

**GREATER TZANEEN MUNICIPALITY**

# **Annual Performance Report for 2014/2015**



**Office of the Municipal Manager**

Civic Centre

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Tzaneen

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## LIST OF ABBREVIATIONS

<b>AC</b>	Audit Committee
<b>AFS</b>	Annual Financial Statements
<b>AG</b>	Auditor General
<b>APR</b>	Annual Performance Report
<b>ATR</b>	Annual Training Report
<b>BAC</b>	Bid Adjudication Committee
<b>BDC</b>	Blue Drop Certificate
<b>BEC</b>	Bid Evaluation Committee
<b>BSC</b>	Bid Specifications Committee
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>CoGTA</b>	Department of Cooperate Governance & Traditional Affairs (National)
<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>DMP</b>	Demand Management Plan
<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>GIS</b>	Geographical Information System
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>GTEDA</b>	Greater Tzaneen Economic Development Agency
<b>GTM</b>	Greater Tzaneen Municipality
<b>HDA</b>	Housing Development Agency
<b>HR</b>	Human Resource (department)
<b>IDP</b>	Integrated Development Plan
<b>Km</b>	Kilometer
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>KWH</b>	Kilowatt Hour
<b>LED</b>	Local Economic Development
<b>LEDET</b>	Limpopo Economic Development Environment and Tourism
<b>LGSETA</b>	Local Government Sector Education and Training Authority
<b>LLF</b>	Local Labour Forum
<b>MDM</b>	Mopani District Municipality
<b>MFMA</b>	Municipal Finance Management Act
<b>MFMP</b>	Municipal Finance Management Programme
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MOU</b>	Memorandum of Understanding
<b>MVA</b>	Mega Volt Ampere
<b>NDPG</b>	Neighbourhood Development Programme Grant
<b>NERSA</b>	National Energy Regulator of South Africa
<b>NT</b>	National Treasury
<b>PED</b>	Planning and Economic Development Department
<b>PMS</b>	Performance Management System
<b>PMT</b>	Political Management Team

<b>PT</b>	Provincial Treasury
<b>RAL</b>	Road Agency Limpopo
<b>SANS</b>	South African National Standards
<b>SAPS</b>	South African Police Service
<b>SCM</b>	Supply Chain Management
<b>SCMU</b>	Supply Chain Management Unit
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SEDA</b>	Small Enterprise Development Agency
<b>SITA</b>	State Information Technology Agency
<b>WSP</b>	Workplace Skills Plan

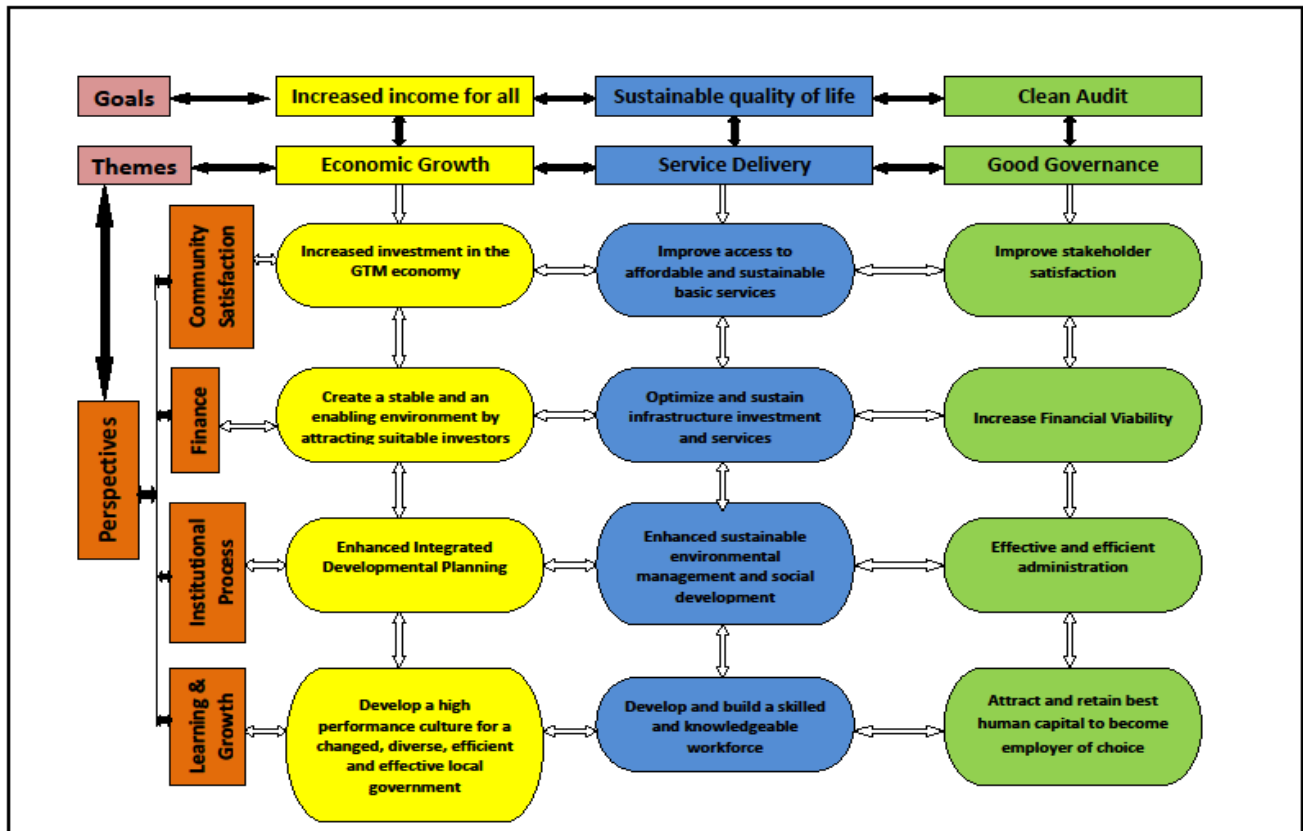
## 1. BACKGROUND

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 by year-end for service delivery targets as reported in the 4<sup>th</sup> Quarter SDBIP report for 2014/15. These service delivery achievements are compared to the previous year's performance. The actual achieved by year-end 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>

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 (presented below). The GTM strategy map consists of 3 Key Performance Areas wherein Economic Growth and Service Delivery aligns with the KPA of CoGTA. The KPA of Good Governance however incorporates the CoGTA KPAs of Financial Viability and Management as well as Municipal Transformation and Organisational Development (MTOD). Furthermore, the CoGTA KPA of Spatial Rational is incorporated in the GTM KPA of Economic Growth along with elements of the KPA Municipal Transformation and Organisational Development (Learning & Growth perspective). It should however also be noted that elements of organizational transformation can be found in the Learning and Growth Perspective of all three these KPAs.



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 4th Quarter SDBIP is attached herewith as **Annexure A**. A detailed breakdown of quarterly progress with project implementation during 2014/15 is contained therein. It should be noted that the financials (revenue and expenditure actuals) contained in the 4<sup>th</sup> Qtr SDBIP, as well as the APR, remain “preliminary” until such time that the audit on the AFS has been completed.

## 2. PERFORMANCE PER KEY PERFORMANCE AREA 2014/15

The Department of Cooperative Governance and Traditional Affairs (CoGTA) requires performance reporting to take place in terms of 6 national Key Performance Areas. GTM has however adopted three Key Performance Areas (as presented in the Strategy map contained in section 2 of this report). The three KPAs adopted by GTM are Economic Growth, Service Delivery and Good Governance. The KPA Good Governance incorporates three national KPAs into one, these are Financial Viability and Management, Good Governance and Organisational Transformation. The section below will therefore be presenting the performance achievements for the GTM as per the three approved KPAs, contained in the IDP for 2014/15.

### 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 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Expanded Public Works	# of work opportunities created through EPWP projects	588	896	911	None	n/a
Expanded Public Works	# of EPWP work opportunities created through CSD projects	247	420	423	None	n/a
Expanded Public Works	# of EPWP work opportunities created through EED projects	216	45	25	Budget re-allocated to other departments during budget adjustments.	KPIs targets in IDP to be adjusted in line with project adjustments
Expanded Public Works	# of EPWP work opportunities created through ESD projects	367	431	476	None	n/a
Agriculture	# of jobs created through	100	250	300	None	n/a



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
	agricultural value chain					
Agriculture	Livestock improvement - Leather making	Signed MOU Stakeholders identified to assist with resources. Project implementation plan supported and monitored. Reports submitted to Board	Monitor and evaluate project implementation in line with the Business operational plan. Compile monthly and quarterly reports. Assist with resource mobilization in line with the Implementation Plan	<b>Leather Making</b> -Facilitated application of non-financial support (capacity building, branding and marketing) from Department of Trade and Industry's co-operative incentive scheme (awaiting response). Facilitated request of procurement of additional machines by Department of Rural Development in order to set up a production line to enable optimal production (awaiting response). <b>Tannery project</b> -Facilitated on-site hide treatment training offered by Bosveld tannery to capacitate members with skills of treating hides for commercial use. Facilitated off take agreement between the co-operative and Bosveld tannery. Facilitated a strategic planning session where GTM LED and Department of Social Development were invited to participate. Monthly and quarterly reports compiled.	<b>Leather making</b> - lack of commitment from members. Insufficient operational budget to cover rent and electricity costs.  <b>Tannery project</b> -lack of infrastructure affects production on site.	<b>Leather making</b> -Engaged LEDA to extend free lease agreement for 12 months in order to allow the project to breakeven.  <b>Tannery project</b> -Review original business plan and focus on activities that do not require more input costs.
Agriculture	Support to restituted farms (Sapekoe, Batlabine, Tours	Projects suspended due to disputes	Monitor support to Sapekoe, Batlabine,	<b>Sapekoe</b> -Facilitated a meeting with a consultant representing	Lack of role clarification between GTEDA and	Engaged GTM council to review GTEDA mandate at

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
	and Mamahlola farms)		Tours and Mamahlola farms and report progress in line with the Project implementation plan on a monthly basis	two prospective Chinese companies who are interested in growing tea at the estate, outcome of the engagements will be known in due course. <b>Batlabine</b> -Facilitated signing of an investment agreement between owners of the farm and Maresteth trading enterprises to operate Leeways farm. <b>Tours and Mamahlola</b> -GTEDA's involvement on these farms were put on hold due to ongoing disputes. Monthly and quarterly reports compiled.	Department of Agriculture.  Negotiations took longer than initially planned.  Disputes affected negotiation processes with potential investors.	this farm.  Engaged the CPA to fast-track the process.  Board resolved to suspend both projects until disputes have been resolved.
Community Works Programme	Nr of cooperatives established and still functional in wards where the CWP is implemented	4	4	4	None	n/a
Community Works Programme	Number of job opportunities created through the CWP	1800	2045	2045	None	n/a
Marketing and Investor Targeting	# of jobs created through municipal LED initiatives including Capital Projects	50	600	620	None	n/a
Tourism	# of Tourism SMMEs exposed to the market	8	30	45	None	n/a
Tourism	Tourism Development (Tours & Tzaneen Dam)	No progress made	Monitor resource mobilisation to implement Tours Dam initiatives. Monitor	<b>Tours dam</b> -No progress, project on hold. <b>Tzaneen dam</b> -Facilitated a progress update meeting with Department of Water and	<b>Tours dam</b> experienced community disputes <b>Tzaneen Dam</b> Plans put on hold until the Resource management plan by	<b>Tours Dam</b> : Negotiations resuscitated through the Traditional Representative in GTM Council, this process is underway

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
			Stakeholders engagements for resource mobilisation for Tzaneen Dam. Report progress on a monthly basis	Sanitation. Planned site visit to Tlokwe Municipality in July 2014) Monthly and quarterly reports compiled.	Engineerex (company appointed by Department of Water and Sanitation) has been concluded	<b>Tzaneen Dam:</b> Follow-ups made with Department of Water Affairs
Enterprise Development (SMME support)	# of SMMEs capacitated through GTEDA (1 Per cluster)	4	4	12	None	N/a
Enterprise Development	New Shopping Centre Development		Facilitate the establishment of new shopping centers report progress made on Nwamitwa, Morutji, Mokgwathi, Dan & Lifestyle malls, in line with the Project Implementation Plan	<b>N'wamitwa-</b> As previously reported, the project was put on hold by the Valoyi Tribal Authority and no progress has been registered. <b>Morutji-</b> Facilitated a meeting between GTM Mayor and Morutji development committee to discuss a way forward regarding this project, a delegation will be sent to Modjadji Royal Authority to negotiate final approval. <b>Mokgwathi-</b> Facilitated a meeting between GTM Mayor and Mokgwathi development committee to discuss a way forward regarding this project, a delegation will be sent to Modjadji Royal Authority to negotiate final approval. <b>Dan/Bindzulani-</b> No progress registered this quarter due to stakeholders' failure to meet. <b>Lifestyle Mall-</b> No progress	Project has been suspended indefinitely by the Valoyi Tribal Authority.	Requested political support from GTM to resolve this challenge.

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
				registered as project has been suspended indefinitely. Monthly and quarterly reports compiled.		
Enterprise Development	SMME support (Business Development)	Facilitated the establishment of FABCO on March 2014 and linked to SEDA for registration. Facilitated Business Association launch in all Clusters except Bulamahllo 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 on 12 June 2014.	Facilitate support to SMMEs. Report progress with resources mobilised and support provided for the Village Bank and Internet Cafe (Lenyenye)	Supported over 20 SMMEs by offering business advisory services. <b>Greater Tzaneen Financial Services Co-operative</b> .-Facilitated applications for an office and non-financial support from Department of Public works and Limpopo Economic Development Agency (awaiting response). Facilitated acquiring of interns from Bank SETA who will provide HR, Admin and Finance services to ensure smooth operations. Facilitated a site visit to Kuvhanganyani in Venda to learn best practices. Monthly and quarterly reports compiled. <b>Internet cafes (Runnymede)</b> -Reviewed concept plan for Runnymede internet to ensure operation is effective and beneficial to the community. <b>Internet cafe (Lenyenye)</b> -no progress registered this quarter as operations have been halted due to lack of power. Monthly and quarterly reports compiled.	Lack of offices and systems to effect full operation.Lack of funds to cover operational costs. Lack of funds to cover Eskom outstanding bill.	Engaged Department of Public Works for assistance with Offices/building.Engaged CBDA and SEFA for infrastructure support. Engaged Telkom mobile to sponsor/takeover the project as part of their CSI/R. Requested GTM to pay for the electricity (awaiting response).

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Enterprise Development	Community Radio Station	MOU signed Resource Mobilisation plan not concluded. Reports submitted to Board	Monitor and evaluate implementation of Sustainability Strategy and Business Operational Plan. Compile monthly and quarterly reports.	Facilitated payment of rent and salaries with funding from GTM. Provided administrative support. Monthly and quarterly reports compiled.	Outstanding rent and salaries. Inactive board for oversight provision.	Engaged GTM council to review funding of the station and appointment of board members for effective corporate governance...
Enterprise Development	Ideas Hub	Concept plan launched Establishment of a blog underway	Report on progress with implementation on a monthly basis	Stage one of the upgrading of the blog process has been concluded/completed. Monthly and quarterly reports compiled.	None	None
Marketing and Investor Targeting	# of jobs created by GTEDA	160	200	54	Target not reached as key projects had disputes and no investments took place.	Political intervention needed to resolve challenges between concerned parties. GTEDA should review projects and identify projects that will drive the mandate to attract investment.

Of the 18 items listed under the objective to increase investment in the GTM economy, the following was the outcome:

- Targets achieved at 100%: 10 (55%)
- Targets partially achieved at 50-99%: 3 (17 %)
- Targets achieved below 50%: 5 (28%)

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

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Economic Growth and Investment	# of committed investors attracted through GTEDA	5	5	1	Didn't meet target due to disputes at key projects.	Requested support from GTM

Of the 1 items listed under the objective to create a stable and enabling environment by attracting suitable investors, the following was the outcome:

- Targets achieved at 100%: 0 (0%)
- Targets partially achieved at 50-99%: 0 (0%)
- Targets achieved below 50%: 1 (100%)

**Objective: Integrated Developmental Planning**

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Integrated development planning	IDP training for Directors & Managers conducted by 30 July	New initiative	30 July	Not done	IDP officer resigned, position could not be filled due to MOU on appointments	Employee seconded to assist in the office until the position can be filled
Integrated development planning	IDP credibility rating	High	High	High	None	n/a
Integrated development planning	IDP strategic session conducted by 30 Oct '14	4-Dec	30 Oct 2014	20 January 2015	IDP officer resigned, position could not be filled due to the MOU on appointments	Employee seconded to assist in the office until the position can be filled
Integrated Development	# of IDP Technical Committee meetings	4	6	5	IDP Officer and MM Positions vacant	Positions still to be filled

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Planning						
Integrated Development Planning	# of IDP steering Committee meetings	4	6	4	IDP Officer and MM Positions vacant	Positions still to be filled
Integrated Development Planning	# of IDP Rep forum meetings	4	5	2	IDP Officer and MM Positions vacant	Positions still to be filled
Integrated Development Planning	Draft IDP approved by Council by 31 March annually	29-Mar	31 March	31 March	None	n/a
Integrated Development Planning	Submission of draft IDP to COGHSTA & PT within 8 days of approval	9 days	8 days	6 days	None	n/a
Integrated Development Planning	Final IDP approved by Council by 31 May annually	27 May 2014.	31-May	28-May	None	n/a
Integrated Development Planning	Final IDP submitted to COGHSTA & Treasury within 10 working days of approval	6 days	10 days	8 days	None	n/a
Integrated Development Planning	Placing of draft IDP on the website within 14 days of approval	New initiative	14 days	Not done	The website was under construction	The website is now functional
Integrated Development Planning	Advertising the Draft and Final IDP in the media for public comments, within 14 days of approval by Council	Draft (13days) & Final (2days)	14 days	13 days	None	n/a
Integrated Development Planning	Placing of final IDP on the website within 14 days of approval	2 days	14 days	11 days	None	n/a
Integrated development planning	IDP, Budget and PMS process plan approved by Council on 30 Aug	30-Aug	30-Aug	2-Oct	Approval delayed during the cluster process	Cluster meetings to take place as scheduled

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Integrated development planning	IDP Strategic Planning Workshop	Conducted on 23-25 January 2013.	Conduct IDP strategic session by 30 October circulate the draft Strategy phase within 2 weeks of concluding the Strategic session.	IDP Lekgotla conducted on 20 - 22 January	IDP officer resigned, position could not be filled due to the MOU on appointments	Employee seconded to assist in the office until the position can be filled
Integrated Development Planning	Vision 2030 Strategy	The steering Committee was appointed. Two (2) meetings have already been convened to plan the development of Vision 2030.	Adoption of 2030 Strategy by Council	Not done	Development of Vision 2030 (Growth & Development Strategy) requires the PED Director, the position remains vacant	PED position has been advertised
Integrated Development Planning	IDP review	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.	Advertise IDP for public input within 10 working days of approval, consolidate inputs and present to Council by end May. Submit final IDP to COGHSTA within legislated timeframes.	Advertisement was placed within 13 days. Final IDP was submitted to CoGHSTA within 8 days (09/06)	None	n/a
Integrated Development Planning	IDP, Budget & PMS alignment	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	Monitor compliance to the IDP, Budget and PMS process plan and report progress to Council	IDP and Budget are aligned with regard to capital projects but not fully aligned for operational projects	Non adherence to process plan results in insufficient time spent on projects and integration phase. MM & IDP officer positions vacant.	MM & IDP officer positions still to be filled
Neighbourhood Development	Rural Broadband (NDPG)	Project completed as scheduled	New reception tower completed.	Reception tower not yet completed	Previous project manager did not	New consultant appointed from April 2015



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
					report financial information correctly. No funds available for additional tower since the project overspent	
Neighbourhood Development	Maintenance of Parks 994 & 2065 (NDPG)	Parks maintenance is going well and done by NDPG, no challenges.	Maintenance completed	Maintenance came to stand still since April 2015 when ASEDS contract lapsed and the appointment of the new consultants have not yet been appointed	The consultants reported that the Municipality needs to submit a report to Treasury so response can be given weather to go ahead with Parks maintenance.	Parks Division maintained the parks with own personnel
Neighbourhood Development	Maintenance of Rustavi River Park (NDPG)	Parks maintenance is going well and done by NDPG, no challenges.	Maintenance completed	Maintenance came to stand still since April 2015 when ASEDS contract lapsed and the appointment of the new consultants have not yet been appointed	The consultants reported that the Municipality needs to submit a report to Treasury so response can be given weather to go ahead with Parks maintenance.	Parks Division maintained the parks with own personnel
Neighbourhood Development	Indoor sports Centre & outdoor sports facilities(NDPG)	Construction at 23%	Construction of Indoor and outdoor facilities completed	Indoor Sport facility is at 98%. External facility, has a snag list that must be done and is at 95%.	None	n/a
Neighbourhood Development	Nkowankowa Taxi Rank (High point Development Initiative) (NDPG)	Service provider not yet appointed	Monitor the finalisation of the CBD taxi rank upgrade and report progress to Council	Project on hold	Low spending levels resulted in the funds being withheld by National Treasury	MM & CFO communicating with National Treasury
Neighbourhood Development	Nkowankowa Hawkers Facilities (High point Development Initiative) (NDPG) (Section C)	Service provider not yet appointed	Monitor the finalisation of the Hawkers facility upgrade and report progress to Council	The allocation for NDPG is on hold by National Treasury	Low spending levels resulted in the funds being withheld by National Treasury	MM & CFO communicating with National Treasury

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Neighbourhood Development	Nkowankowa C Ring Road (NDPG)	Project on practical completion	Monitor the construction of the Nkowankowa C Ringroad and report progress to Council	Nkowankowa C Ring Road Completed	None	n/a
Land Acquisition	Acquisition of land at Politsi (residential)	R6 Million has been paid as a deposit towards the purchase of the land.	Report progress on the Housing Development Agency (HDA) feasibility study.	The Housing Development Agency conducted a pre-feasibility study on the state of readiness of the farm for development. The project is enrolled in the Provincial Project pipeline for planning.	None	n/a
Land Acquisition	Transfer of state land to GTM (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.	Appointment of consultant for feasibility study. Appointment of the Conveyancer	The Service Provider was appointed to conduct feasibility study, and the conveyancer was appointed to do the draft survey report and submit the locality map, valuation report. All reports were submitted to Department of Rural Development for further considerations.	None	n/a
Integrated Development Planning	Spatial Development Framework review	Specifications submitted to Supply Chain Unit to conclude in 2014/15	Public participation on SDF and Rural Development Strategy finalised. SDF & Rural Development strategy adopted by Council	Service provider not yet appointed	Bid was re-advertised due to the incorrect point of allocation by Supply Chain Unit	Town Planner assisted in writing of new adverts to ensure correct publication

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Integrated Development Planning	Socio - Economic survey	Report presented only to LED for comments and inputs on 10 April 2014. Not yet submitted to Council	Monitor the roll-out of the Socio-Economic Survey as per the Council Resolution. Report progress	Roll-out in Ward 1 finalized. There is now an Exco Item circulating to report back to Council on the roll-out in Ward 1 and the next roll-out to take place in Ward 2 and 3.	None	n/a
Integrated Spatial Development	Policy for Development of Rural nodes approved by 30 June	Not done	30-Jun	<b>Not done</b>	Dependent on SDF review, not yet revised due to delays in appointment of a service provider	Will be done as part of the Review of the SDF which is currently being advertised
Integrated Spatial development	Land identification for social housing	New initiative	Integration and engagement of COGHSTA and HDA	CoGHSTA and HDA were engaged, they are only considering purchasing Portion 9 and 39 of the Farm Hamawasha 557-LT (Brickyard) and transfer of Portion 37 Hamawasha 557-LT. Rural Development and Land Reform were engaged with the transfer of Dusseldorp negotiations are at an advanced stage.	None	n/a

Of the 31 items listed under the objective Integrated Developmental Planning, the following was the outcome:

- Targets achieved at 100%: 13 (42 %)
- Targets partially achieved at 50-99%: 9 (29 %)
- Targets achieved below 50%: 9 (29 %)

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

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Employee Performance Management	# of formal employee performance reviews for Sect 57	1	2	0	MM position vacant, Audit Committee not functional	MM interviews has been conducted and Audit Committee appointed on 28 May
Employee Performance Management	# of critical posts with signed performance agreements (MM, CFO, Engineer, Town Planner, CORP, Communications)	4	6	4	PED position vacant, Communications Manager position vacant	Positions have been advertised
Employee Performance Management	# Section 56/57 Managers with signed Performance Agreements/ within legislated timeframes	6	7	6	PED position vacant	PED position advertised
Employee Performance Management	Nr of Signed Performance Agreements by 30 July (GTEDA)	9	9	9	None	N/a
Employee Performance Management	Nr of performance assessments concluded for GTEDA employees	4	4	4	None	N/a
Employee Performance Management	Employee Performance Evaluation	No assessments conducted	Conduct audit on 2014/15 Mid-year individual performance report and submit report to MM & audit committee within 2 weeks	Audit report not available	Council decided that the performance evaluations for Managers be suspended until such time that the salary disparity matter has been resolved. Assessments for Directors did not take place	Item approved by Council, suspending evaluations for Managers. Item prepared for Council approval on the Assessment of the Directors
Employee Performance Management	Performance monitoring & evaluation	Performance Evaluations did not take place	Ensure that an informal evaluation of 1 <sup>st</sup> & 3 <sup>rd</sup> Quarter Performance of relevant employees in the Office of the MM is	Performance Evaluations did not take place	Council decided that the performance evaluations for Managers be suspended until such time that the salary disparity	Item approved by Council, suspending evaluations for Managers

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
			conducted and a report drafted by end April		matter has been resolved	

Of the 7 items listed under the objective to Integrate Developmental Planning, the following was the outcome:

- Targets achieved at 100%: 2 (28.5%)
- Targets partially achieved at 50-99%: 2 (28.5%)
- Targets achieved below 50%: 3 (43%)

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

- GTEDA initiatives have not yielded any major investments into the municipal area, as intended with the establishment of the Agency
- GTEDA initiatives are not creating a significant number of jobs
- Slow spending on NDPG projects led to funds being withheld from National Treasury. Projects are on hold
- Inability to appoint a service provider to review the SDF (SDF is a strategic document that should inform all development in the area and is a key component of the IDP).
- Drafting of the IDP has become a mere compliance exercise as is evident from the poor community consultation and the non-adherence to the process plan
- Performance Evaluations for Directors and Managers not taking place

### 3.2 KPA 2: 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: Improve access to sustainable and affordable services

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Free Basic Services	R-value of Free Basic Electricity to Households	R 3,500,000	R 3,500,000	R 2,849,536	Less people are collecting FBE from Eskom which is worrying as this may point to a bridging of their electricity connection	Eskom should investigate connection points
Free Basic Services	% of households earning less than R1100 (R2520) served with free basic electricity (total registered as indigents)	100% (27352)	100% (27000)	100% (31129)	None	n/a
Free Basic Services	% households earning less than R1100 (R2520) with access to free basic waste removal (total registered as indigents)	13%	15%	3%	Information only available for 5 formal towns. Rural households do not receive bills	Target to be adjusted to only include those households that are billed
Free Basic Services	Total number of registered indigent households who received free basic water and sanitation (5 formal towns)	2654	2654	2733	None	n/a
Licensing Services	# of complaints received regarding licensing and testing services	New Indicator	0	0	None	n/a
Traffic Services	Traffic fine collection rate [(Rand value received for fines/ R value of fines issued as (%))]	70%	70%	40%	Offenders only reacts to roadblocks. Delay in issuing of Section 54	Intensify road blocks aimed at recovering outstanding fines

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
					Notices by the court	
Traffic Services	# of planned road blocks with SAPS	0	4	5	None	n/a
Traffic Services	Traffic Law Enforcement	Areas covered are Tzaneen, Letsitele, Naphuno, Nkowankowa, Georges Valley and Magoebaskloof roads. Roadblocks, Scholar patrol duties joint with Province	Ensure that Traffic Law Enforcement is implemented in 5 formal towns in the GTM area as per the programme. Report on output of road safety interventions to Council on a monthly basis	Patrols, speed checks, foot patrols, escort and point duties. Programme implemented. 26610 Traffic summons, 14 JOC meeting with SAPS, Scholar patrols at 3 schools, 4 Rural safety meetings	None	n/a
Traffic Services	Traffic Law Enforcement Integrated Operational Plan	New initiative	Draft Traffic Law Enforcement Integrated Operational Plan submitted to Council for approval by 30 May '14	Operational plan developed and approved by Council on 30 May 2014. Roadblocks held as planned	None	n/a
Electricity Infrastructure	% of households with access to electricity	91.5%	94% (102377 of 108926)	93.0%	Physical construction completed project not yet energised	Project expected to be completed during the first quarter of 2015/2016
Electricity Infrastructure Development	Electrification of villages through Eskom	New Initiatives	Monitor the electrification of households in villages and report progress to Council monthly	Seven Projects completed and energized. One project still at construction phase.	Late implementation of Electrification projects of Thako/ Kgwekgwa/ Moleketla	Project rolled over to 2015/16 projects
Electricity Infrastructure Development	Electrification of Runnymede/ Pjapjamelala/ Masekwane ext	New Initiative	Project completed 135 units energised	Physical Construction for electrification project of Runnymede completed (95%). PCS file captured. ENS Updated and	Marula tree under the infrastructure	Applied for permit from relevant authority to remove Marula tree under the infrastructure

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
				submitted to ESKOM for approval. Final inspection done busy with snag list.		
Electricity Infrastructure Development	Electrification of Mohlaba Cross Phase 2	New Initiative	Project completed 400 units energised	Physical Construction for electrification project of Mohlaba Cross phase 2 completed (95%). PCS file captured. ENS Updated and submitted to ESKOM for approval. Awaiting closing span and energization.	Additional 26 households	Busy with construction of additional 26 units.
Electricity Infrastructure Development	Installation of new streetlights (12)	New Initiative	Installation concluded.	Streetlights Partly installed 33 Poles, R176 900 spent	Appointment of contractor was never finalised by SCMU. Used the line building contractor to plant the poles against his approved contract. All material was procured and GTM will complete project self.	E-mail on progress of appointing the contractor was forward to SCMU
Building Control	# of contravention notices issued to decrease non-compliance to building regulations	50	80	53	Only 53 notices issued as compared to the 80 projected and therefore it decreased by 27	Conducting of awareness campaigns
Integrated Human Settlements	Integrated Human Settlement Plan approved by 30 June	Not done	30-Jun	Not revised	The current plan lapse in 2016 and will only be subject for review in 2016.	The current plan is subject to review in 2016 after the inception of the new Council for the next five year Council term of



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
						Office.
Integrated Human Settlements	Hectares of land acquired for development	New Initiative	6ha	6 hectares	None	n/a
Public Toilets	Public toilet-block at Letsitele Sanlam Taxi rank	New Initiative	Construction of public toilet completed	The project is under construction and is done internally by own staff due to budget constraints and the progress is at 95% complete	Budget costing was not done correctly, capital allocation was insufficient	IDP project teams must be put in place during 15/16 to ensure accurate costing
Public Toilets	Public toilet-block at Tzaneen Jhb Taxi Rank	New Initiative	Construction of public toilet completed	Some material has been procured but the project is not completed due to budget constraints	Capital budget allocation was insufficient and reduced with the adjustment budget maintenance budget was utilised to start the project	IDP project teams must be put in place during 15/16 to ensure accurate costing
Public Toilets	Public toilet-block at Tzaneen Sanlam Taxi rank	New Initiative	Construction of public toilet completed	Project not implemented due to budget constraints	The owners of the Mall is currently extending the mall and the whole taxi rank. The increased need will render the allocated funds insufficient.	The project will be re-planned for the 16/17 IDP
Roads and Storm water Infrastructure Development	Km of roads tarred	15km	11	17.5 km	None	n/a
Roads and Storm water Infrastructure	Haenertsburg DoC entrance road	New initiative	Stabilisation and re-gravelling of access road to the Drop Off	Tender closed on 10 June 2015 waiting for evaluation	Capital budget allocation was adjusted to accommodate the	Budget allocation was confirmed only with the Adjustment Budget

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Development			Centre at Haenertsburg by December		Sasekani Road	
Roads and Storm water Infrastructure Development	Nkowankowa DoC entrance road	New initiative	Stabilisation and re-gravelling of access road to the Drop Off Centre at Nkowankowa by December	Tender closed on 10 June 2015 waiting for evaluation	Capital budget allocation was adjusted to accommodate the Sasekani Road	Budget allocation was confirmed only with the Adjustment Budget
Roads and Storm water Infrastructure Development	Agatha Cemetery low level bridge	New initiative	Advertisement for and appointment of Contractor	Advertisement not yet done	Consultant still to finalise the designs	ESD still to communicated with the Consultant to finalise the designs
Roads and Storm water Infrastructure Development	Mopye low level bridge	Project is 70% completed contractor is busy with back filling of the road	Roll-over from 13/14, Bridge to be completed	Mopye low level bridge completed	None	n/a
Roads and Storm water Infrastructure Development	Mokonyane low level bridge	Designs completed Environmental Impact Assessment consultant is busy with EIA processes	Construction	Tender advertised	Project delayed by the EIA process	ESD communicated with the EIA consultant
Roads and Storm water Infrastructure Development	Moruji to Matswi, Kheshokolwe Tar Road	New initiative	Construction commenced	Design and tender documents completed.	Awaiting approval by MIG to proceed with project delayed the project	Contractor will be appointed before the end of July 2015.
Roads and Storm water Infrastructure Development	Pedestrian Bridge at Marumofase	New initiative	Pedestrian bridge completed	Designs not yet approved.	Delay by the Consultant to produce the final designs.	Consultant was requested to amend the design based on the available budget
Roads and Storm water Infrastructure Development	Rikhotso low level bridge	Designs completed Environmental Impact Assessment consultant is busy with EIA processes	Construction	Tender advertised	Project delayed by the EIA process	ESD communicated with the EIA consultant

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Roads and Storm water Infrastructure Development	Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road	New initiative	Construction commenced	Design and tender documents completed.	Project delayed by permission from MIG to tar a RAL road	ESD communicated with all the stakeholders involved and also engaged the Speaker to intervene with COGHSTA for approval and SCM to speed up the process of appointing the contractor
Roads and Storm water Infrastructure Development	Thapane to Moruji Tar	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)	Road completed, 11km	Road complete.	None	n/a
Roads and Storm water Infrastructure Development	Senakwe to Morapalala	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)	Construction, physical progress at 90%	Road on practical completion.	None	n/a
Roads and Storm water Infrastructure Development	Sasekani to Nkowankowa	The contractor is busy tipping for the base layer. (81% Physical Progress)	Construction commenced, physical progress at 86%	New contractor on site and progressing well. 4.5km of the road has been primed. (Physical progress is	Project was under litigation	New contractor was appointed in March '15

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
				at 45% of the new scope of work)		
Roads and Storm water Infrastructure Development	Ramotshinyadi to Mokgwathi Tar Road	12.5km Road completed	Project completed in 13/14 minor expense occurred in July '15	Ramotshinyadi to Mokgwathi Tar Road completed	None	n/a
Roads and Storm water Infrastructure Development	Claude Wheatley Road (Taxi rank canopies)	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)	Installation of Taxi rank canopies completed	Installation of Taxi Rank Canopies completed.	None	n/a
Roads and Storm water Infrastructure Development	Lenyenye cemetery road	Parking, road inside the cemetery gravelling of critical section, installation of stormwater pipes and stone pitching have been done	Road rehabilitation completed	Road rehabilitation completed	None	n/a
Roads and Storm water Infrastructure Development	Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	New initiative	Construction commenced	Design and tender documents completed. Contractor not yet appointed	Late approval by sector department and delays in the appointment of contractor by SCM.	ESD communicated with all the stakeholders involved and also engaged the Speaker to intervene with COGHSTA for approval and SCM to speed up the process of appointing the contractor
Sport and recreation facilities	Tzaneen swimming pool upgrade and refurbishment	Tender closed on 23 May 2014. Bid Evaluation Committee still busy with the	Swimming pool construction completed.	Project is on 98% physical progress	Late appointment of contractor	SCM process challenges to be resolved by MM

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
		report.				
Sport and recreation facilities	Runnymede Sports Complex	New Initiative	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	The project was moved forward after the delay of approval of the three roads for MIG spending and will be implemented in the next financial years	The project will not be implemented in the 14/15 financial year. Planning was done only.
Sport and recreation facilities	Upgrading of Julesburg Sports Ground	New Initiative	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	The project was moved forward after the delay of approval of the three roads for MIG spending and will be implemented in the next financial years	The project will not be implemented in the 14/15 financial year. Planning was done only.
Sport and recreation facilities	Upgrading Burgersdorp Sports Ground	New Initiative	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	The project was moved forward after the delay of approval of the three roads for MIG spending and will be implemented in the next financial years	The project will not be implemented in the 14/15 financial year. Planning was done only.
Sport and recreation facilities	Upgrading of Nkowankowa Stadium	New Initiative	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	The project was moved forward after the delay of approval of the three roads for MIG spending and will be implemented in the next financial years	The project will not be implemented in the 14/15 financial year. Planning was done only.
Water and sanitation services	Number of water systems with Blue Drop Certification	2	3	2	Nkowankowa & Lenyenye water works still operated by MDM	Target to be revised during 15/16

Of the 43 items listed under the objective to improve access to sustainable and affordable services, the following was the outcome:

- Targets achieved at 100%: 20 (46.5%)
- Targets partially achieved at 50-99%: 10 (23.2%)
- Targets achieved below 50%: 13 (30.2%)

**Objective: Optimise infrastructure investment and services**

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Asset Management	Fair value of investment property determined by 31 Aug	New initiative	31-Aug	31-Aug	None	n/a
Asset Management	R-value spent on fleet maintenance as % of asset value	0,6%	6%	12%	None	n/a
Asset Management	R-value spent on maintenance of municipal buildings as % of asset value	0,2%	2%	1%	Budget limitations	Budget on maintenance of infrastructure to be reconsidered
Asset Management	R-value spent on maintenance of roads infrastructure as % of asset value	0,67%	4.5%	3%	Budget limitations	Budget on maintenance of infrastructure to be reconsidered
Asset Management	R-value spent on maintenance of electricity infrastructure as % of asset value	1.9%	2.8%	1.3%	Budget limitations	Proportion of the budget set aside for maintenance of infrastructure should increase
Cost Recovery	% Electricity loss (Kwh)	20.39%	17%	18%	High administrative losses	Meter audit on large power users requested, was not approved for funding in 15/16. CFO agreed to conduct a desktop study
Electricity network upgrade and	R-value electricity maintenance	R 35,743,645	R 39,374,313	R 43,227,293	Labour costs to the value of R32,430,151 included in	Targets should be revised to exclude labour

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
maintenance					Expenditure	
Electricity network upgrade and maintenance	Km of overhead lines rebuilt	0	12	18	None	n/a
Electricity network upgrade and maintenance	11kv Cable from Church substation via old SAR to Power station	SCMU Process to appoint Contractor	Appointment of Service Provider and 90% of budget spent	Service Provider appointed. Site handover done. Contractor claim for material on site, 2 950 374.49 (98%) spent	None	n/a
Electricity network upgrade and maintenance	Substation tripping batteries	New initiative	Installation of battery banks completed by 30 March	Tripping batteries purchased and installed at Tarentaalrand T-Off.	None	n/a
Electricity network upgrade and maintenance	Replacement of airconditioners in Municipal Buildings	BEC evaluation was done, recommendation were done, Contractor only appointed in June	Installation of airconditioners completed	Airconditioners were replaced	None	n/a
Electricity network upgrade and maintenance	Master Plan Review (Electricity)	Not done due to budget constraints	Appointment of Service Provider	Service provider not yet appointed	Delay in the procurement process	Advertisement was done in July '15
Electricity network upgrade and maintenance	Miniature substations (NERSA Audit)	New initiative	Replacing of mini-substations completed	Replacing of 2 mini-substations completed	None	n/a
Electricity network upgrade and maintenance	Provision of Capital Tools (Urban)	No funds for 13/14	Procurement of capital tools as and when required	Procurement of capital tools as and when required, this capital combined with Rural, 6 Links Sticks, Drills, 8	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
				Ladders,4 Radios, 2 digital clamp meters, 3 crimping tools, 3 magnetic GTM signs and 1 ACER laptop was procured		
Electricity network upgrade and maintenance	Rebuilding of Lines-Eureka - De neck (6 km)	BEC evaluation was done recommendation were done waiting for appointment of service provider	Instruction to contractor and implementation. 6 km completed	Rebuilding of 6 km line Eureka - De Neck completed.	None	n/a
Electricity network upgrade and maintenance	Rebuilding of Lines-Mapietskop - Mtzelaar (6km)	New initiative	Instruction to contractor and implementation	Rebuilding of 6 km line Mapietskom - Mtzelaar completed	None	n/a
Electricity network upgrade and maintenance	Rebuilding of Lines-Politsi valley - Dap Naude (5 km)	New initiative	Instruction to contractor and implementation. 5 km completed	Rebuilding of 6 km line Politsi Valley - Dap Naude completed	None	n/a
Electricity network upgrade and maintenance	Renewal, Repairs and Maintenance on pre-paid meters (Tzaneen, Letsitele & Politsi)	Replacing old technology, 96 Connections completed. 37 Data Concentrators to be installed in 14/15 financial year	Install 20 Data Concentrators to enable new areas for prepaid conversions.	20 Data Concentrators and 100 Din rail meters delivered. Vending unit replace at finance. Upgrading of infrastructure at Tarrentaalrand. Replacing of old technology meters on hold due to personnel shortage.	Procurement of SIM cards for data concentrators delayed by service providers	Engaging HR to address personnel shortage
Electricity network	Service Contribution	Funds to be rolled over to 14/15 financial	Ensure that service contribution funds	No projects Identified, funds used for new	Income used for new connections only	Spreadsheet to monitor the income on service contributions



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
upgrade and maintenance		year for the Capacity Project	received are allocated to projects.	connections		to be expanded to reflect projects allocated to
Fleet management	Speakers vehicle	Service provider not yet appointed	Roll-over project from 13/14. Vehicle delivery completed.	Vehicle purchased	None	n/a
Infrastructure Planning	Infrastructure Development 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	Monitor the drafting of the Infrastructure Development plans (Water, Sewer, Roads, Parks & Cemetery master plans)	Budget provision made for Electricity master plan for 15/16. Parks & Cemetery plans still to be finalised. Roads Master plan supposed to be developed by MISA but progress is very slow.	Financial constraints	Budget provision to be made for Roads Master plan in 16/17 Budget
Infrastructure Planning	5 Year Capital Investment framework	5-Year Capital Investment framework was approved with the Final IDP	5-Year Capital Investment framework approved with the Final IDP.	5-Year Capital Investment framework was approved with the Final IDP on 28 May '15.	None	n/a
Maintenance and upgrading of municipal buildings	Building Access Control system	Access Control at the Stores and MPAC offices is not yet operational	Ensure that access control to Civic Centre is managed. Report progress on a monthly basis	Access control to the civic center is managed and controlled through visitor's attendance register and visitor's access card. And the finger print system is implemented to maintain access control for Municipal officials	None	n/a
Maintenance and upgrading of municipal buildings	Replacement of roof in the civic Centre in Tzaneen	New initiative	Construction of roof at the civic Centre	Project not completed	Project not completed due to delays in the appointment of	SCMU to speed up processes of appointing service providers. The project was advertised for the second time without

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
					service provider	appointment. ESD requested a deviation in January 2015 which was approved and the contractor was appointed at the end of June 2015
Maintenance of municipal assets	Upgrading of Lenyenye Stadium (phase 2)	Tender closed on 23 May 2014. Bid Evaluation Committee finished its report and now waiting for Bid Adjudication Committee	Stadium upgrade completed by 30 March	The project is on 60% physical progress	There was a delay due to the late appointment of the contractor and also community unrest wanting the scope of works to be changed.	There have been council intervention with regard to the scope of works and the contractor has given a notice of intention to claim additional time.
Roads & Storm water upgrading and maintenance	R-value spent on road and storm water maintenance	R13 13 281 069	R 15,792,074	R 20,381,042	Total budget R22,792,074 since an additional R7 was requested with adjustment due to high demand for road maintenance. Target not adjusted in SDBIP	Adjustments to operational budget must in future be reflected in Adjusted SDBIP
Roads & Storm water maintenance and upgrade	Purchase generators	New initiative	Procurement of generator completed by March	Specifications are finalized, not yet procured	Deviation requested from the CFO to procure diesel bowser, approval and sourcing of quotations delayed procurement	Roll-over will be requested
Roads & Storm water maintenance and upgrade	Purchase welding machines	New initiative	Welding machines procured by December	Specifications are finalized, not yet procured	Deviation requested from the CFO to procure chain saw and pruners, approval and	Roll-over will be requested

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
					sourcing of quotations delayed procurement	
Roads & Storm water maintenance and upgrade	Roads masterplan Development	Waiting for MISA to appoint project service provider	Liaise with MISA on the drafting of a Road Master Plan. Report Progress	Roads master plan not yet started by MISA	Waiting for budget allocation by MSA	Continuous communication between ESD & MISA
Water and Sewer maintenance and upgrade	% reduction in distribution losses (water)(Tzaneen, Haenertsburg & Letsitele)	10%	2%	Not available	Water Division does not have a system in place to determine the water losses	MDM to be requested to assist with putting system in place to monitor water loss
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	Samples for SANS 241:2011 have been collected in Tzaneen, Haenertsburg, Letsitele and Nkowankowa and they comply with BDC. Not yet implementing water safety plans and policies for Nkowankowa and Lenyenye to secure BDC.	Nkowankowa & Lenyenye systems still to be handed over by MDM	MDM to complete the Nkowankowa and Lenyenye water works
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 activities to ensure adherence to SANS 241:2011	Plans have been established and are used to monitor Tzaneen Waste water influent and effluent as per SANS 241:2011	None	n/a
Water and	Water & Sewer master plan	New initiative	Liaise with MDM &	MDM assisted by MISA	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Sewer maintenance and upgrade			MISA on the drafting of a Water and Sewer Master plan, report progress	is in the process of finalising the plan		
Water and Sewer maintenance and upgrade	Water Service Authority	Council had resolved that GTM's PMT will meet with Mopani District Municipality Mayoral Committee.	Follow-up with COGSTA on progress with GTM Service Authority Status recommendation and report progress	The matter is being handled by PMT	None	n/a

Of the 34 items listed under the objective to optimise infrastructure investment and services, the following was the outcome:

- Targets achieved at 100%: 17 (50%)
- Targets partially achieved at 50-99%: 6 (17.6%)
- Targets achieved below 50%: 11 (32.4%)

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

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Disaster management	# of disaster awareness campaigns conducted (schools)	0	15	15	None	n/a
Disaster management	Annual Disaster Management report submitted to MDM	8 Oct '13	10-Aug	3-Sep	Delay in Council approval	Report to be finalised earlier during 15/16
Disaster management	Annual Disaster Management report submitted to Council within legislated timeframes	6 Aug '13	31-Jul	28-Aug	Scheduling of Council sitting was the delayed	Follow-ups made with Committee Clerks
Disaster	% disaster incidences	100%	100%	100%	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
management	responded to (relieved) within 72-hours					
Disaster management	# of Event Disaster Risk and Contingency Plans developed for stakeholders	3	12	12	None	n/a
Disaster management	Integrated Corporate Disaster Management and Emergency Planning	New initiative	Integrated Corporate Disaster Management Plan approved by Council by 30 June	It was approved by management on the 20th May 2015	None	None
Disaster management	Disaster response and recovery	New initiative	Train departments on the implementation of the Response and recovery plan	Departments not yet trained in the implementation of the Response & Recovery plan	Capacity constraints in the Disaster office	Training to be re-scheduled for 15/16
Disaster management	Disaster Risk assessment	Risk assessment report not submitted to Council	Consolidated risk assessment report finalised and submit to Council for approval by 30 May	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
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for youth	116	516	504	Delays of projects starting dates and resignations	Implementation of forward planning
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for women	39	710	422	Delays of projects starting dates and resignations	Implementation of forward planning
Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for disabled persons	2	26	8	Delays of projects starting dates and resignations	Implementation of forward planning
Special Programmes	Special Programmes Management	Youth Council plenary was held on 10/04/2014 at Lenyenye community Hall. -Disability Council	Ensure that GTM coordinates Calendar days for special programmes and are mainstreamed	The Annual Youth Assembly was held on 09 April 2015 in Tzaneen travel Lodge *The Youth Month was commemorated	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
		<p>was launched on 11 April 2014 at Tzaneen Travel Lodge.</p> <p>-Youth month celebrations were held locally at Runnymede Thusong Centre and provincially at Modimole.</p> <p>- 365 Days on no violence against women and children was held at Relela Community Hall.</p>		<p>on 11 June in Nkowanowa hall where the Deputy Minister of Defense &amp; Military Veterans graced the occasion, the Provincial celebration was done on 16 June in University of Venda and the local youth month celebrations was held on the 19th of June at Tzaneen showground.</p> <p>*The Annual Disability Council was held on the 29th of June 2015 at Hotel@Tzaneen.</p>		
Environmental Health management	# of contravention notices issued to improve level compliance to Environmental Management legislation (5 formal towns)	New Indicator	75	99	None	n/a
Environmental Health management	% compliance to the environmental legislation checklist	76%	80%	81%	None	n/a
Environmental Health management	% of water samples that comply with SANS 0241	79%	80%	83.4%	None	n/a
Environmental management	Environmental Health Services	Informal sector: preparation of	Ensure that Environmental Health law enforcement is	268 Informal food handling premises	More applications for certificate of	N/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
		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.	implemented in urban areas.	were inspected, processed 55 permit renewals. 134 formal food handling premises inspected, 43 notices issued with follow up inspections; 34 Applications received and processed for Certificates of Acceptability. 33 Industrial premises were inspected and 10 contravention notices were issued and follow up inspections conducted. 2 Certificates of Competence were issued to funeral undertakers.	Acceptability due to demand from service providers of the School Nutrition programme.	
Environmental management	Hawkers esplanades in rural areas	New initiative	Hawkers esplanades completed	Project not implemented due to insufficient budget allocation	User Department not involved ESD during the budget processes to advise on the actual budget require	IDP project teams must be put in place during 15/16 to ensure accurate costing
Library Services	Library management	95800 Library users; 75347 Library items circulated; 513 project themes assisted with; 113	Ensure that Libraries are well managed. Report on the number of books circulating and number of users	108284 users (Target 94,500) 64631 Books circulated (Target 80,000)	Two new libraries (Shiluvane and Mulati) are not yet configured by the DSAC to issue books. Free internet	Requests for more up to date books from the DSAC.

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
		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;			at 4 of the GTM libraries is replacing the use of books for information. Many readers are now using e-books and Kindles instead of borrowing books.	
Parks and Open space Management	m <sup>2</sup> of Parks and open spaces maintained	2,006,647	2,006,647	5,713,166	None	n/a
Maintenance and upgrade of parks and open spaces	Parks & open space policy development	Policies not yet submitted to Council	Ensure that Parks, Cemeteries and Open spaces are maintained in accordance to the approved Policy and maintenance plan. Report on progress with implementation	Parks Management Policy not yet approved by Council 5,713,166m <sup>2</sup> square meters of parks and open spaces maintained	Comments not received from stakeholders	Draft Policy will be discussed at Management meeting
Sport and recreation	Construction of a new community hall at Relela Cluster	New initiative	Design and tender documents completed. Contractor appointed.	Design complete and draft tender document awaiting Bid Specification Committee approval. Contractor not yet appointed	Delays in getting community approval for the designs	Meeting conducted with the local community
Waste Management	R-value spent on waste management (collection & transportation, street cleansing, public toilets)	R 54,079,624	R 54,000,000	R 52,334,053	Delays in the procurement of Protective Clothing	Supply Chain Unit to improve turnaround time
Waste Management	# of service areas (rural waste) serviced (EPWP)	7	7	7	None	n/a
Waste	% Households with access to	11%	10%	8%	Census 2011 results	Budget allocation for rural waste



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Management	basic level of solid waste management services				indicated a higher number of households in municipal area	minimisation needs to increase
Waste management	Bulk Container at Tzaneen Sanlam Taxi rank	New project	Procurement of bulk container	Bulk container not yet procured	Engineering Services to include in the bid for the extension of the public toilets, ESD did however not proceed with the bid as negotiations are underway with developer to include the public toilet in the planned extensions	Department sent continuous e-mail reminders to Engineering Services
Waste management	Bulk-recycling bins	New project	Procurement of bulk container	Bulk container not yet received.	Project delayed due the reduced budget (adjusted in January), the BAC recommended a re-advertisement as a Formal Written Quotation	A Service Provider was appointed based on a Formal Written Quotation on 19 June
Waste management	Kerbside Removals: Purchasing Bulk-bins	New project	Procurement of bulk container	Bulk container not yet received.	Project delayed due the reduced budget (adjusted in January), the BAC New project recommended a re-advertisement as a Formal Written Quotation	A Service Provider was appointed based on a Formal Written Quotation on 19 June
Waste management	Purchase 1 x High Pressure Cleaner	New project	Procurement of a high pressure cleaner	High Pressure cleaner was successfully procured	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Waste management	Purchase of 1 x Log-splitter	New project	Procurement of bulk container	Service provider not yet appointed	Not bids were received upon the closing of the advertisement.	A sole supplier has been identified, but the budget provision is insufficient
Waste management	Purchase of 2 x Chain- saws	New project	Procurement of bulk container	The chainsaw was successfully procured	None	n/a

Of the 30 items listed under the objective to enhance environmentally sound practices and social development, the following was the outcome:

- Targets achieved at 100%: 14 (46.7%)
- Targets partially achieved at 50-99%: 8 (26.7%)
- Targets achieved below 50%: 8 (26.7%)

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

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Capacity building and Training	# of employees successfully trained	172	200	105	Financial constraints, funds directed to MFMP training	Requested the adjustment of the budget to be in line with the plan.
Capacity building and Training	Work place skills plan submitted to LGSETA by 30 Apr	30-Jun	30-Apr	30-Apr	None	n/a
Capacity building and Training	# of officials successfully completed minimum competency levels	21 Officials	23	1	Most of the training budget was spent on MFMA training for Budget and Treasury Officials (Finance) the	Council must budget at least 1% of the total payroll for training and development of employees.

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
					training has been concluded we are waiting for results from North West University	
Capacity building and Training	% municipal budget for implementing Workplace Skills Plan	0.17%	1%	"0.06%	Financial Constraints	Training budget for 15/16 was increased with R500 000
Capacity building and Training	Workplace Skills Plan	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.	Finalise the Workplace Skills Plan and implement. Submit to LG Seta by 30 June 2013. Develop a training implementation plan by 30 June 2014. Implement approved Work Place Skills plan. 100% Expenditure Submission of ATR by 30 June '14	Complied with the Skills Development Act by submitting the WSP & ATR to the LGSETA on time as per legislation on 30 April 2015.	None	N/a

Of the 6 items listed under the objective to develop and build skilled and knowledgeable workforce, the following was the outcome:

- Targets achieved at 100%: 3 (50%)
- Targets partially achieved at 50-99%: 0 (38%)
- Targets achieved below 50%: 3 (50%)

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

- Inability to complete capital projects within the planned financial year resulting in continuous roll-overs and major adjustments to the Capital Budget

- b) Poor planning resulting in projects being delayed at the implementation stage due to insufficient budget provision or “unexpected” approval requirements (e.g. 3 MIG projects which required approval from RAL)
- c) Disaster Risk Assessment report not submitted to Council and internal Departments not capacitated in terms of the implementation of the Response & Recovery plan.
- d) Delays in the supply chain process continue to hamper the implementation of projects
- e) Training budget for the past 3 financial years used to capacitate Directors and Managers (MFMP training only a requirement for MM & Directors) leaving little funds available to ensure that technical training is done as required for service delivery departments or to capacitate other employees

### 3.3 KPA 3: GOOD GOVERNANCE

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 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Communication	# of media briefings arranged	2	4	10	None	n/a
Communication	# of newsletters produced	0	4	2	No newsletter produced for the past 2 quarters due to Budget constraints	
Communication	# of statutory provisions (website) complied with as contained in Section 75 (a-l) of MFMA within 5 days of approval	12	12	12	Although all provisions were met by yearend the website was not functional for a long period of time	SITA was requested to assist and the new website was online again during May
Communication	Communication strategy	Communication strategy approved by Council on the 05th	Submit revised Communication policy and strategy to Council for approval by 31 May.	Communication strategy not reviewed	Awaited the District communication strategy to be approved for alignment purposes.	Strategy will be circulated for comments to Management during August

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
		November 2013, Resolution no: A53	Ensure that all Official communication activities are in line with the approved strategy			'15
Public Participation	# of Mayoral (local) imbizos held	0	10	4	Other Political engagements inhibited the implementation of the programme	A new programme has been developed with a commitment from a political management.
Ward Committees	# of monthly ward committee meetings	408	408	408	None	n/a
Ward Committees	# Fully functional ward committees	34	34	34	None	n/a
Ward Committees	# of Quarterly Summarised Ward Committee reports circulated to Directors	0	4	0	Delays of submissions of minutes by Ward Secretaries	Ward Committee Training Summit (12 - 13/06/2015) Resolved that we must ensure that reports are submitted by the 25th of every month.
Public Participation	Public Participation management	Not done	Monitor implementation of the Integrated Public Participation Programme	Integrated Public Participation Programme not developed, 31 Wards however managed to hold their IDP /PMS and Budget Public Hearings	None	Public Participation Programme to be approved by Council by 30 Sept '15
Ward Committees	Ward Committees Functionality	408 Ward Committee meetings and 136 Community Feedback meetings were held.	Monitor support given to ward committees ensure that monthly reports are submitted and service delivery issues directed to the relevant department	Monthly reports are submitted to Council only. Issues on service delivery are not relegated properly to service delivery departments.	Consolidated reports not drafted	Ward Committee Training Summit (12 - 13/06/2015) Resolved that we must ensure that reports are submitted on a quarterly basis.

Of the 10 items listed under the objective to improved stakeholder satisfaction, the following was the outcome:

- Targets achieved at 100%: 3 (30 %)
- Targets partially achieved at 50-99%: 4 (40 %)
- Targets achieved below 50%: 3 (30 %)

### Objective: Increase Financial Viability

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Asset Management	Annual Asset verification report concluded by 30 June	30-June	30-June	30-June	Verifications have been completed, investigations still underway to finalise report	Target was adjusted for 15/16 in PP for CFO as it is impossible to complete the report by 30 June annually
Asset Management	Financial statement Management Working papers submitted to Budget and Treasury by 31 July	New initiative	31-Jul	31-Aug	There were an imbalance between General Ledger and asset register due to other non-assets related transactions and prior year issues	Appointed a service provider to clean the Asset Register
Asset Management	List of disposal of assets compiled by 30 June	19-Mar	30-Jun	Not yet done	Completion of the List of disposal dependent on the finalisation of the AFS	Target to be adjusted for 15/16
Asset Management	% GRAP compliance on Asset Register	New initiative	95%	100%	None	n/a
Asset Management	Assets Management Services	New initiative	Monitor asset management by the service provider and ensure skills transfer. Report monthly. Ensure that 70% of the audit queries raised by the AG are resolved by 30 June.	The Asset Management Division has been working with the service provider to resolve all queries. The opinion on assets moved from a disclaimer for 12/13 to unqualified in 13/14	None	n/a
Budget	% of capital spent on	100%	100%	54%	Capital spent on roll-over	Roll-overs to be contained

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
management	projects as prioritised in IDP for specific year				projects included in the IDP of previous years	by attending to the cash flow situation, delays in procurement & poor project planning
Budget management	% of municipal budget spent	94%	100%	101%	None	N/a
Budget management	% of MM departmental budget spent	85%	100%	80%	MM and IDP Officer positions vacant	Positions have been advertised
Budget management	% of CORP departmental budget spent	113%	100%	92%	None, expenditure within acceptable limits	n/a
Budget management	% of CSD departmental budget spent	101%	100%	90%	Delays in the procurement of protective clothing	Procurement process to be streamlined
Budget management	% of EED departmental budget spent	88%	100%	100%	None	n/a
Budget management	% of ESD departmental budget spent	92%	100%	95%	None, expenditure within acceptable limits	n/a
Budget management	% of PED departmental budget spent	90%	100%	118%	NDPG operational funds withheld by Treasury due to slow spending, expenditure already incurred resulted in the over expenditure on the PED budget	New NDPG project manager appointed
Budget management	% of GTEDA budget spent	95%	100%	100%	None	N/a
Budget management	3 Year Budget approved by 30 April annually (GTEDA)	5-Apr-14	30-Apr	30-Apr	None	N/a
Budget management	% MIG funding spent	77%	100%	56%	Late appointment of contractors by SCM, delays in getting approval from RAL and litigations on 2 MIG projects	Communicated with CoGHSTA/PMU, RAL & AG.
Budget	Draft Budget submitted to	27-Mar	31-Mar	31-Mar	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
management	Council by 31 March					
Budget management	Annual Budget tabled by 31 May annually	27-May	31-May	28-May	None	n/a
Budget management	Annual Adjustment budget approved by Council by 28 Feb	26-Feb	28-Feb	27-Feb	None	n/a
Budget management	Cost coverage	1	1.2	0.6	Outstanding debtors increasing, increases in fixed labour cost, capital projects budgeted from loans funded from own sources, Claude Wheatly Road expenditure more than budgeted amount	R30 million loan has been approved by Standard Bank which will be paid to Council by 30 August to cover the Capital Expenditure.
Budget management	Debt coverage	15.6	17.5	21.01	None	n/a
Budget Management	Budget drafting	New initiative	Monitor adherence to the budget process plan, report progress on a monthly basis and manage deviations.	All deadlines have been met and the Budget was approved and submitted to the relevant Government Department within legislative requirements.	None	n/a
Expenditure Management	% Capital expenditure	43%	100%	54%	Delays in the appointment of service providers, litigation and delays in getting approval for MIG projects	Vacancies on Section 57 level being filled as a matter of urgency
Expenditure Management	% of capital budget for electricity spent	27.19	100%	103%	Overspending on certain projects	Capital budget controlled to contain impact of procurement of materials for multi-year projects
Expenditure	% of ESD capital budget	100%	100%	52%	Late appointment of	Communicated with



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Management	spent				contractors by SCM, delays in getting approval from RAL and litigations on 2 MIG projects	CoGHSTA/PMU, RAL & AG.
Expenditure Management	% creditors paid within 30 days	100%	100%	98%	Eskom not always paid within the required timeframe due to cashflow constraints, other invoices required investigations prior to payment being done	Financial Recovery plan must be developed and implemented
Expenditure Management	% Personnel costs / Operating expenses (excl Salaries of councilors)	New Indicator	35%	35%	None	n/a
Financial reporting	# of Section 71 (MFMA) 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	Timeous submission of annual financial statements to AG and PT & NT	2 Sept '13	31-Aug-14	31-Aug-14	None	n/a
Financial reporting	% of AG queries responded to within 3 working days	91%	100%	60%	100% were submitted within 5 days as agreed with the AG	Audit Action Plan was developed
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	Number of Monthly Financial Reports	12	12	12	None	N/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
	submitted to GTM by the 7th of every month					
Financial reporting	Financial Statements (AFS) submitted to GTM by 15 August	2-Aug-13	15-Aug	31-Aug-14	First time submission of AFS to AGSA.	Skills transfer from GTM through reporting alignment and consolidation process and AGSA.
Financial reporting	Operation Clean Audit	Final Audit findings responded to. Audit Action Plan could not be drafted	Implementation of the Audit Action plan. Put processes in place for audit preparation	Audit action plan drafted and finalized on 1 June 2015. Year-end plan completed on 11 May 2015. Implementation monitored at weekly meetings of the Audit Steering Committee	Audit Action Plan not ready by end March as planned and therefore Audit Steering Committee meetings were only held in May & June	Audit Implementation Plan to be ready on time and Audit Steering Committee to meet regularly throughout the year.
Financial viability	5 Year Financial Plan	5 Year Financial Plan approved with the Final IDP	5 Year Financial Plan approved with the Final IDP by 30 May.	5 Year Financial Plan approved with the Final IDP on 28 May.	None	n/a
Financial Viability	Cash flow management	Cash Flow Statement prepared on a monthly basis	Monitor cash flow (liquidity) and Report monthly	Cash flow statement prepared on a monthly basis.	None	n/a
Financial Viability	Cost recovery	Reports received monthly	Monitor performance of the service provider in line with the SLA.	New service provider appointed in May, no reports yet.	None	n/a
Financial Viability	Financial System improvement	GRAP training attended by five officials	Comprehensive system analysis and official training	2 Employees from the Financial Services and Reporting Division attended GRAP training.	Other commitments hampered attendance	All divisions in finance should send a representative to GRAP training annually
Revenue Management	Strategy for expanding Revenue base	New initiative	Strategy on Expanding GTM revenue base approved	Not yet done	MM position vacant, workload of Acting MM did not allow	Newly appointed PED Director to assist in the process
Revenue Management	# of Households billed	22,804	21,800	22,782	None	n/a
Revenue	Average % Payment rate	95%	92%	92%	None	n/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Management	for municipal area					
Revenue Management	Outstanding service debtors to revenue	37%	45%	38%	None	n/a
Revenue Management	% increase in R-value revenue collection	3%	4%	0%	Payment rate unchanged due to residents in Nkowankowa & Lenyenye not paying accounts	Nkowankowa & Lenyenye residents to pay accounts
Revenue Management	% equitable share received	98%	100%	105%	None	n/a
Revenue Management	# of indigents registered	27,352	27,000	36,427	New applications for 2015/16 added	n/a
Revenue Management	Revenue enhancement Strategy	Monitored the implementation of Revenue enhancement strategy	Monitor implementation of the revenue enhancement strategy	Revised Revenue enhancement strategy not yet completed	Inputs not received from all Directors, vacancies (especially PED) created a problem	Vacancies on Section 57 level have been advertised
Revenue Management	Revenue protection	Monthly reports submitted to Council	Monitor revenue billing system and report to Council	Monthly billing on the 1st of the month, statements to all users	None	n/a
Supply chain management	# of Tenders awarded that deviated from the adjudication committee recommendations	0	0	1	Acting MM appointed as per BEC report	None
Supply chain management	% of Bids awarded within 2 weeks after adjudication committee resolution	100%	100%	20%	MM position vacant, workload of acting MM resulted in a build-up of documentation to be finalised	MM position to be filled, interviews has been conducted.
Supply chain management	Supply Chain Management Training conducted for all Directors & Managers	New initiative	Not applicable this quarter	Not done	Failure to source relevant service provider for Bid Committees	Service provider appointed awaiting for the date and time to come and train GTM Officials

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Supply chain management	% of bids approved by MM within 90 days after close of tender	60%	100%	20%	Lack of Quorum of the BAC due to vacancies on Senior Management level	GTEDA CEO appointed to assist in BAC
Supply chain management	# of SCM reports submitted to national treasury	12	12	12	None	n/a
Supply chain management	Supply chain functionality improvement	List of criteria not developed. Reporting monthly on SCM processes	Report quarterly on progress made on improving functionality based on the established criteria	SCM reports is used to determine the SCM functionality, submitted to Council on a monthly basis.	None	n/a
Supply chain management	Supply Chain committee management	New initiative	Ensure that notice of meetings is given 5 days prior to BAC & BEC meetings. Minutes of BEC meetings to be ready for BAC within 5 days. Ensure that all bids are evaluated within 10 working days of close of tender	BEC meetings are taking place, BAC meetings are regularly postponed. Some Bids not evaluated within 10 days	The BAC is struggling to reach a quorum due to the vacancies of MM, CORP & PED. Many large bids advertised simultaneously making it difficult to conclude evaluation within 10 days	MM, CORP and PED positions have been appointed

Of the 55 items listed under the objective to increase Financial Viability, the following was the outcome:

- Targets achieved at 100%: 32 (58.2%)
- Targets partially achieved at 50-99%: 14 (25.4 %)
- Targets achieved below 50%: 9 (16.4 %)

### Objective: Efficient and Effective administration

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Board Structures	Updated governance charters approved by 30 Dec	30-Dec	30-Dec	1-Feb	Governance charters presented to Board 26 Nov 2014, this was deferred to next Board meeting.	Governance Charters Adopted by Board 01 February 2015 (Budget Meeting).
Board Structures	% of Board members inducted and orientated by 30 July	100%	100%	0%	No new Board appointed	GTEDA Board appointed at Council meeting of 28 May
Board Support	Number of board packs circulated 7 days before each meeting	4	4	3	The term of office for the current Board ended 30 June 2015 as a result the Board meeting could not take place.	The 4th quarter Board meeting will be held in August upon Induction on the new Board.
Board Support	% of Board Resolutions implemented	79%	100%	90%	Due to Project disputes; and alignment processes which could not be implemented due to budgetary constraints.	This will be addressed in the Strategic Planning Session following the appointment of the new CEO.
Board Support	Annual report approved by the Board by end December	26-Oct	30-Dec	1-Feb-15	Draft Annual Report was presented to Board 26 Nov 2014, this was deferred back for inputs and serve to next Board meeting. Board could not sit in January as term of office ended in Dec, term was extended until end April	Annual Report adopted by Board 01 February 2015 (Budget Meeting).
Board Support	Annual report submitted to GTM by 10 January	9-Jan	10-Jan	20-Jan	Draft Annual Report was presented to Board 26 Nov 2014, this was deferred back for inputs	Annual Report adopted by Board 01 February 2015 (Budget Meeting).

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
					and serve to next Board meeting. Board could not sit in January as term of office ended in Dec, term was extended until end April	
Contract Management	# of monthly contract management reports submitted to Council	12	12	12	None	n/a
Council Support	# of GTM Council resolutions implemented vs # passed	100%	100%	100%	None	n/a
Council Support	MPAC oversight report on Annual Report submitted to Council by 31 March	28-Mar	31-Mar	31-Mar	None	n/a
Council Support	# of Council meetings held (formal)	10	4	21	Special Council sittings arranged on adhoc basis	n/a
Council Support	# of Exco meetings held	21	26	26	None	n/a
Council Support	# of Cluster meetings held	54	108	81	Scheduled meetings not held due to non-submission of items for discussion.	Management to ensure that all the Items circulated for comments are finalized as per the prescribed period.
Fraud & Anti-corruption	Anti-corruption strategy implemented	Anti-Corruption strategy was implemented in 2013/2014 FY though no cases of corruption were reported. Risk Committee Established	Anti-Corruption Strategy Approved Anti-Corruption committee established	The approved anti-corruption strategy is the old one (2014 FY). Revised Anti-Corruption Strategy not yet approved. Anti-Corruption committee has been established. One meeting took place since establishment.	CoGHSTA advised GTM to wait for the approval of the Provincial Strategy before finalizing the revised strategy. No meeting took place in the 4th quarter due to unavailability of members & CoGHSTA.	Constant engagement and reminders will assist to improve the situation. Approval of organogram and filling of positions will be of much assistance to improve in some of the Risk Management activities.
Human Resource	# of OHS committee meetings	13	4	6	Poor attendance of committee meetings by	Continuous engagement with Directors trough

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Management					members.	Memos to encourage participation
Information management	# IT Help desk incidents attended to	New indicator	400	972	Challenges experienced with the IT systems (mail server, Promis, H-drive)	Promis service provider requested to resolve the challenges, new hard drive procured to increase storage space
Information management	# ICT awareness campaign	New indicator	2	0	Postponed due to ICT Audit by the AGSA	Rescheduled to July '15, to be done on a divisional basis
Information management	IT policy approved by Council by 30 Sept	New indicator	30-Sep	31-Mar	Approval was delayed due to the postponement of consultation sessions	Policy approved on 31/03/2015 Resolution A23
Information management	IT Disaster Recovery Plan approved by Council by 30 Sept	New indicator	30-Sep	31-Mar	Approval was delayed due to the postponement of consultation sessions	DRP approved on 31/03/2015 Resolution A23
Information management	% Antivirus Patches and Windows Updates	New indicator	100%	80%	Configuration of a new Symantec Endpoint Protection Manager Server, since it was unable to communicate with Clients (Computes, laptops and server).	All Clients in the old Symantec Endpoint Protection Manager server will be migrated to the new one to ensure that they are patched.
Information management	% Broadband Availability in Satellite offices	New indicator	100%	100%	None	n/a
Information management	Fireproofing (Environmental monitoring system)	New initiative	Installation completed	Server room environmental monitoring system has been received and installed	None	N/a
Information management	IT equipment	New initiative	Monitor the allocation of IT equipment	Laptops were delivered	None	N/a
Labour Relations	# of Local Labour Forum (LLF) meetings	4	12	9	Postponements due to poor attendance	Responsibility to ensure that management attend

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
						LLF meeting was given to the Acting Municipal Manager
Legal support	% SLAs signed within 10 days of receiving acceptance	14(92)%	100%	100% (14)	None	n/a
Legal support	% of SLA's concluded within 5 days after information provided	14(92)%	100%	100% (14)	None	n/a
Management and Administration	# Management meetings	7	12	21	None	n/a
Management and Administration	# of CFO departmental meetings	9	8	11	None	n/a
Management and Administration	# of CORP departmental meetings	1	6	0	Informal meetings took place with relevant Managers from time to time on matters that concerned their units.	The Director to ensure that minutes are taken also for the informal meetings.
Management and Administration	# of CSD departmental meetings	12	12	2	Director was Acting MM for 6 months	MM Vacancy was advertised
Management and Administration	# of EED departmental meetings	9	4	0	Time constraints, working in close consultation with Managers	None
Management and Administration	# of ESD departmental meetings	10	12	9	The December and January meetings were not held because of Holidays and other meetings were postponed due to the demand to attend urgent meetings of council	Decision taken to conduct meetings before 9 am to avoid conflicts with other engagements



Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Management and Administration	# of PED departmental meetings	4	4	0	PED Director position vacant	Council has advertised for the position to be filled
Management and Administration	Purchase office furniture and Equipment for the MM's department	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	Nothing was procured	Bulk of Funds redirected to infrastructure projects	n/a
Management and Administration	Purchase office furniture and Equipment for the CFO's department	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	Highback chairs procured	Bulk of Funds redirected to infrastructure projects	None
Management and Administration	Purchase office furniture, equipment and books for the Corporate Services department	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	Printer, chairs and filing cabinets procured	Bulk of Funds redirected to infrastructure projects	N/a
Management and Administration	Purchase furniture and Library equipment	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	A fridge, microwave and kettle were purchased for the Mulati Library. A water cooler was bought for the Tzaneen Library.	Capital budget was not available. Vote 123/078/1344 was used to purchase equipment.	N/a
Management and Administration	Purchase office furniture and Equipment for the EED department	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	3 New tables and 1 chair procured	Bulk of Funds redirected to infrastructure projects	N/a
Management and Administration	Purchase office furniture and Equipment for the Engineering Services department	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	Water & sewer workshop Tzaneen procured a desk and drawers and a chair	Largest portion of budget re-allocated to service delivery projects	N/a
Management and Administration	Purchase office furniture and Equipment for the PED department	All Departments received allocation to procure furniture as and when needed	Procure furniture as and when needed	Chair procured for Land Manager	Bulk of Funds redirected to infrastructure projects	N/a
Performance	Mid-year performance report	24-Jan	25-Jan	23-Jan	None	N/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
monitoring and reporting	submitted to PT, COGHSTA, and AG by 25 Jan					
Performance monitoring and reporting	Draft Annual Report considered by Council by 31 Jan	31-Jan	31-Jan	29-Jan	None	n/a
Performance monitoring and reporting	Draft Annual Report advertised for public comments by 5 Feb	7-Feb	5-Feb	12-Feb	Website not functional, advertisement in the newspapers caused the delay	Website functionality has been restored
Performance monitoring and reporting	Annual Report approved by Council by 31 March	31-Mar	31-Mar	31-Mar	None	n/a
Performance monitoring and reporting	# of Quarterly SDBIP reports submitted to Council	3	4	4	None	n/a
Performance monitoring and reporting	# of Back to Basics reports submitted by 10th of each month	4	8	8	None	n/a
Performance monitoring and reporting	Draft Annual Performance Report submitted to the AG, AC and Mayor by 31 August	31-Aug	31-Aug	29-Aug	None	n/a
Performance monitoring and reporting	Submission of draft SDBIP to the Mayor within 28 days of budget approval	20 days	28 days	10 days	None	n/a
Performance monitoring and reporting	# of performance reports audited prior to submission to Council	0	4	0	None and or late submission of Portfolio of Evidence by Directors due to many vacancies at Senior Management level	Vacancies on Section 57 level being filled as a matter of urgency
Performance monitoring and reporting	Institutional Scorecard finalised by 30 May	28-Jun-14	30-May	4-Jun	None	None

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
(GTEDA)						
Performance monitoring and reporting (GTEDA)	# of quarterly progress reports submitted to the Board	4	4	4	None	N/a
Performance Monitoring and Reporting	Performance Management Software	Bid was not awarded, had to be advertised	Ensure roll-out of electronic PM and capacity building of PM officials to manage system	Bid was awarded in June '15	Bid had to be re-evaluated after additional documentation was requested from the bidders	Re-evaluation and adjudication was concluded.
Regulatory Framework	# of budget related policies revised annually	17	17	17	None	n/a
Regulatory Framework	Promulgation of By-laws	No progress	Ensure that by-laws are promulgated. Monitor the public participation process and finalise by-laws for promulgation	8 By-Laws was presented to 20 Wards successfully.	Delays in the approval of the Public Participation programme	Schedules have already been drawn up for the rolling out of the outstanding Wards by end Sept '15
Regulatory Framework	Hawkers Policy & By-law	Policy and By law not yet submitted to Council	Gazetted By-law	By-law not yet gazetted	Delays in the public participation process	Public participation conducted in 13 wards to date. By-law will be gazetted after the conclusion of the Public participation and collation of inputs.
Risk management	# of Risk Management progress reports submitted to Council	4	4	4	None	n/a
Risk management	# of Risk committee meetings	0	4	3	Directors were not available for the meetings. 1st and 2nd quarter reporting were combined in one (1) meeting.	Risk Manager now part of Management. Directors are reminded about risk management activities that needs their attention.

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Risk management	Risk Assessment report submitted to Treasury by 30 May	0	30-May	30-Jun	Process delayed by the unavailability of Senior Management due to vacancies (MM, CORP & PED)	In the process of filling the MM, CORP & PED positions have commenced
Risk management (GTEDA)	Number of updated Risk Registers submitted to the Board	4	4	4	None	N/a
Risk management (GTEDA)	% compliance issues attended to within 7 working Days	90%	100%	95%	SARS could not wave penalties on third party payments	A grant funding payment proposal with the time frame was developed and submitted to GTM to assist with cash flow management
Risk management	Risk management implementation monitoring	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.	Conduct risk assessment during April & May. Update Risk Register by 30 May. Monitor implementation of Risk Implementation Plan report progress to Council on a quarterly basis.	Risk assessment conducted and completed by end June only. There are no investigations conducted for fraud and corruption cases. Quarterly reports were submitted to Council	None-availability of Directors for Strategic Risk assessment.	MM, CORP and PED positions have been advertised
Risk management	Risk regulatory framework	Risk Management Policies were approved by 28 June 2013	Submit revised Risk Management Strategy and Policy to Council for approval by 30 June. Monitor the implementation of the Risk Management Policy and report on investigations into all	Risk Management Policies and Strategy were approved by Council. There are no investigations conducted for fraud and corruption cases.	Fraud and Corruption cases not communicated from HR (Labour relations officer) to Risk Management	Risk Committee Chairperson advised that there must be synergy between HR Labour Relations and Risk Management for fraud and corruption cases

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
			Fraud and Corruption activities on a monthly basis.			
Safety and Security	# of theft cases from council buildings	4	0	2	1. Theft of diesel at Runnymede 2. Theft of cellphone in the municipal building Case 109/07/2015	Deployment of security guards during the day and regular monitoring of security especially overnight and on weekends
Sound Governance	3 year Strategic Risk Based Audit plan submitted to Audit Committee by 30 June	Not done	30-Jun	Not done	Audit Committee was not functional during 14/15	Audit committee have been appointed for 2015/16 on the 28th of May '15
Sound Governance	# of quarterly internal audit reports submitted to audit committee	4	4	0	Audit Committee was not functional during 14/15	Audit committee have been appointed for 2015/16 on the 28th of May '15
Sound Governance	# of Audit committee packs submitted 7 days before meeting	0	4	0	Audit Committee was not functional during 14/15	Audit committee have been appointed for 2015/16 on the 28th of May '15
Sound Governance	Annual Audit Plan approved by Audit Committee by 30 June	Not done	30-Jun	Not done	Audit Committee was not functional during 14/15	Audit committee have been appointed for 2015/16 on the 28th of May '15
Sound Governance	Internal Audit Charter submitted & approved by Audit Committee by 30 June	Not done	30-Jun	Not done	Audit Committee was not functional during 14/15	Audit committee have been appointed for 2015/16 on the 28th of May '15
Sound Governance	# of audit queries from AG	124	0	180	Non-compliance to legislative prescripts	Audit Action Plan drafted and implemented
Sound Governance	Audit opinion	Not yet received	Clean Audit	Qualified	Non-compliance to legislative prescripts	Audit Action Plan drafted and implemented
Sound Governance	# audit committee meetings held	2	4	0	Shared service agreement with MDM expired.	Audit committee have been appointed for 2015/16 on the 28th of May '15
Sound Governance	Audit opinion for GTEDA	Unqualified	Unqualified	Unqualified	None	N/a

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
(GTEDA)						
Sound Governance (GTEDA)	# of audit committee reports submitted to the Board	4	4	3	The term of office of the current Board ended 30 June 2015 as a result the Audit Committee meeting could not take place.	The 4th quarter Audit Committee meeting will be held in August upon Induction on the new Board.

Of the 72 items listed under the objective to ensure an efficient and effective administration, the following was the outcome:

- Targets achieved at 100%: 26 (36.1%)
- Targets partially achieved at 50-99%: 20 (27.8%)
- Targets achieved below 50%: 26 (36.1%)

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

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Human Resource Management	# of budgeted level 0-6 positions filled	140	154	138	Memorandum of understanding on appointments due to Salary disparities to avoid disputes	Management yet to resolve the salary disparities. SALGA engaged to assist
Human Resource Management	# of people from employment equity target groups employed in the 3 highest levels of management in compliance with EE plan	27	27	20	The resignation of Director - Corporate; Managers - Water services & PMU and the settlement of Municipal Manager position. Appointment of Managers subject to resolving salary disparity issues	The recruitment processes for Director - Corporate services, PED and Municipal Manager in process. MM interviews conducted on the 09/07/2015. Salary disparity issue still to be resolved
Human Resource	Number of Section 57 posts vacant for more than three	1	0	1	The Director - Planning and Economic Development has been	Interviews conducted on the 15th June 2015.

Programme	Project/ KPI	Actual Achieved (30 June 2014)	Annual Target (2014/15)	Actual Achieved (30 June 2015)	Reason for deviation	Efforts to improve performance
Management	months				vacant since September 2013	Recommendations sent to Council for approval
Human Resource Management	% Staff turnover	3.5%	6.6%	7.3%	No control over exits	Employee Retention Policy drafted
Human Resource Management	% Employees that are female	30.9%	35%	37.1% (243)	None	n/a
Human Resource Management	% Employees that are youth	26.6%	35.0%	23.9% (157 of 655)	MOU on appointments of lower level positions having a negative impact. Current employees exceeding age bracket of youth	Salary disparities still to be resolved
Human Resource Management	% Employees that are disabled	2%	2.2%	2.3% (15 of 655)	None	n/a
Human Resource Management	# of critical posts filled (MM, CFO, Engineer, Town Planner, Communications, CORP)	4	6	3	MM, CORP & Communications vacant	Municipal Manager interviews conducted on 09/07/2015. Director - Corporate services vacant since 01/06/2015 and shortlisting to be conducted on the first week of July 2015.

Of the 8 items listed under the objective to attract and retain best human capital to become employer of choice the following was the outcome:

- Targets achieved at 100%: 2 (25%)
- Targets partially achieved at 50-99%: 2 (25%)
- Targets achieved below 50%: 4 (50%)

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

- a) Mayoral imbizos not conducted on a quarterly basis
- b) Feedback from Ward Committee meetings are not presented to management and Council in a consolidated report that allows timeous intervention to avoid community protest
- c) Capital not spent according to the planned project in the IDP as a result of roll-overs and delays in the procurement process
- d) Supply chain process is dysfunctional with, the Procurement Plan not being approved by Council by 30 June, continuous delays in the evaluation of bids, delays in the adjudication of bids and also in the final approval of the bids, resulting in only 20% of bids being approved within 90 days of close of tender.
- e) GTM Cost coverage halved from 1.2 to 0.6, indicating that there is insufficient cash in the bank to cover all the costs.
- f) Audit Committee not functional during 14/15 which resulted in the Internal Audit unit not being able to operate as expected.
- g) Although GTM received a unqualified audit opinion, the high number of queries raised is a point for concern, worsened by the late submission of the Management letter by the AG which made it difficult for GTM to address the issues
- h) Performance Reports were submitted to Council without being audited to ensure the validity and accuracy of the information, putting Council at risk of taking decisions based on incorrect information.
- i) Public participation process on the By-laws not concluded for the 2<sup>nd</sup> year in a row, by-laws therefore not gazette
- j) Delays in the appointment of critical positions e.g. PED position vacant for 2 years
- k) The non-availability of the IT network especially at Stores and periodically during critical reporting periods
- l) Staff morale is severely affect by the salary disparities, work overload due to vacancies and also the management challenges

### **Overall performance on KPAs:**

The GTM SDBIP for 14/15 contained 315 deliverables and the overall performance on achieving the strategic objectives as set out in the IDP were as follows:

- Targets achieved at 100%: 142 (45.1%)



- Targets partially achieved at 50-99%: 78 (24.8%)
- Targets achieved below 50%: 95 (30.1%)

The overall picture of the performance during 14/15 is not a positive one, with only 45% of the targets that were fully achieved. **Section 7** provides a detailed evaluation of key challenges experienced by the organisation.

### 3. PERFORMANCE ON CONDITIONAL GRANTS 2014/15

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

<b>Table 1: Performance on Conditional Grants for 2014/15</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>
<b>Neighbourhood Development Partnership Grant</b>								
Ritavi River	Maintenance of Ritavi River Park	Ritavi River Park was maintained	R 547,000	R 547,000	R 50,740	R 496,260	R 496,260	None
Indigenous Park	Maintenance of Indigenous Park	Indigenous Park was maintained	R 1,033,000	R 1,033,000	R 132,000	R 901,000	R 901,000	None
Indoor Sports Centre	Construction of Indoor Sports Centre	Construction of Indoor Sports Centre	R 13,502,780	R13,502,780	R 5,375,953	R 8,126,827	R 8,126,827	None
Professional Fees	Consultants	Consultants	R 2,500,000	R 2,500,000	R 2,454,322	R 45,678	R 45,678	None
<b>TOTAL</b>			<b>R 21,950,000</b>	<b>R 38,401,694</b>	<b>R 8,013,015</b>	<b>R 9,569,765</b>	<b>R 9,569,765</b>	
<b>Finance Management Grant (FMG)</b>								
Support to SCM, Internal Audit & Audit Committee	Provide support to SCM, Internal Audit & Audit Committee	SCM training was provided but paid for through the MSIG	R 150,000	R 150,000	R 151,429	R -1,429	R-1,429	Budget re-allocated to GRAP compliant Asset Register
Interns	Appointment of 5 interns	Interns appointed	R 700,000	R 700,000	R 405,998	R 294,002	R 294,002	Interns were appointed from October 2014
Acquisition, upgrade & maintenance of Financial Management	Acquisition, upgrade & maintenance of Financial Management	Maintenance of financial system done on a monthly basis	R 200,000	R 200,000	R 742,763	R -542,763	R -542,763	Maintenance of financial system done on a monthly basis

<b>Table 1: Performance on Conditional Grants for 2014/15</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>
Systems	Systems							
System of Delegation	Review & Adoption of System of Delegation	System of delegation revised	R 100,000	R 100,000	R 0	R 100,000	R 100,000	Review of the system of delegation was done internally
Annual Financial statements	Preparation & timely submission of AFS	AFS prepared	R 200,000	R 200,000	R 320,093	R -120,093	R -120,093	Budget allocate for preparation of Annual Financial Statements insufficient
Grap Training	Officials to attend GRAP Training	GRAP training was provided	R 50,000	R 50,000	R 16,667	R 33,333	R 33,333	Training dates were moved
Revenue Enhancement Strategy	Review of the Revenue Enhancement strategy	Revenue enhancement strategy not revised	R 200,000	R 200,000	R 0	R 200,000	R 200,000	Inputs not received from all Directors, vacancies (especially PED) created a problem
<b>TOTAL</b>			<b>R 1,600,000</b>	<b>R 1,600,000</b>	<b>R 1,636,950</b>	<b>-R 36,950</b>	<b>-R 36,950</b>	
<b>Municipal Systems Improvement Grant (MSIG)</b>								
MFMP	MFMP training	Training provided by Fujitsu	R 200,000	R 200,000	R 95,500	R104,500	R 104,500	Committed to Training by Fujitsu
Ward Committee support	Provide support to Ward Committees	Ward Committee training summit held in June '15	R 200,000	R 200,000	R 65,145	R 134,855	R 134,855	Ward committee training summit, invoice paid in July
Asset Management	Improve Asset register to be GRAP compliant	Asset Register GRAP compliant	R 300,000	R 300,000	R 531,426	R -231,426	R -231,426	Insufficient Budget allocated to GRAP Compliant asset register
Financial Systems	Upgrading the Financial System	Implemented through FMG	R 234,000	R 234,000	R -	R 234,000	R 234,000	Funds redirected Asset Management

<b>Table 1: Performance on Conditional Grants for 2014/15</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>
<b>TOTAL</b>			<b>R 934,000</b>	<b>R 934,000</b>	<b>R 692,071</b>	<b>R 241,929</b>	<b>R 241,929</b>	
<b><u>National Electrification(INEP)</u></b>								
Energy efficiency and demand (Phase 1)	Retrofitting of energy efficiency equipment completed, close-out.	Retrofitting of streetlights and highmast lighting with energy efficient equipment completed in Nov 2014	R -	R 6,164,740	R 5,886,659	R -5,886,659	R 278,081	Roll-over project from 2013/14
Energy Efficiency & Demand (Phase 2)	Retrofitting of energy efficiency equipment for building and pump stations	Project not implemented	R 4,000,000	R -	R -	R 4,000,000	R -	Funds revoked by DME due to slow expenditure
<b>TOTAL</b>			<b>R4,000,000</b>	<b>R 6,164,740</b>	<b>R 5,886,659</b>	<b>R-5,886,659</b>	<b>R 278,081</b>	
<b><u>Municipal Infrastructure Grant (excluding GTM co-funding)</u></b>								
Moruji to Matshwi Rar Road Tar Road	Construction commenced	Design and tender documents completed.	R14,571,797	R 14,571,797	R 5,137,663	R 9,434,134	R 9,434,134	Awaiting approval by MIG to proceed with project delayed the project
Rita,Khopo, Lefara, Zangoma Tar Road	Construction commenced	Design and tender documents completed.	R 11,571,797	R 11,571,797	R 2,460,899	R 9,110,898	R 9,110,898	Project delayed by permission from MIG to tar a RAL road
Thapane to Moruji Tar Road	Road completed, 11km	Road complete.	R40,992,125	R 40,992,125	R 20,181,151	R 20,810,974	R 20,810,974	None
Tickyline, Myakayaka, Burgersdorp Tar Road	Construction commenced	Design and tender documents completed. Contractor not yet appointed	R 11,571,797	R 11,571,797	R 6,584,981	R 4,986,816	R 4,986,816	Late approval by sector department and delays in the appointment of contractor by SCM.

Table 1: Performance on Conditional Grants for 2014/15								
Project/ Initiative	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Budget Variance	Adjustment Variance	Reasons for deviations
Tzaneen Swimming Pool	Swimmingpool construction completed.	Project is on 98% physical progress	R 13,299,485	R 13,299,485	R 11,886,745	R 1,412,740	R 1,412,740	Late appointment of contractor
Upgrading of Lenyeny Stadium	Stadium upgrade completed.	The project is on 60% physical progress	R 10,675,030	R 10,675,030	R 6,511,339	R 4,163,691	R 4,163,691	Late appointment of the contractor and also community unrest wanting the scope of works to be changed.
Sasekani to Nkowankowa Tar Road	Upgrading from gravel to Tar completed	New contractor on site and progressing well. 4.5km of the road has been primed. (Physical progress is at 45% of the new scope of work)	R 24,000,000	R 24,000,000	R 9,099,671	R 14,900,329	R 14,900,329	Project rolled over from 12/13 due to litigation, included in 14/15 adjustment
Runnymede Sports Complex	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R -	R -	R 3,244,218	-R 3,244,218	-R 3,244,218	Project brought forward to improve expenditure on MIG, was planned to start in 15/16
Julesburg Sports Field	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R -	R -	R 773,130	-R 773,130	-R 773,130	Project brought forward to improve expenditure on MIG, was planned to start in 18/19
Burgersdorp Sports Ground	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R -	R -	R 763,067	-R 763,067	-R 763,067	Project brought forward to improve expenditure on MIG, was planned to start in 16/17
Nkowankowa Stadium	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R -	R -	R 529,825	-R 529,825	-R 529,825	Project brought forward to improve expenditure on MIG, was planned to start in 17/18

<b>Table 1: Performance on Conditional Grants for 2014/15</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>
Construction of a new community hall at Relela Cluster	Design and tender documents completed. Contractor appointed.	Design complete and draft tender document awaiting Bid Specification Committee approval. Contractor not yet appointed	R 1,000,000	R 2,334,504	R 821,596	R 178,404	R 1,512,908	Delays in getting community approval for the designs
Senakwe to Morapalala Tar Road	Construction, physical progress at 90%	Road on practical completion.	R -	R -	R 4,007,112	-R 4,007,112	-R 4,007,112	13/14 Roll-over project, included in 14/15 adjustment budget
Ramotshinyadi to Mokgwathi Tar Road	Tar road completed	Road completed	R -	R -	R 44,502	-R 44,502	-R 44,502	Small Roll-over amount from 13/14 only
<b>Total</b>			<b>R 127,682,031</b>	<b>R 129,016,535</b>	<b>R 72,045,899</b>	<b>R 55,636,132</b>	<b>R 56,970,636</b>	

Although GTM managed to spend most of the FMG & MSIG funding, expenditure in terms of the NDPG and MIG were not as expected. The delays in the appointment of service providers proved, once again, to result in low spending patterns and the eventual withdrawal of R16 million of 14/15 NDPG by National Treasury. Only 55.8% of the MIG funds spent during 14/15. The continued low spending patterns on these conditional grants is a major concern as it results in the withdrawal of funds by Treasury (as already happened with the NDPG and National Electrification Grant) and this may future also happen to the MIG. Resolving the challenges regarding the slow turnaround time on the procurement of services is paramount to normalising spending patterns.

#### 4. PERFORMANCE ON CAPITAL PROJECTS 2014/15

The progress made with the implementation of Capital projects is presented below in **Table 2**. The expenditure has been colour coded to reflect under / over expenditure using the same criteria as with the project implementation.

<b>Table 2: Capital Project implementation during 2014/15</b>							
IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
<b>Office of the Municipal Manager</b>							
MM149	Purchase office furniture and Equipment for the MM's department	Procure furniture as and when needed	Furniture not procured as none was needed	R450,000	R33,333	R0	Funds re-directed towards service delivery projects
MM146	Performance Management Software	Procurement of an Electronic Performance Management System to monitor Organisational Performance	System procured through operational funds as it is a rental agreement only	R250,000	R0	R0	Project incorrectly indicated as Capital on the IDP, funds was re-directed to the IT division through a virement
<b>Office of the Chief Financial Officer</b>							
CFO150	Purchase office furniture and Equipment for the CFO's office	Procure furniture as and when needed	High back chairs procured	R300,000	R33,333	R2,679	Funds re-directed towards service delivery projects
<b>Corporate Services Department</b>							
CORP148	Fireproofing (Environmental monitoring system)	Installation of a Fireproofing (Environmental Monitoring System) for the server room	Server room environmental monitoring system has been received and installed	R500,000	R750,000	R 612,053	None

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
CORP152	Purchase office furniture, equipment and books for the Corporate Services department	Procure furniture as and when needed	Printer, chairs and filing cabinets procured	R 300,000	R200,000	R 66,886	Funds re-directed towards service delivery projects
<b>Community Services Department</b>							
CSD142	Bulk Container at Tzaneen Sanlam Taxi rank	Procurement of bulk container	Bulk container not yet procured	R75,000	R75,000	R 0	Engineering Services to include in the bid for the extension of the public toilets, ESD did however not proceed with the bid as negotiations are underway with developer to include the public toilet in the planned extensions
CSD141	Bulk-recycling bins	Procurement of bulk container	Bulk container not yet received.	R180,000	R160,000	R 0	BAC recommended a re-advertisement as a Formal Written Quotation
CSD136	Kerbside Removals: Purchasing Bulk-bins	Procurement of bulk container	Bulk container not yet received.	R50,000	R50,000	R 0	BAC recommended a re-advertisement as a Formal Written Quotation
CSD138	Purchase 1 x High Pressure Cleaner	Procurement of high pressure cleaner	High Pressure Cleaner procured	R10,000	R10,000	R 9,500	None
CSD140	Purchase of 1 x Log-splitter	Procurement of bulk container	Service provider not yet appointed	R200,000	R150,000	R 0	Not bids were received upon the closing of the advertisement.
CSD139	Purchase of 2 x Chain-saws	Procurement of bulk container	The chainsaw was successfully procured	R10,000	R10,000	R 5,701.15	None
CSD153	Purchase furniture and Library equipment	Procure furniture as and when needed	A fridge, microwave and kettle were purchased for the Mulati Library. A water cooler was bought for the Tzaneen Library.	R 300,000	R 33,333	R 3,029	Funds re-directed towards service delivery projects



**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
<b>Electrical Engineering Department</b>							
EED43	Apollo light at Burgersdorp	Construction and completion of Apollo lights in Burgersdorp	Project not implemented	R 520,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED44	Apollo lights at Khopo	Apollo lights in Khopo completed	Project not implemented	R 520,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED46	Apollo lights at Mawa Block 8 and 9	Apollo lights in Mawa Block 8&9 completed	Project not implemented	R 520,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED 33	Apollo lights at Moloko and Pelana village	Apollo lights in Moloko and Pelana Village completed	Project not implemented	R 520,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED42	Installation of new streetlights (12)	Installation concluded.	Streetlights Partly installed 33 Poles	R 150,000	R150,000	R 176,900	Appointment of contractor was never finalised by SCMU. Used the line building contractor to plant the poles against his approved contract. All material was procured and GTM will complete project self.
EED56	Traffic lights at Letaba Cross	Installation of traffic lights completed at Letaba Cross	Project not implemented	R 300,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED57	Traffic lights at R71 turn off Deerpark	Installation of traffic lights completed at Deerpark	Project not implemented	R 300,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED95	11kv Cable from Church substation via old SAR to Power station	Appointment of Service Provider and 90% of budget spent	Service Provider appointed. Site handover done. Contractor claim for material on site (98%)	R 8,000,000	R 3,000,000	R2,969,044	Delays in the appointment of the service provider
EED88	Energy efficiency and demand	Retrofitting of energy efficiency equipment completed, close-out.	Project not implemented	R 4,000,000	R0	R0	Funds revoked and reallocated by DOE to other Municipality due to the delay in the appointment of service providers. Multi- year project grant rolled-over to 15/16

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
EED96	Protection relays (66kv & 132 kv subs)	Installation of relays in conjunction with specialist service provider	Project not implemented	R 650,000	R0	R0	Project removed with adjustment, to be implemented in 15/16
EED98	Substation tripping batteries	Installation of battery banks completed	Tripping batteries purchased and installed at Tarentaalrand T-Off.	R 200,000	R180,000	R94,612	None
EED100	Replacement of airconditioners in Municipal Buildings	Installation of aircons completed	Airconditioners were replaced	R 50,000	R150,000	R 9,261	None
EED97	Miniature substations (NERSA Audit)	Replacing of mini-substations completed	Replacing of 2 mini-substations completed	R 1,000,000	R900,000	R753,356	None
EED99	Provision of Capital Tools (Urban)	Procurement of capital tools as and when required	Procurement of capital tools as and when required, this capital combined with Rural, 6 Links Sticks, Drills, 8 Ladders, 4 Radios, 2 digital clamp meters, 3 crimping tools, 3 magnetic GTM signs and 1 ACER laptop was procured	R 150,000	R 50,000	R 70,156	None
EED90	Rebuilding of Lines-Eureka - De neck (9 km)	Instruction to contractor and implementation	Rebuilding of 6 km line Eureka - De Neck completed.	R 700,000	R 630,000	R 695,274	None
EED91	Rebuilding of Lines-Mapietskop - Mtzelaar (7km)	Instruction to contractor and implementation	Rebuilding of 6 km line Mapietskop - Mtzelaar completed	R 700,000	R 630,000	R 680,539	None
EED92	Rebuilding of Lines-Politsi valley - Dap Naude (15 km)	Instruction to contractor and implementation	Rebuilding of 6 km line Politsi Valley - Dap Naude completed	R 1,000,000	R 900,000	R 684,211	None

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
EED89	Renewal, Repairs and Maintenance on pre-paid meters (Tzaneen, Letsitele & Politsi)	Replace 50 (200) additional connections with new technology meters and install 10 data concentrators	20 Data Concentrators and 100 Din rail meters delivered. Vending unit replace at finance. Upgrading of infrastructure at Tarentaalrand.	R 556,460	R 556,460	R 389,402	Procurement of SIM cards for data concentrators delayed by service providers. Replacing of old technology meters on hold due to personnel shortage.
EED93	Telephone Network Management System (Control Room)	Procurement and installation of the telephone system	Project not implemented	R 300,000	R 0	R 0	Project removed with adjustment, to be implemented in 15/16
EED87	Service Contribution	Ensure that service contribution funds received are allocated to projects.	No projects Identified	R 15,000,000	R 13,200,000	R 1,570,964	New connections only
EE 193	Purchase office furniture and equipment for the Electrical Engineering Department	Procure furniture as and when needed	3 New tables and 1 chair procured	R 300,000	R 33,333	R24 455.29	Bulk of the Funds re-directed towards service delivery projects
<b>Engineering Services Department</b>							
ESD135	Hawkers esplanades in rural areas	Hawkers esplanades completed	Project not implemented due to insufficient budget allocation	R100,000	R100,000	R 0	User Department not involved ESD during the budget processes to advise on the actual budget require
ESD134	Construction of a new community hall at Relela Cluster	Design and tender documents completed. Contractor appointed.	Design complete and draft tender document awaiting Bid Specification Committee approval. Contractor not yet appointed	R 2,334,504	R2,334,504	R 821,596	Delays in getting community approval for the designs
ESD73	Public toilet-block at Letsitele Sanlam Taxi rank	Construction of public toilet completed	The project is under construction and is done internally by own	R100,000	R80,000	R 0	Budget costing was not done correctly, capital allocation was insufficient

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
			staff due to budget constraints and the progress is at 95% complete				
ESD74	Public toilet-block at Tzaneen Jhb Taxi Rank	Construction of public toilet completed	Some material has been procured but the project is not completed due to budget constraints	R150,000	R130,000	R 33,637	Capital budget allocation was insufficient and reduced with the adjustment budget maintenance budget was utilised to start the project
ESD72	Public toilet-block at Tzaneen Sanlam Taxi rank	Construction of public toilet completed	Project not implemented due to budget constraints	R150,000	R130,000	R 0	The owners of the Mall is currently extending the mall and the whole taxi rank. The increased need will render the allocated funds insufficient.
ESD27	Haenertsburg DoC entrance road	Stabilisation and re-gravelling of access road to the Drop Off Centre at Haenertsburg	Tender closed on 10 June 2015 waiting for evaluation	R500,000	R400,000	R 0	Capital budget allocation was adjusted to accommodate the Sasekani Road
ESD28	Nkowankowa DoC entrance road	Stabilisation and re-gravelling of access road to the Drop Off Centre at Nkowankowa	Tender closed on 10 June 2015 waiting for evaluation	R 500,000	R400,000	R 0	Capital budget allocation was adjusted to accommodate the Sasekani Road
ESD12	Agatha Cemetery low level bridge	Appointment of Contractor and construction commenced	Advertisement not yet done	R 500,000	R 100,000	R 0	Consultant still to finalise the designs
ESD 17	Khubu to Lwandlamuni Low Level bridge	Appointment of Contractor and construction commenced	Project not implemented	R 500,000	R0	R 0	Project removed with adjustment, to be implemented in 15/16
ESD14	Mokonyane low level bridge	Construction	Tender advertised	R 500,000	R400,000	R 46,847	Project delayed by the EIA process
ESD9	Moruji to Matswi, Khesholwe Tar	Construction commenced	Design and tender documents completed.	R 14,571,797	R 14,571,797	R 5,137,666	Awaiting approval by MIG to proceed with project delayed the

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
	Road						project
ESD11	Pedestrian Bridge at Marumofase	Pedestrian bridge completed	Designs not yet approved.	R 6,120,155	R 6,120,155	R 0	Delay by the Consultant to produce the final designs.
ESD13	Rikhotso low level bridge	Construction	Tender advertised	R 1,000,000	R 600,000	R 0	Project delayed by the EIA process
ESD7	Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road	Construction commenced	Design and tender documents completed.	R 14,571,797	R11,571,797	R 3,180,744	Project delayed by permission from MIG to tar a RAL road
ESD6	Thapane to Moruji Tar	Road completed, 11km	Road complete.	R 36,551,029	R 40,992,125	R 36,919,825	None
ESD8	Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	Construction commenced	Design and tender documents completed. Contractor not yet appointed	R 14,571,979	R11,571,797	R 6,584,981	Delays in the appointment of a contractor
ESD128	Tzaneen swimming pool upgrade and refurbishment	Swimming pool construction completed.	Project is on 98% physical progress	R 10,355,060	R13,299,485	R 11,886,745	Late appointment of contractor
ESD75	Replacement of roof in the civic Centre in Tzaneen	Construction of roof at the civic Centre	Project not completed	R500,000	R 500,000	R 143,147	Project not completed due to delays in the appointment of a service provider
ESD130	Upgrading of Lenyenye Stadium (phase 2)	Stadium upgrade completed.	The project is on 60% physical progress	R 10,675,030	R 10,675,030	R 6,511,340	There was a delay due to the late appointment of the contractor and also community unrest wanting the scope of works to be changed.
ESD36	Purchase generators	Procurement of generator	Specifications are finalized, not yet procured	R 60,000	R60,000	R 0	Deviation requested from the CFO to procure diesel bowser, approval and sourcing of quotations delayed procurement
ESD35	Purchase Survey Equipment	Procurement of survey equipment	Project not implemented	R150,000	R0	R 0	Project removed with adjustment, to be implemented in 15/16

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
ESD37	Purchase welding machines	Procurement of welding machines	Specifications are finalized, not yet procured	R 25,000	R 25,000	R0	Deviation requested from the CFO to procure diesel bowser, approval and sourcing of quotations delayed procurement
ESD154	Purchase office furniture and Equipment for the Engineering Services department	Procure furniture as and when needed	Water & sewer workshop Tzaneen procured a desk and drawers and a chair	R 300,000	R 33,333	R 7,388	Largest portion of budget re-allocated to service delivery projects, no furniture required
<b>Planning and Economic Development</b>							
PED151	Purchase office furniture and Equipment for the PED department	Procure furniture as and when needed	Chair procured for Land Manager	R300,000	R 33,333	R 2,646	None
PED 5	Talana Hostel programme	Monitor the process of Township establishment report progress	Project not implemented	R 350,000	R0	R0	Budget reduced with R450 000, during 14/15 adjustment
PED 3	Acquisition of land at Nkowankowa (Cemetery)	Deed of sale concluded	Project not implemented	R 800,000	R0	R0	Funds reallocated during adjustment
PED1	Acquisition of land at Politsi (residential)	Report progress on the Housing Development Agency (HDA) feasibility study.	The Housing Development Agency conduct pre-feasibility study on state of readiness of farm for development. The project is enrolled in the Provincial Project pipeline for planning.	R3,000,000	R3,000,000	R 3,348,000	

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
PED 4	Transfer of state land to GTM (Regional Cemetery) HASIVONA 561LT	Appointment of consultant for feasibility study. Appointment of the Conveyancer	The Service Provider was appointed to conduct feasibility study, and the conveyancer was appointed to do the draft survey report and submit the locality map, valuation report. All reports were submitted to Department of Rural Development for further considerations.	R 350,000	R 250,000	R 0	Operational funds utilised to pay for the transaction
<b>TOTAL</b>				<b>R 157,187,811</b>	<b>R 139,229,815</b>	<b>R 83,418,131</b>	
<b>PROJECTS INCLUDED IN 2014/15 ADJUSTMENT BUDGET</b>							
<b>Engineering Services Department</b>							
ES17 (12/13)	Sasekani to Nkowankowa	Not in 14/15 IDP	New contractor on site and progressing well. 4.5km of the road has been primed. (Physical progress is at 45% of the new scope of work)	R0	R 24,000,000	R 9,118,471	Project rolled over from 12/13 due to litigation, included in 14/15 adjustment
ES 10 (13/14)	Mafarana to Sedan Tar Road	Not in 14/15 IDP	Road completed	R0	R 6,154,051	R 5,753,491	13/14 Roll-over project, included in 14/15 adjustment budget
ES 15 (12/13)	Ramotshinyadi to Mokgwathi Tar Road	Not in 14/15 IDP	Road completed	R0	R0	R 44,502	Small Roll-over amount from 13/14 only
Not available	Rehabilitation of Int Claude Wheatley	Project not planned in IDP, roll-over from 13/14	Installation of Taxi Rank Canopies completed.	R0	R1,900,000	R 1,887,886	Roll-over project, not planned in IDP
ES 8 (13/14)	Senakwe to Morapalala Tar road	Construction, physical progress at 90%	Road on practical completion.	R0	R9,000,000	R 10,817,580	Project included in 14/15 adjustment budget
063	Construction of Politsi	Not in 14/15 IDP	Road completed	R0	R 0	R 85,119	Roll-over project from 11/12

**Table 2: Capital Project implementation during 2014/15**

IDP no	Project Name	Planned activities	Actual Activities	Budget	Adjustment Budget	Actual Expenditure	Reasons for deviations
(11/12)	Road (Bridge)						
*063 (11/12)	Mopye Low Level Bridge	Not in 14/15 IDP	Mopye low level bridge complete	R0	R461,017	R 796 958	Roll-over project from 11/12
ESD 133 (15/16)	Runnymede Sports Complex	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R0	R3,231,900	R 2,524,373	Project brought forward to improve expenditure on MIG, was planned to start in 15/16
ESD 132 (18/19)	Upgrading of Julesburg Sports Ground	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R0	R1,203,582	R 773,130	Project brought forward to improve expenditure on MIG, was planned to start in 18/19
ESD 131 (16/17)	Upgrading Burgersdorp Sports Ground	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R0	R 1,203,582	R 763,067	Project brought forward to improve expenditure on MIG, was planned to start in 16/17
ESD 129 (17/18)	Upgrading of Nkowankowa Stadium	Design and tender documents completed.	Designs completed. Draft Tender document to be approved by BSC.	R0	R1,054,108	R 529,825	Project brought forward to improve expenditure on MIG, was planned to start in 17/18
<b>Electrical Engineering Department</b>							
Not available	Split meters (Mbekwana) –	13/14 Roll over project	Completed	R0	R 4,098,006	R 2,445,529	Delays were caused by amendment of contract due to increased scope at Mbekwana. GTM co-funded project
EED88	Energy efficiency and demand	Retrofitting of energy efficiency equipment completed, close-out.	Retrofitting of streetlights and high mast lighting with energy efficient equipment completed in Nov 2014	R0	6,164,740	5,886,659	Roll-over project from 2013/14
	<b>Adjusted Budget</b>				<b>R 58,470,986</b>	<b>R 41,426,590</b>	
	<b>Total Capital Budget</b>			<b>R 157,187,811</b>	<b>R 197,700,801</b>	<b>R 124,844,721</b>	



Of the 61 Capital Projects approved in the 2014/15 IDP **36 (59%)** had not even commenced at year-end. Considering only the service departments the picture is as follows:

- Only **2 of the 7** capital Projects approved for the Community Services Department completed by 30 June '15 (a success rate of **28.5%**).
- Only **1 of the 23** capital Projects approved for the Engineering Department completed by 30 June '15 (a success rate of **0.4%**).
- Only **8 of the 21** capital Projects approved for the Electrical Engineering Department completed by 30 June '15 (a success rate of **38%**).

The impact of roll-over projects which are not cash backed is reflected in the fact that of the total expenditure on Capital for 14/15 of which 54% was spent on the 14/15 projects (as contained in the IDP), while the other 46% was spent on roll-over projects. Approximately R8 million worth of capital projects were removed from the 14/15 budget (to be implemented in 15/16), to accommodate roll-over projects, of which 92% was projects approved for the Electrical Engineering Department this, while the Engineering Services department is responsible for 80% of the roll-over expenditure. Therefore, the roll-over of road projects is taking place to the detriment of re-investment into the Electricity network with re-investment into the electricity network at 1.3% of the asset value versus 3% for the road network.

The main challenges resulting in the existing capital spending pattern are as follows:

- a) Due to the roll-over projects from the previous financial years and additional funding required for the Sasekani to Nkowankowa Tar Road, capital allocated to projects for 14/15 were already reduced at the start of the 14/15 financial year. This resulted in an uncertainty as to which projects were still funded and which not.
- b) Projects earmarked for 2014/15 were re-allocated to the 2015/16 financial year during the adjustment budget process (without consulting the community and adjusting the IDP)

- c) Poor planning, reflected by the projects delayed by awaiting approval from other spheres of government or inputs from other stakeholders. This could have been avoided if project teams were put in place during the Projects Phase of the IDP.
- d) Delays in the procurement process results in service providers being appointed very late in the financial year or bids expiring and being re-advertised.

## 5. PERFORMANCE OF SERVICE PROVIDERS DURING 14/15

Table 3 below presents an evaluation of the performance of service providers that were active during 2014/15.

TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15												
Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
ESD	Sasekani to Nkowankowa Tar road	Kwena Mokone	MIG	5/3/15	8/9/15	Contractor progressing well 4.5km of the road has been tarred.7.4km primed and 8.2km base layer completed.	Protests from the community, especially when plant is stopped from working. Local Councilors helping in convening meetings.	3	4	4	4	
ESD	Senakwe to Morapalala Tar Road	Expectra	MIG	14/01/13	8/6/14	The project is on practical completion stage. The contractor busy with the outstanding works.	Slow progress for completion of the outstanding works and the consultant is monitoring.	3	3	4	4	None
ESD	Upgrading of Lenyenye Stadium at GTM	Makgetsi Construction	MIG	8/9/14	10/8/15	The project is on 67% physical progress	Slow progress on site and the consultant is monitoring the situation.	3	3	3	3	None

**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5)				Assessment comments
								1 - Poor	2 - Fair	3 - Average	4 - Good	
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
ESD	Refurbishment of Tzaneen swimming pool	Lilithalethu Trading 41	MIG	8/9/15	15/7/15	Project is on 98% physical progress and the contractor is busy with finishing and testing of pipes and pumps.	There was a pipe burst when testing. The contractor is repairing the pipe.	4	4	4	4	Project delayed due slow procurement process
ESD	Thapane to Muruji Tar Road	Mac P construction	MIG	17/2/14	13/3/15	The project is complete	None	4	4	4	4	
ESD	Construction of Politsi Road	Mashrik Social Dev	GTM	17/2/14	17/07/14	Road completed	Community stopped the project and changed the scope of work. Project had to re-start in June '15	n/a	n/a	n/a	n/a	Evaluation cannot be done due to no progress during 14/15
ESD	Mopye low level bridge	Ratanane Construction	GTM	5/11/13	2/12/14	Bridge completed	Contractor had cashflow problems because they tendered at rates that were too low. The problem was resolved when he appointed an experienced	2	4	n/a	n/a	Appointment process of contractors should consider reasonable project estimates not only lowest bid

**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
							subcontractor					
ESD	Claude Wheatley Road (Taxi rank canopies)	Quality Plant	GTM	20/02/13	20/10/13	The project is complete	None	4	4	4	4	
EED	Rebuilding of 11KV lines at Gyspel/Redbank	Van Wyk en Prinsloo	GTM	N/A	N/A	N/A	Project deferred to 2015/16 due to budget constraints	N/A	N/A	N/A	N/A	Project to be executed in 2015/16
EED	Rebuilding of Lines-Eureka - De neck (6 km)	Rivisi Electrical	GTM	1/3/15	30/4/15	Project Completed	No challenges encountered	N/A	4	4	N/A	Contractor's overall performance good
EED	Rebuilding of Lines-Mapietskop - Mtzelaar (6km)	Rivisi Electrical	GTM	1/3/15	31/5/15	Project Completed	No challenges encountered	N/A	4	4	N/A	Contractor's overall performance good
EED	Rebuilding of Lines-Politsi valley - Dap Naude (5 km)	Rivisi Electrical	GTM	1/5/15	30/6/15	Project Completed	No challenges encountered	N/A	N/A	4	5	Contractor's overall performance good
EED	11kv cables from church to old SAR and refurbishment of substation	Oscon Elektries	GTM	4/01/15	30/06/2016	Service Provider appointed. Site handover done.	No interventions. Challenge to keep public safe during excavations.	N/A	N/A	N/A	5	Service Provider performed well.

**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
EED	Project 1: Electrification of Mhlaba Cross -phase 2:± 500 connections	S & D Consulting J/V Rolinda	INEP	1/10/14	30/06/15	Physical Construction for project completed (95%).	Final completion of Eskom processes delayed. Eskom and service provider engaged to energise project	N/A	5	3	1	Contractor started very well but performance drastically deteriorated towards completion
EED	Project 2: Electrification of Runnymede villages: ± 300 connections	AES Consulting J/V Xiverengi	INEP / DOE	1/10/14	30/06/15	Physical Construction for project completed (95%).	Final completion of Eskom processes delayed. Eskom and service provider engaged to energise project	N/A	2	5	2	Consultant's initial performance was not good. Contractor started very well but performance deteriorated towards completion.
EED	Maintenance and refurbishment of overhead power lines and other related equipment	Rivisi Electrical	GTM	29/10/15	29/10/17	Ongoing maintenance and refurbishment of lines	No challenges encountered	N/A	4	4	4	Contractor's performance was good

**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
EED	Energy Efficiency & Demand Side Management Ph 1-3 (Consultant)	MVM AFRICA	DOE	1/9/13	1/9/17	Ph 1 Completed. Ph 2 at tender stage for contractor	SCMU processes delayed Ph 2 implementation	5	5	5	5	Service Provider performed well.
EED	Oil sampling and purification of transformer oil	Mandlakazi Electrical Tech (MET)	GTM	1/12/14	30/11/15	Once off contract ongoing	No challenges encountered	N/A	N/A	N/A	4	Contractor's performance was good
EED	Retrofits of energy efficiency street lighting of Greater Tzaneen Municipality Ph1	Omphile Electrical	INEP	30/4/14	30/11/14	Ph 1 Completed in Nov '14	SCMU processes delayed Ph 1 Completion in 13/14 causing roll over to 14/15	4	5	N/A	N/A	Service Provider performed well.
EED	Specialist and emergency services for the GTM	Motla Consulting Engineering	GTM	1/01/14	31/12/16	Project on schedule with good performance	Skills transfer is an ongoing challenge. Training is an ongoing intervention	5	5	5	5	Service Provider performed well.
CSD	EIA Agatha Street	Polygon Environment	GTM	3/3/15	30/9/15	Project is on 60% progress Ecological study and wetland delineation is complete, Geo tech and	Delay in the appointment of the Consultant.	N/A	N/A	4	4	The Consultant is able to deliver on the key milestones and the quality of

**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5)				Assessment comments
								1 - Poor	2 - Fair	3 - Average	4 - Good	
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
						geo-hydrological studies are underway. Application for a Water use license is submitted.						work thus far is good.
CSD	Security solutions for Greater Tzaneen Municipality	Bravo Span 252 CC	GTM	11/10/14	31/10/16	Service provider currently rendering services as per SLA	None	5	5	5	5	None
CSD	Collection and transportation of waste in region south at Nkowankowa	Ingwe Waste Management	GTM	01/08/14	31/07/17	Waste collection and transportation taking place at	Regular breakdowns of Skip loader affecting servicing of bulk containers	3	3	3	3	Overall performance is average
CSD	Request for proposals for speed camera law enforcement	Mavambo ITS	GTM	1-Jun-16	20/06/2017	All in order	Poor payments of summons, road blocks to increase	5	5	5	5	Good performance
CSD	Treatment and disposal management	Mmatshope JV Theuwedi	GTM	01/08/14	31/07/17	Landfill management taking place	No dust control, no water tanker on landfill. Vehicles	3	3	3	3	Overall performance is average



**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5)				Assessment comments
								1 - Poor	2 - Fair	3 - Average	4 - Good	
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
CFO	Provision of an Electrical and water meter reading services at GTM	Electro Cuts	GTM	1/6/15	30/5/18	July readings in process	Set up of routes were a challenge	N/A	N/A	N/A	N/A	Only started at the end of the financial year, will be able to evaluate in 3 months time
CFO	Request for proposals for assets management at GTM	Audit & Risk Management Solution	GTM	1/5/14	1/11/16	Asset register updated, year end preparations and audit queries responded to	None	5	5	5	5	The services provided in a good and timely manner.
CFO	Provision of disconnection and reconnection services for GTM	Physon Business Solution	GTM	1/4/15	31/3/18	Monthly disconnection attended to	Disconnections in Lenyeny	N/A	N/A	N/A	5	Satisfactory results
CORP	Tablets And 3g Data Cards (Paperless Council)	Telkom SA	GTM	10/02/15	30/06/15	Stock delivered.	none	N/A	N/A	5	5	The services provided in a good and timely manner.
CORP	Copier & Printing services	Nashua	GTM	01/07/14	30/06/15	The Contract lapsed on the 30th of June 2015. Contract extended for 3 months to allow the procurement	Delays in delivery of parts.	5	5	4	4	Services were good but the delivery of replacement parts was a great challenge.

**TABLE 3: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS FOR 2014/15**

Dept	Project name	Name of Service provider	Source of funding	Start date	Completion date	Progress to date	Challenges and interventions	Assessment of service provider (Scale 1-5)				Assessment comments
								Average	1 - Poor	2 - Fair	3 - Good	
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
						process to unfold						
<b>MM</b>	Electronic system to Manage Performance information	Action IT	GTM	1/4/15	31/3/18	System established, 15/16 SDBIP uploaded on demo site for Management training, first round of training provided	None	N/A	N/A	N/A	5	Service provider provides quick responses to any queries

## 6. PROGRESS WITH IMPLEMENTING PREVIOUS RECOMMENDATIONS

The outcome of performance evaluations should influence the actions of an organization in order to ensure that the overall performance is improved from year to year, this section will reflect on the progress made with the implementation of recommendations from the Annual Performance Report for 2013/14.

**Table 4: Progress made with the implementation recommendations made in the 13/14 APR**

	<b>Recommendation</b>	<b>Responsible Person</b>	<b>Due Date</b>	<b>Progress to date</b>
1	Supply Chain Management Unit to ensure that a Demand Management Plan is approved by Council on the 30th of June, annually	CFO (SCM)	30 June '15	Not implemented, the challenge persists
2	Monthly reports must be submitted to Management and quarterly to Council on the progress made with the implementation of the Demand Management Plan.	CFO (SCM)	*Monthly to Management *Quarterly to Council	Not implemented, the challenge persists
3	A financial recovery plan must be drafted by the CFO to improve the cash flow of Council	CFO	30-Oct-14	Not implemented, the challenge persists
4	Internal Audit and Risk Management to assist the CFO in putting controls in place to ensure that funds are not misused	MM (Audit & Risk)	Ongoing	Not implemented, the challenge persists
5	The continued extension of contracts on a month to month basis must be addressed	CFO (SCM)	30-Nov-14	Service providers have been appointed
6	An investigation should be conducted to establish the root causes for the many legal cases instituted against GTM	MM (Risk)	30-Nov-14	Not implemented, the challenge persists
7	Labour relations management to be improved to manage disciplinary cases in a manner that reduce the cost to Council	CORP (HR)	Ongoing	Improved during 14/15 with no new labour court cases
8	Directors to verify performance information prior to submission to the MM (PMS office)	ALL Directors	Ongoing	Not implemented, the problem persists
9	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	ALL Directors	Quarterly	Not implemented, the problem persists
10	Directors must respond to draft audit findings on performance information within 2 working days	ALL Directors	Quarterly	Not implemented, the problem persists
11	The PMS Framework and Policy must be revised to align to new regulations and to include penalties for non-compliance	MM (PMS)	30 June '15	Not finalised
12	The procurement of an electronic system to manage performance information be prioritised to speed up reporting and auditing turnaround times	MM (PMS)	30 March '15	Specifications submitted to SCMU
13	Performance Management capacity to be strengthened by	CORP (HR)	30 March '15	Not implemented

**Table 4: Progress made with the implementation recommendations made in the 13/14 APR**

	<b>Recommendation</b>	<b>Responsible Person</b>	<b>Due Date</b>	<b>Progress to date</b>
	increasing the human resources allocated to the function			
14	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.	ALL Directors	Ongoing	Not implemented, the challenge persists
15	The budget allocations for maintenance of infrastructure must be revisited to ensure that allocations are sufficient to ensure the sustainability of existing infrastructure.	CFO	30 March '15	Funds available for infrastructure maintenance remains insufficient
16	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.	ESD (Roads) EED CSD (Waste)	30 June '15	Not implemented, the challenge persists
17	The slow progress with the Master Plans by MISA must be investigated and addressed	ESD	30-Oct-14	Not implemented, the challenge persists
18	Alternatively, investigate the possibility of forging Public Private Partnerships to fund and/or develop master plans	ESD (Roads) EED CSD (Waste)	30-Nov-14	Not implemented
19	IDP project teams to be established during the Projects Phase to ensure alignment and integration between departments	MM (IDP)	30-Oct-14	Not implemented, the challenge persists
20	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	MM	30-Oct-14	Not implemented, the challenge persists
21	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.	GTEDA MM (PMS)	30 March '15	Partially implemented, the mandate of GTEDA need to be clarified into the expected outcomes
22	The LED unit must ensure that a Local Tourism Association is established	PED (LED)	30-Oct-14	Done
23	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.	MM & PED	30 June '15	Not implemented
24	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.	MM (IDP)	30-Oct-14	Not implemented, the challenge persists
25	Corporate Services Department to develop an integrated Public Participation Programme which is aligned to the IDP and which must be approved by Council, annually,	CORP (PP)	30-Oct-14	Not implemented, the challenge persists

**Table 4: Progress made with the implementation recommendations made in the 13/14 APR**

	<b>Recommendation</b>	<b>Responsible Person</b>	<b>Due Date</b>	<b>Progress to date</b>
	by 30 June.			
26	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.	CORP (PP)	*Monthly to Management *Quarterly to Council	Not implemented, the challenge persists
27	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	MM (IDP)	30-Jan-15	Not implemented, the challenge persists
28	The procurement of service providers, contract management and project management must be improved to avoid roll-overs as far as possible.	ALL Directors	Ongoing	Not implemented, the challenge persists
29	Intensive practical training on the requirements for Integrated Development Planning be provided for Directors and Managers	MM (IDP)	30-Oct-14	Not implemented

## 7. INSTITUTIONAL PERFORMANCE EVALUATION

This section provides an evaluation of the overall performance of the institution during the 2014/15 financial year. The focus is on those areas that needs to be addressed in order for the organization to improve its overall performance. This section should be read in conjunction with Section 5 wherein the level of implementation of the recommendations made in the APR of the 13/14 was presented.

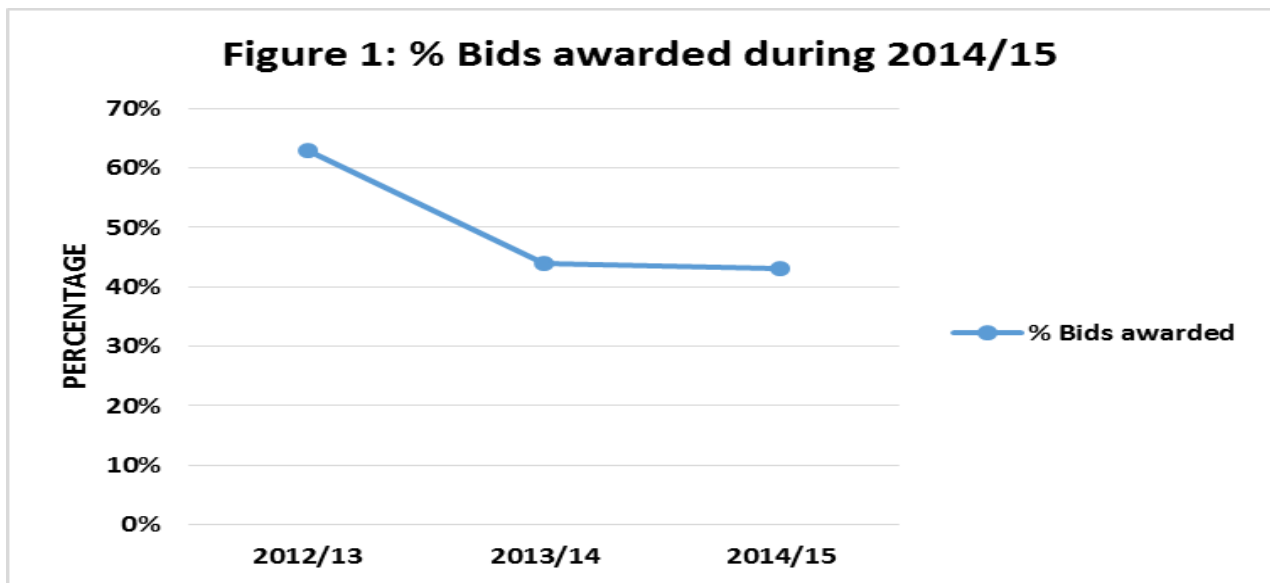
### 7.1 SUPPLY CHAIN MANAGEMENT

As with the previous financial years, the delays in the procurement process continued to delay service delivery initiatives as well as the operations of administration. Council approved the Demand Management Plan (DMP) for 14/15 only on the 2<sup>nd</sup> of October '14 (not by 30 June as required) and at the time of this report being drafted (August '15) the DMP for 15/16 had also not yet been submitted to Council. Although the progress with the finalization of bids is reported in the monthly reports of the CFO these do not reflect the efficiency of the process as it is not accompanied by a progress report on the implementation of the DMP. As a result there has been no improvement in the turnaround time on the appointment of service providers. A summary of the bid register for 2014/15 is presented in **Table 5** below.

**Table 5: Awarding of Bids during 12/13 - 14/15**

FY	No of Bids on Register	No of Awards made	% Bids awarded	No 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%
2014/15	46	20	43%	24	57%	2	4%	6	13%

In **Figure 1** below it can be seen that the percentage of bids that was adjudicated dropped from 63% in 12/13 to only **43%** in 14/15.



Factors contributing to the slow turn-around time in terms of the appointment of service providers are:

- Poor communication between the SCMU and other departments
- BEC meetings scheduled on short notice
- BAC not quorating due to the vacancies at Senior Management level
- BAC meetings not well coordinated with discord regarding who should be coordinating these meetings
- The entire process of finalizing bids is not being monitored properly, as monthly financial reports are not clear on the time lapse from advertisement to the awarding of a bids.
- Procurement process not monitored by Council, since reports on progress with the implementation of the Demand Management Plan is not submitted to Management or Council

The impact of the issues listed above can be seen in the progress made with the implementation of Capital projects for 2014/15, as outlined on Page 80.

**RECOMMENDATIONS:**

- a) That a Risk Assessment on the procurement process be conducted and recommendations be made as to how improve the turn-around time.
- b) That a Demand Management Plan (DMP) must be approved by Council by 30 June, annually.
- c) Monthly DMP progress reports must be submitted to Management and quarterly to the Audit Committee and Council.
- d) That the efficiency of the bid committees in finalising bids must be evaluated in the monthly reports of the Finance Department to Management and Council.

## 7.2 AUDIT COMMITTEE FUNCTIONALITY

The audit committee is a key role player in the effort to achieve a clean audit. The audit committee also serves as the Performance Audit Committee and therefore also contributes to monitoring and evaluating organisational performance. During the 2014/15 financial year the audit committee was not functional due to various reasons, resulting in:

- The Internal Audit Division functioning without an approved Charter and Audit Plan.
- Quarterly Performance Reports did not undergo an audit process, putting Council at risk of taking decisions based on information that has not been validated.
- Council did not received any report from the Audit Committee on how to improve organisational performance in terms of both financial management and service delivery during 14/15.

### **RECOMMENDATIONS:**

- a) That the Audit Committee meetings must take place at least once per quarter.
- b) That a schedule of Audit Committee meetings be developed and submitted to Council.



### 7.3 PROJECT PLANNING & MANAGEMENT

The IDP process is aimed at ensuring that the municipality implements projects in an integrated, developmental manner and in consultation with the community. The budget of the municipality should reflect the priorities as determined by the community and as captured in the IDP. The non-alignment between the budget and the IDP has been raised as a concern in various reports as it results in a poor audit outcome on predetermined performance objectives. However, the lack of integration and proper project planning during the review of the IDP has further contributed to the following challenges:

- The inability to implement projects due to insufficient budget allocations or technical difficulties (due to project teams not being in place as advised in the 13/14 report).
- Projects cannot be implemented within the planned timeframe e.g. only 1 of the 14/15 capital projects for ESD was completed in 14/15 i.e. Thapane to Morutji Tar Road.
- Roll-over projects from previous financial years are implemented, while those planned for the financial year are delayed.
- MIG projects are not completed within the planned timeframe and future-year projects were brought forward to improve expenditure patterns artificially. Therefore, instead of completing the planned projects we are adding to the projects that must be rolled over.
- GTM is spending capital on projects which were not planned in the IDP for that specific financial year and it is done without consulting the community or adjusting the IDP.

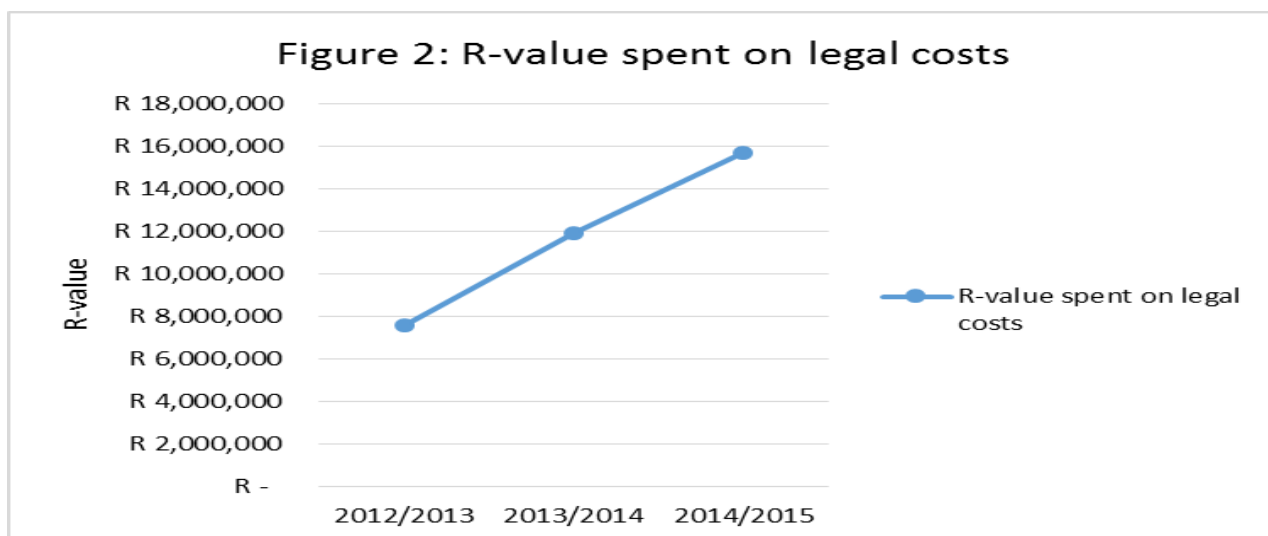
Overall this presents a picture of poor planning and poor project management, which is worsened by delays in the procurement process. The continued roll-over of capital projects reflects badly on the implementation of the IDP as planned for a financial year, giving the impression that the capital projects contained in the IDP is a wish list, rather than a funded mandate. This puts the municipality at risk of experiencing an increase in community protests due to the non-delivery of infrastructure & services that were agreed to during the IDP public consultation process.

## RECOMMENDATIONS:

- a) That the strategic planning capacity of the IDP office be improved by filling the IDP officer position.
- b) That CoGHSTA be requested to provide IDP training for all Directors and Managers.
- c) The IDP process plan must be adhered to, to ensure that sufficient time is spent on planning and integrating all initiatives.
- d) Project teams be established during the Projects phase of the IDP to ensure that all projects are well planned and all stakeholders are consulted prior to implementation (as recommended for 13/14).
- e) The reasons behind the delays in the awarding of bids (especially major service delivery projects) must be investigated and addressed.
- f) That the roll-over of capital projects not be approved if they are not cash backed.

## 7.4 FINANCIAL MANAGEMENT

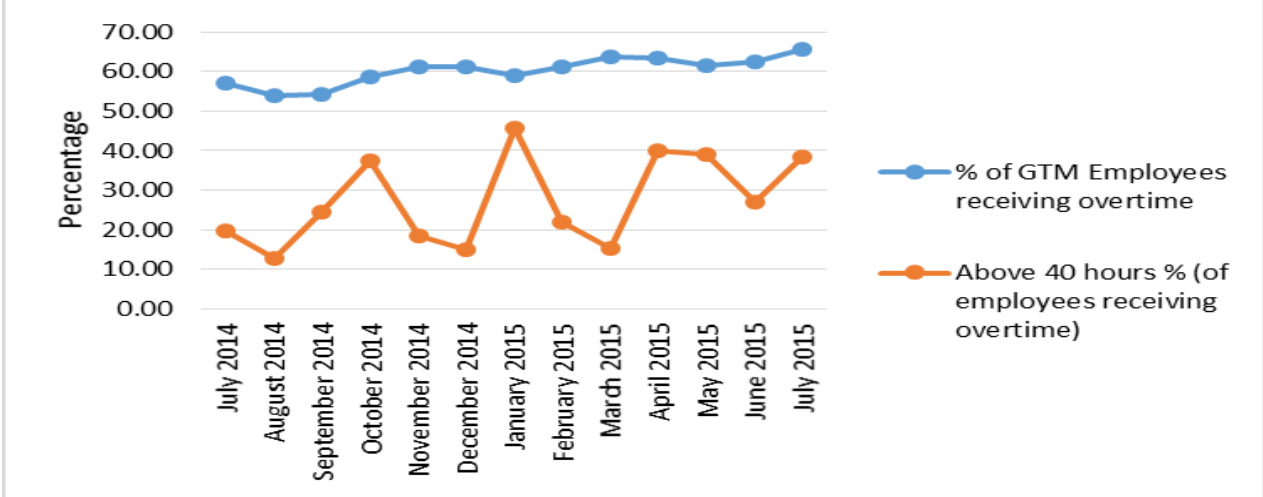
During the 14/15 Annual Performance Report it was recommended that a Financial Recovery Plan be put in place to address the cash shortages in Council. This recommendation was not implemented and as a result the Cost coverage halved from 1.2 in 2014/15 to 0.6 in 2015/16. This implies that the ability of Council to meet all obligations on a monthly basis is seriously in jeopardy. The excessive expenditure on overtime and legal fees were also sighted as major contributing factors to the situation. The expenditure on legal costs continues to increase annually (from R7,599,380 in 12/13 to R15,674,668 in 14/15), as presented in **Figure 2** below:



The statistics on the payment of overtime was consolidated for the 2014/15 financial year to assess the effectiveness of the measures put in place by management to curb the payment of overtime. **Figure 3** below, presents the situation regarding overtime claims during 2014/15 and from this data it is evident that the measures put in place were not effective in reducing overtime payments. For most of the months more than 60% of GTM employees were paid overtime. To illustrate the magnitude of the problem, overtime payments for July 2015 was also included, indicating that 66% of all the GTM employees were paid overtime while 38% of these overtime claims exceeded the 40 hour limit. The number of employees being paid overtime has also gradually increased to a level where 430 employees were paid overtime in July of 2015 (65% of all the employees). Although 41 vacancies were not filled during 14/15 (due to the labour disputes) these cannot justify the excessive overtime of the 100 employees (on average) that exceeded the 40 hour limit every month, strangely enough peaking at 182 for the month of January '15. GTM is therefore in non-compliance with the Labour Relations Act (Act 66 of 1995), the Basic Conditions of Employment Act (Act no 75 of 1997), Regulation 531 of 2014, wherein employees earning above a certain threshold cannot claim payment for overtime as well as the GTM Policy on Overtime.

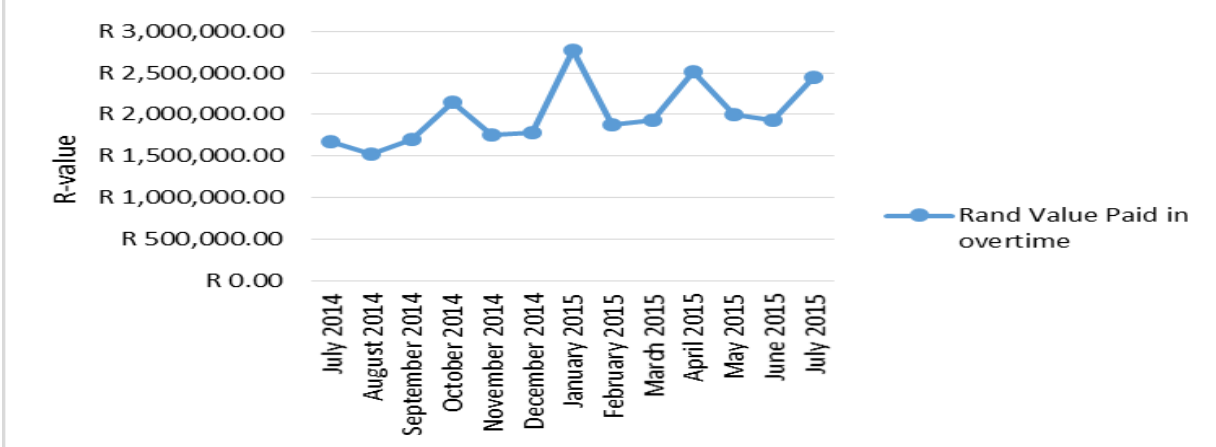
The increase in the number of employees that are being paid overtime (**393** in June of 2014 to **430** in July of 2015) reveals that the system of paying for overtime is being mismanaged and abused.

**Figure 3: Overtime Management during 14/15**



Although Management put measures in place to contain the spending on overtime (such as mandatory pre-approval on overtime) the expenditure on overtime has not been curbed, but has rather increased to an all-time high in July '15 (see **Figure 4**). During the 2014/15 financial year a total of **R23,591,850** was paid for overtime (an average of close to R2 million per month). If the overtime situation is not brought under control it will have a detrimental effect on the wage bill should the vacancies be filled.

**Figure 4: Rand Value Paid in overtime (14/15)**



**Recommendations:**

- a) That a Financial Recovery plan to Council for approval by 30 Sept '15 (as recommended for 13/14).

- b) That HR, in consultation with the service Departments, identify employees that deliver an essential service and that overtime payment be limited to these employees, within the legislated parameters.
- c) That all overtime for none-essential service employees be taken as time off.
- d) That Regulation 531 of the Labour Relations Act (Act 75 of 1997) be implemented, wherein employees exceeding a regulated wage level are not allowed to claim payment for overtime.
- e) That the Overtime Policy of Council be adhered to wherein overtime may not exceed 3 hours per day, 10 hours per week or 40 hours per month.

## 7.5 INFORMATION TECHNOLOGY

During the 2014/15 Financial Year GTM experienced repeated periods during which the IT network was not accessible. The functionality of the IT network is essential for data security in terms of the financial data, human resource data and all other administrative systems. It is especially the regularity of problems experienced with connecting to the IT network and telephone system at Stores that is a major concern as it inhibits the ability of the finance department to manage stock and avoid over-expenditure.

The non-availability of access to the main server placed the organization at risk of losing vital information, not being able to prepare financial and performance reports on time and not being able to process payments etc. The challenges experienced with the access to email also placed the organization at risk of not being able to send or receive vital information to and from other spheres of government. The lack of funding to implement the Disaster Recovery Plan is a major concern as data backups are currently not being kept off-site.

### **Recommendations:**

- a) That IT evaluate the problems relating to the IT & telephone network at stores and that Management be presented with a report on what needs to be done to resolve the matter.

- b) IT Hardware be prioritised during the 16/17 IDP/Budget process to facilitate the implementation of the Disaster Recovery Plan.
- c) IT technicians to be sent on training on an annual basis to allow them to keep up with the available technology.

## 7.6 HUMAN RESOUCCE MANAGEMENT

Human resource management is central to improving organisational performance, during the 14/15 financial year the following were the main challenges experienced:

- Local Labour Forum was not functional. LLF meetings could not take place in a constructive manner since the unions refused to cooperate with all processes until the, what they call, salary disparity matter has been resolved. In the process the review of the Organogram was halted and a memorandum of understanding was signed wherein the filling of vacancies was stopped. As a consequence various departments are experiencing staff shortages and critical managerial positions remain vacant (e.g. Managers: Water, PMU, Communications and Internal Audit as well as the IDP officer).
- Staff provisioning: The filling of critical positions are taking too long, this is especially a challenge where MM & Director positions are concerned. The CORP & PED positions were vacant for almost 2 years. The cost implication of repeated re-advertisements but also the impact on the functionality of the Departments is a major concern. With effect from 1 June the position Director: CORP was once again vacant.
- Cascading of the Individual PMS: The signing of performance plans by Managers (level 3) had to be stopped, due to the salary disparities on this level, to avoid unfair labour practice. In spite of various legal opinions on the matter, management in the end requested SALGA to intervene to resolve the matter. Furthermore, the Human Resource Division still needs to appoint a PMS specialist to facilitate the cascading to all staff levels, a process which is also dependent on the review of the organogram.

- Capacity Building (training): During the past 3 financial years the bulk of the training vote was spent on providing MFMP training to Directors and Managers. Hardly any funds was available to allow other employees to be capacitated. As an example: electricians could not be sent for their ORHVS training (Operating Regulations for High Voltage Systems), these certificates are only valid for 3 years. The ORHVS training must be done prior to certificate expiring as an Electrician operating without such certificate puts GTM at risk of major claims if any accident should happen. The MFMP training is a legislative requirement for the MM, Directors and finance employees only and therefore providing the training for managers is optional. MFMP training for managers should be part of the WSP and should not jeopardise essential training required by other staff.

**Recommendations:**

- a) That all the vacancies at Managerial level be advertised and filled by 30 December 2015, these include the Manager: Internal Audit, Water & Sewer, PMU, Communications as well as the IDP Officer.
- b) That all training requests (including MFMP) be subjected to a prioritization process prior to drafting the WSP.
- c) That provision be made on the HR organogram for the appointment of an Employee Performance Management Officer.

## 7.7 PERFORMANCE MANAGEMENT

Performance Management is one of the key functions of the Municipal Managers and Directors and therefore the vacancies at this level contributed to the poor outcome of performance management initiatives for 14/15. Even though there was compliance in terms of the adoption of the Annual Report, SDBIP and the submission of quarterly performance reports, the quality of these were undermined by:

- None-alignment between the IDP and the Budget, which is worsened by the adjustment budget process.
- The SDBIP and quarterly performance reports were not audit by Internal Audit prior to adoption by Council and therefore the accuracy and validity of the reports were compromised.
- The none-functionality of the Audit Committee.
- The none-submission of Portfolio of Evidence on performance information by Directors.
- The continued roll-over of capital projects rendering the 1<sup>st</sup> & 2<sup>nd</sup> Qtr SDBIP reports ineffective in monitoring project implementation, since roll-over projects are not contained in the SDBIP until it has been accommodated in the adjustment budget.
- Audit Action Plan only drafted in April of 2015 and the implementation thereof was not monitored by the Audit Steering Committee as expected.

In addition to the above, the assessment of employee performance was not conducted, a repeat of the situation experienced in 2013/14. The following were the major contributing factors:

- Assessment of Managers (level 3): Council approved a request that the assessment of Managers be cancelled until such time that the salary disparities at Manager level has been resolved. This was necessitated by the fact that payment of performance incentives, as contained in the PMS Policy, is structured as a percentage of the annual salary. Thus potentially exposing Council to labour disputes based on unfair labour practice.
- Assessments of MM & Directors: Instability in Management, caused by the suspension of the Municipal Manager, along with the fact that the Audit Committee was not functional during the 14/15 financial year contributed to the assessments not taking place. The panel setup in conjunction with the management dynamics during 14/15 had the potential to also result in disputes if the assessments should take place.



**Recommendations:**

- a) The Performance Management Policy framework be revisited to amend the incentive scheme and include penalties for non-compliance to reporting timeframes
- b) Adherence to the Performance Management Process Plan be monitored by the Municipal Manager
- c) That Council consider scheduling monthly Council Sitings to be able to monitor performance through the monthly reports

## 8. ACHIEVEMENTS FOR 14/15

The 2014/15 financial year was an extremely difficult year for Administration and Council, a situation caused and worsened by the absence of a Municipal Manager and an Audit Committee. The further vacancy on senior level (that of the PED Director), contributed further to the workload of the senior managers that had to act as the Municipal Manager during this time. During 2014/15 GTM also went through a change in the political leadership. In spite of all the challenges GTM still managed to achieve the following:

- A. Blue drop status retained for the Tzaneen and Letsitele water works
- B. GTM won the Provincial Greenest Town Competition and was a finalist nationally.
- C. Compliance to major administrative deadlines such as the approval of the Annual Report, IDP, Budget and SDBIP.
- D. Capacity building of students from FET Collage by providing in-service training in IT, Communications, Finance, Civil Engineering and Electrical Engineering
- E. Infrastructure projects completed:
  - a. Electrification of Runnymede/ Pjapjamela/ Masekwane ext – 135 Units connected
  - b. Electrification of Mohlaba Cross Phase 2 – 400 Units connected
  - c. Rebuilding of 18km of electrical overhead lines
  - d. Completion of tar roads such as the Mafarana to Sedan, Ramotshinyadi to Mokgwathi, Senakwe to Marapalala and Thapane to Morutji
  - e. Completion of the Tzaneen Swimming Pool
- F. Expansion of services:
  - a. 2 New libraries became operational, in Mulati & Shiluvane villages

- b. Removal of solid waste was extended to 7 rural waste management areas with the assistance of the EPWP grant

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