart of GTM, is at risk due to the unavailability of water and the aging electricity and road networks.

### ***Recommendations to improve Performance on Economic Growth:***

- a) The key performance indicators for GTEDA must be revised to ensure that outputs and outcomes of all initiatives are measurable, to enable Council to closely monitor the impact of GTEDA on the economy.

- b) The LED unit must ensure that a Local Tourism Association is established
- c) The development of a Growth and Development Strategy (Vision 2030) must be finalised during 2014/15, to ensure that all programmes of work towards achieving the vision of Council.

## **6.6 Public Participation**

GTM has been fortunate that there have been hardly any service delivery protests in the municipal area, compared to other municipalities. Public participation, except for being an intricate part of good governance, has a key role to play in ensuring that the public is involved in municipal planning and performance monitoring. The functionality of ward committee seems to be a challenge with not all ward committees meeting on a quarterly basis as expected. Also, GTM has once again not developed an integrated public participation programme to ensure that outreach activities are used optimally for ensuring public inputs into the budget, IDP, by-laws etc.

It is also a concern that not all the scheduled IDP representative forum meetings took place. The functionality of the forum is dependent on the attendance by all relevant stakeholders and currently attendance by sector Departments are poor. In addition to this, the distribution of the documentation to be discussed prior to the meetings is essential to able representatives to participate and make meaningful inputs on behalf of their constituents.

### ***Recommendations to improve Public Participation:***

- a) The functionality of the IDP Representative Forum must be improved by ensuring that meetings take place as scheduled, all community structures are represented, Agendas are circulated to stakeholders prior to meetings and feedback on performance is given.
- b) Corporate Services Department to develop an integrated Public Participation Programme which is aligned to the IDP and which must be approved by Council, annually, by 30 June.
- c) A summary of monthly ward committee minutes be made available to management, on a monthly basis, to act on service delivery issues in time, to avoid community unrest.

## **6.7 Integration between Budget and IDP**

The roll-over of capital projects are only finalised in August annually, although these roll-over of projects have a direct impact on the IDP, GTM did not revise the IDP. The SDBIP was however revised to ensure that the progress with the implementation of roll-over projects can be monitored by Council. The implication of this is that the Adjusted SDBIP is no longer in line with the IDP, resulting in audit queries on predetermined objectives.

In addition to this, adjustments to the Capital Works Plan for 13/14 were not considered with the drafting of the 14/15 IDP. Projects which were contained in the IDP for 13/14 but lost the budget allocation during the adjustment, was not re-prioritised along with new projects for 14/15 and therefore will not be implemented.

Adherence to the IDP process plan is essential in ensuring alignment between the IDP and budget. During 2013/14 the IDP process delays resulted in the Integration phase being by-passed to ensure approval of the IDP and budget within the legislated timeframes. It is critical for integrated development planning that the sector plans and programmes also be revised.

### ***Recommendations to improve integration between the IDP & Budget:***

- a) The IDP must also be adjusted along with the adjustment budget on an annual basis, to inform Council and the public of changes with regard to the planned projects
- b) The procurement of service providers, contract management and project management must be improved to avoid roll-overs as far as possible.
- c) Intensive practical training on the requirements for Integrated Development Planning be provided for Directors and Managers

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