

Service Delivery and Budget Implementation Plan (SDBIP)

2nd Quarter Report for 16/17



GREATER TZANEEN MUNICIPALITY

Office of the Municipal Manager

Performance Management Section

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List of Acronyms

AC	Audit Committee
AFS	Annual Financial Statements
AG	Auditor General
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs (Provincial Department)
COGTA	Cooperative Governance and Traditional Affairs (National Department)
CORP	Corporate Services Department
CWP	Community Works Programme
EED	Electrical Engineering Department
EEDG	Energy Efficiency Demand Grant
EPWP	Expanded Public Works Programme
ESD	Engineering Services Department
FBE	Free Basic Electricity
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Principles
GTEDA	Greater Tzaneen Economic Development Agency
GTM	Greater Tzaneen Municipality
IA	Internal Audit
IDP	Integrated Development Plan
INEP	Integrated National Electrification Programme
IT'S	Information Technology
KwH	Kilowatt Hour

LED	Local Economic Development
LEDA	Limpopo Economic Development Agency
LGSETA	Local Government Sector Education Training Authority
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act
MFMP	Municipal Finance Management Programme
MM	Municipal Manager
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
NDPG	Neighbourhood Development Grant
OHS	Organisational Health and Safety
PED	Planning and Economic Development Department
PoE	Portfolio of Evidence
PT	Provincial Treasury
SANRAL	South African National Roads Agency Limited
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small Medium and Micro Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
TOR	Terms of Reference
YTD	Year to date







1. Introduction

The Service Delivery and Budget Implementation Plan (SDBIP) was approved by the Mayor on the 27th of June 2016 in line with the prescriptions of Section 53 (2) (ii) of the Municipal Finance Management Act (MFMA) (Act 56 of 2003) and subsequently approved by Council. The SDBIP services as a tool which assists Council and the Municipal Manager to monitor the implementation of the budget and delivering on the Key Performance Indicators and projects as approved in the Integrated Development Plan (IDP).

Quarterly SDBIP progress reports are prepared for Council, reflecting progress made in the achievement of the targets as agreed on by the Municipal Manager and Directors prior to the approval of the SDBIP. Quarterly SDBIP reports contains the progress made for the quarter, reasons for deviation (where it is applicable) as well as efforts undertaken to improve the performance in areas where progress are not as planned. The quarterly reports also contains an analysis of operational and capital expenditure as well as revenue collected.

GTM has procured and electronic system to manage performance information. The performance reported by Departments are rated in terms of the level on which the targets set have been achieved. The actual performance for the quarter is therefore colour coded as follows:

Coding of Results

	KPI Not Yet Measured (not applicable this quarter)
	KPI Not Met
	KPI Almost Met
	KPI Met
	KPI Well Met
	KPI Extremely Well Met

The information contained in the quarterly performance reports are being audited by Internal Audit and reports on the results of the audit is presented to the Performance Audit Committee. It must be noted that the effectiveness of the audit on the substantiating evidence (by Internal Audit), has a major effect on the Auditor General's auditing process and the resulting audit outcome on the Predetermined Objectives as set out in the IDP.

2. Financial Performance

This section provides an overview of the performance in terms of quarterly revenue collection and expenditure in line with the approved budget for 2016/17.

2.1 Revenue Analysis

GTM revenue collection per line item, for the 2nd Quarter, is presented in **Table 1**.

Table 1: 2nd Qtr Revenue Collection for 2016/17										
Ref	Line Item	Oct-16		Nov-16		Dec-16		Total for the Period		
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	% collected
RS1	Property rates	8 177 637	8 619 283	8 294 243	8 476 736	7 314 342	8638895	48 299 773	51 440 100	107%
RS2	Penalties imposed and collection charges on rates	444 818	665 128	465 862	648 231	307 862	647904	2 237 278	3 903 487	174%
RS3	Service charges	36 701 135	34 182 913	41 756 312	35 636 404	29 834 709	32593334	270 285 629	248 270 644	92%
RS4	Rent of facilities and equipment	69 448	115 011	100 930	149 846	96 415	154830	515 857	793 967	154%
RS5	Interest earned - external investments	131 132	1 255 134	430 330	237 199	42 000	424824	970 511	2 964 121	305%
RS6	Interest earned - outstanding debtors	1 051 671	1 557 483	1 029 479	1 878 566	1 028 504	1561899	5 968 783	10 555 139	177%
RS7	Fines	401 564	1 370 084	244 702	472 240	580 397	561407	2 181 029	3 133 383	144%
RS8	Licenses and Permits	57 207	112 721	53 275	71 666	63 676	15698	310 623	451 537	145%

Table 1: 2nd Qtr Revenue Collection for 2016/17

Ref	Line Item	Oct-16		Nov-16		Dec-16		Total for the Period		
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	% collected
RS9	Income from Agency services	3 427 110	4 675 336	3 631 285	3 863 556	3 350 229	3465472	21 983 869	24 877 051	113%
RS10	Operating grants and subsidies	0	2 000 000	128 508 297	2 687 000	7 500 000	117061000	296 176 694	314 222 000	106%
RS11	Other Revenue	261 305	-29 444	506 493	-14 136	5 854	2307422	1 142 425	3 757 524	329%
RS12	Gain on disposal of property, plant and equipment	0	0	0	0	0	0	0	0	
RS13	Income foregone	-2 182 196	-1 955 073	-2 346 611	-1 949 715	-2 226 407	-1950443	-13 316 604	-11 671 788	88%
Total:		48 540 831	52 568 575	182 674 598	52 157 592	47 897 581	165482244	636 755 867	652 697 165	103%

The reasons for deviations as per the budgeted revenue are as follows:

- **RS 2:** Penalties imposed on rates due to the increased amount owed by debtors on outstanding rates accounts.
- **RS 4:** Rent of facilities and equipment deviate due to new contracts concluded not known when budget was drafted.
- **RS 5:** Interest budget does not include Mopani debtors' interest but the actual does, this is reconciled at year-end.
- **RS 11:** Other Revenue includes new connections which cannot be determined for budget purposes and may deviate based on the applications received throughout the year

Table 2: 2nd Quarter Revenue Summary for 2016/17

2016/17 FY			31 Oct'16		30 Nov '16		31 Dec '16	
Revenue	Budget	Adjustment budget	Year to date receipt	% Receipt	Year to date receipt	% Receipt	Year to date receipt	% Receipt
Grants & Subsidies	416 697 000	n/a	194 474 000	47%	197 161 000	47%	314 222 000	75%
Rates & Taxes (billing)	657 689 965	n/a	227 024 872	34%	274 319 389	42%	319 151 305	49%
Rates & Taxes (collection rate)	591 920 968	n/a	211 777 708	36%	258 819 921	44%	320 476 115	54%
Debtors age analysis	n/a	n/a	446 555 262		450 990 525		441 314 127	
Bank Balance	0	0	27 157 880	n/a	11 099 179	n/a	66 783 374	n/a

2.2 Expenditure Analysis

This section provides details regarding the expenditure in terms of the Operational Budget for the period 1 October to 31 December 2016. **Table 3** contains the expenditure for the 2nd Quarter of 2016/17.

Table 3: 2nd Quarter Monthly Operational Expenditure (Period 1 October to 31 December 2016)										
Ref	Directorate	Oct '16		Nov '16		Dec '16				
		Operational Expenditure		Operational Expenditure		Operational Expenditure				
		Original Budget	Monthly Actual	Original Budget	Monthly Actual	Original Budget	Monthly Actual	YTD Actual	YTD Variance	YTD % Spent
CF3	Office of the Municipal Manager	818 123	851 888	877 924	811 110	958 856	1 143 138	5 258 539	1 496 343	78%
CF4	Financial Services	4 930 791	4 040 416	4 898 019	4 856 494	6 832 689	6 327 168	27 442 415	4 150 141	87%
CF5	Corporate Services	7 456 954	8 893 439	6 809 390	14 114 610	6 714 386	17 733 163	65 896 515	-24 265 800	158%
CF7	Community Services	16 473 025	15 603 651	14 962 550	16 250 466	15 377 144	13 307 757	85 918 620	4 477 120	95%
CF9	Electrical Engineering	36 871 647	32 405 658	38 827 560	7 779 839	35 736 121	53 859 975	197 904 319	27 341 625	88%
CF8	Engineering Services	11 167 884	2 043 176	12 228 292	3 329 081	14 803 877	4 497 528	23 307 501	52 373 178	31%

Table 3: 2 nd Quarter Monthly Operational Expenditure (Period 1 October to 31 December 2016)										
Ref	Directorate	Oct '16		Nov '16		Dec '16				
		Operational Expenditure		Operational Expenditure		Operational Expenditure				
		Original Budget	Monthly Actual	Original Budget	Monthly Actual	Original Budget	Monthly Actual	YTD Actual	YTD Variance	YTD % Spent
CF6	Planning and Economic Development	1 593 690	3 078 791	1 493 518	1 992 575	3 646 841	3 110 426	16 402 103	-4 303 431	136%
CF10	GTEDA	0	0	0	0	0	0	0	0	0
Total:		79 312 114	66 917 019	80 097 253	49 134 174	84 069 914	99 979 155	422 130 012	61 269 175	87%

The reasons for the major variances reported in terms of operational expenditure (see **Table 3**) are as follows:

- Over-expenditure reported for the Corporate Service Department (**at 158%**) are due to **R31 million** spent on legal fees during this period. This does however include litigation settlement amounts relating to capital projects.
- Under –expenditure by the Engineering Services Department (**at 31%**) is due to the non-allocation of depreciation and labour
- Over-expenditure by the PED Department, at 136%, is due to the expenditure on implementing the NDPG projects, for which Treasury did not approve a roll-over.

Table 4 presents a summary of performance in terms of the planned expenditure for the 2nd Quarter of 2016/17. Major variations to take note of is the following:

- The low expenditure for repairs & maintenance (11%) is due to non-allocation of depreciation and labour cost, which will be allocated before the end of the financial year.

Table 4: 2nd Quarter Expenditure Summary for 2016/17								
2016/17 FY			31 Oct '16		30 Nov '16		31 Dec '16	
Expenditure	Budget	Adjustment budget	Year to date exp	% Spent	Year to date exp	% Spent	Year to date exp	% Spent
Salaries & Allowances	293 508 267	293 508 267	85 693 053	29%	106 953 546	36%	128 007 876	44%
Remuneration of Councilors	23 035 604	23 035 604	6 989 752	30%	8 734 699	38%	10 505 485	46%
Repairs & Maintenance	153 648 819	153 648 819	10 279 963	7%	12 646 733	8%	16 975 426	11%
Bulk Purchases	332 500 000	332 500 000	106 719 055	32%	106 905 619	32%	153 071 625	46%
Contracted Services	48 213 872	48 213 872	12 076 057	25%	18 177 402	38%	20 824 582	43%
Other Expenditure	189 295 824	189 295 824	51 258 802	27%	68 732 859	36%	92 745 017	49%
Operating Expenditure	1 040 202 386	1 040 202 386	273 016 683	26%	322 150 857	31%	422 130 012	41%
Capital Expenditure	133 453 430	138 889 304	56 264 415	42%	69 128 203	52%	82 199 906	62%

Table 5: 2nd Quarter Grant Expenditure Summary for 2016/17								
2016/17 FY			31 Oct '16		30 Nov '16		31 Dec '16	
Conditional Grant	Budget	Adjustment budget	Year to date Exp	% Spent	Year to date Exp	% Spent	Year to date Exp	% Spent
FMG	1 810 000	0	437 826	24	700 536	38	821 452	45
INEP	25 000 000	0	7 984 461	31	7 984 461	31	8 115 655	32
EEDG	7 000 000	0	195 029	3	285 408	4	2 604 207	37
MIG	89 797 000	0	49 334 220	54	59 728 325	66	67 955 915	75
EPWP	1 949 000	0	437 826	24	700 536	38	821 452	45

Table 5, presents the expenditure on Conditional grants and the reasons for low spending levels are:

- **INEP (32%):** Projects are in progress, major expenditure in next quarter.
- **EEDG (37%):** Project is in progress with equipment being procured. Implementation will be completed before year-end.
- **FMG (45%):** Major activities re-scheduled for 3rd quarter
- **EPWP (45%):** Grant only received during August, own funding was used during for the month of July.

2.3 Capital Expenditure Analysis

This section provides an overview of capital expenditure during the 2nd Quarter of 2016/17. **Table 6** below presents the capital expenditure per department.

Table 6: 2nd Qtr Capital Expenditure per Vote (Oct - Dec '16)											
Ref	Vote	Oct-16		Nov-16		Dec-16					
		Capital Expenditure		Capital Expenditure		Capital Expenditure					
		Original Budget	Monthly Actual	Original Budget	Monthly Actual	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	YTD % Spent
CF3	Municipal Manager	0	0	0	6 742	0	0	0	14 918	-14 918	100%
CF4	Financial Services	0	12 931	0	0	0	0	0	12 931	-12 931	100%
CF5	Corporate Services	0	0	0	0	0	0	0	1 057 357	-1 057 357	100%
CF7	Community Services	0	0	0	0	0	0	0	39 498	-39 498	100%
CF9	Electrical Engineering	3 936 765	373 306	1 150 419	424 231	4 220 213	2 944 789	11 363 526	4 541 120	6 822 406	40%
CF8	Engineering Services	1 011 223	15 762 874	7 756 457	12 176 315	8 931 529	10 126 914	30 260 720	76 276 355	-46 015 635	252%
CF6	Planning and Economic Development	0	0	0	256 499	1 150 000	0	1 150 000	257 726	892 274	22%
CF10	GTEDA	0	0	0	0	0	0	0	0	0	100%
Total:		4 947 989	16 149 111	8 906 876	12 863 787	14 301 742	13 071 703	42 774 246	82 199 906	-39 425 660	192%

As can be seen from **Table 6** the expenditure incurred on Capital amounted to R82 199 906 at the end of December 2016, which is a total expenditure of 192% of the initial budget for the first 6 months. It should be noted that this expenditure includes the amount spent on projects rolled-over from 15/16. When the expenditure on roll-over projects (see **Table 8** for the details on these projects) are excluded, the actual expenditure on projects planned for 16/17 only amounts to R 73 million. The high rate of expenditure on MIG projects are contributing to this.

Table 7 presents the 2nd Quarter expenditure on capital projects as planned in the 16/17 SDBIP.

Table 7: Capital Project Expenditure 1 October to 31 Dec ‘16															
Ref	IDP Number	Project name	Wards	Annual Budget	Oct-16		Nov-16		Dec-16						Source of Funding
					Monthly Financials		Monthly Financials		Monthly Financials		YTD Financials				
					Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance	% Spent	
Office of the Municipal Manager															
CP1	MM 151	Purchase of office furniture	All	200 000	0	0	0	6 742	0	0	0	14 918	-14 918	100%	Own Funds
Office of the Chief Financial Officer															
CP2	CFO 152	Purchase of office furniture	All	200 000	0	12 931	0	0	0	0	0	12 931	-12 931	100%	Own Funds
Corporate Service Department															
CP5	CORP 154	Purchase of office furniture	All	200 000	0	0	0	0	0	0	0	0	0	0%	Own Funds
CP3	CORP 145	Disaster Recovery Equipment	All	700 000	0	0	0	0	200 000	0	200 000	0	200 000	0%	External Loans
CP4	CORP 149	Computers for employees	All	1 000 000	0	0	600 000	0	300 000	0	900 000	13 860	886 140	2%	Own Funds
CP6	CFO 150	Sound systems procurement	All	200 000	0	0	0	0	200 000	0	200 000	0	200 000	0%	External Loans

Table 7: Capital Project Expenditure 1 October to 31 Dec '16

Ref	IDP Number	Project name	Wards	Annual Budget	Oct-16		Nov-16		Dec-16						Source of Funding
					Monthly Financials		Monthly Financials		Monthly Financials		YTD Financials				
					Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance	% Spent	
CP10	CSD 155	Purchase of office furniture	All	200 000	0	0	0	0	0	0	0	39 498	-39 498	100%	Own Funds
Electrical Engineering Department															
CP32	EED 157	Purchase of office furniture (EED)	All	200 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
CP31	EED 91	New electricity Connections (Consumer contributions)	All	15 000 000	0	273 330	0	333 852	1 000 000	612 008	2 000 000	1 922 932	77 068	96%	Own Funds
CP23	EED 103	Rebuilding of Lalapanzi 33 kv line (2km)	35	400 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
CP24	EED 104	Rebuilding of Mashutti 11kv line (4km)	16	600 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
CP25	EED 105	Rebuilding of Deeside 11kv line from Red Arc to Rooster and Woodside Farm (2.5km) Phase 1 of 2	13	400 000	0	0	0	0	200 000	0	200 000	0	200 000	0%	Own Funds
CP26	EED 106	Rebuilding of Yamorna/ Shivuruli 11kv line (4km)	13	600 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
CP27	EED 107	Rebuilding of Ledzee 11kv line from LZ44 to Vandergrey Farm (3.5km)	13	525 000	0	0	0	0	0	0	0	0	0	100%	Own Funds

Table 7: Capital Project Expenditure 1 October to 31 Dec '16

Ref	IDP Number	Project name	Wards	Annual Budget	Oct-16		Nov-16		Dec-16						Source of Funding
					Monthly Financials		Monthly Financials		Monthly Financials		YTD Financials				
					Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance	% Spent	
CP29	EED 116	Replacement of auto-reclosers (11kv and 33kv)	13; 16	2 025 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
CP22	EED 99	Provision of Capital Tools (outlying)	All	100 000	0	0	0	0	20 000	0	40 000	0	40 000	0%	Own Funds
CP11	EED 35	High mast lights at Traditional Authorities offices	All	2 546 280	0	0	0	0	100 000	0	100 000	0	100 000	0%	Own Funds
CP21	EED 98	Provision of Capital Tools (Urban)	All	100 000	0	0	0	0	20 000	0	40 000	0	40 000	0%	Own Funds
CP28	EED 114	Replacing of old SS1 electrical substation circuit breakers with compact switchgear	15	2 500 000	0	0	0	0	200 000	0	200 000	0	200 000	0%	Own Funds
CP19	EED 92	Energy efficiency and demandside management (Tzaneen, Nkowankowa & Lenyenye)	14; 15; 16; 17; 19; 21; 31	7 000 000	800 000	99 976	800 000	90 379	800 000	2 332 780	2 400 000	2 618 188	-218 188	109%	DOE
CP30	EED 93	Renewal, Repairs and Maintenance on pre-paid meters	13; 14; 15	250 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
Engineering Services Department															

Table 7: Capital Project Expenditure 1 October to 31 Dec '16

Ref	IDP Number	Project name	Wards	Annual Budget	Oct-16		Nov-16		Dec-16						Source of Funding
					Monthly Financials		Monthly Financials		Monthly Financials		YTD Financials				
					Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance	% Spent	
CP45	ESD 156	Purchase of office furniture (ESD)	All	200 000	0	0	0	0	0	5 347	0	5 347	-5 347	100%	Own Funds
CP34		Relela Community Hall	8	6 068 805	1 000 000	1 990 819	1 000 000	1 006 070	1 000 000	483 692	6 068 805	3 480 581	2 588 224	57%	MIG
CP33	ESD 125	Burgersdorp Sports Facility	28	673 436	0	0	0	0	0	0	505 000	0	505 000	0%	MIG
CP35	ESD 127	New Runnymede Sports facility	6	15 972 200	1 000 000	5 248 517	1 000 000	0	1 000 000	1 774 146	5 972 200	17 579 376	-11 607 176	294%	MIG
CP41	ESD 6	Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road (Phase 3 of 4)	22; 23; 24	20 153 138	2 000 000	905 377	2 353 138	3 408 288	2 000 000	752 824	10 353 138	10 743 963	-390 825	104%	MIG
CP42	ESD 7	Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	28; 29	19 599 882	2 000 000	6 451 935	1 119 882	5 702 314	1 000 000	4 194 190	9 119 882	30 325 632	-21 205 750	333%	MIG
CP40	ESD 8	Moruji to Matswi, Kheshokolwe Tar Road	7	22 839 889	2 000 000	0	2 839 889	277 433	2 000 000	1 022 738	11 839 889	4 336 034	7 503 855	37%	MIG
CP43	ESD 78	Construction of ablution facility for Parks Offices in Tzaneen	15	900 000	0	0	0	0	157 000	0	157 000	0	157 000	0%	MIG; Own Funds

Table 7: Capital Project Expenditure 1 October to 31 Dec '16

Ref	IDP Number	Project name	Wards	Annual Budget	Oct-16		Nov-16		Dec-16						Source of Funding
					Monthly Financials		Monthly Financials		Monthly Financials		YTD Financials				
					Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance	% Spent	
CP37	ESD 11	Rikhotso low level bridge	4	2 000 000	300 000	228 695	300 000	380 313	300 000	0	2 000 000	1 021 926	978 074	51%	External Loans
CP38	ESD 12	Mokonyane low level bridge	32	500 000	100 000	24 695	100 000	320 093	0	344 058	500 000	737 874	-237 874	148%	External Loans
CP36	ESD 13	Kwekhwe Low Level Bridge	9	1 300 000	0	0	0	0	150 000	0	150 000	0	150 000	0%	External Loans
CP39	ESD 15	Khubu to Lwandlamuni low level bridge	12	2 600 000	0	0	500 000	0	300 000	0	800 000	-60 000	860 000	-8%	External Loans
CP44	ESD 34	Tzaneen Airfield Refurbishment	13	2 500 000	0	0	0	0	200 000	313 818	200 000	313 818	-113 818	157%	External Loans
Planning and Economic Development Department															
CP50	PED 153	Purchase of office furniture (PED)	All	200 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
CP47	PED 1	Land Acquisition at Letsitele	23	3 000 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
Greater Tzaneen Economic Development Agency															
CP51	GTEDA 143	MSCOA equipment and programmes	All	235 000	0	0	0	0	0	0	0	0	0	100%	Own Funds
Total:				133 688 630	9 200 000	15 236 275	10 612 909	11 525 484	11 147 000	11 835 601	53 945 914	73 108 104	-19 162 190	136%	

Projects that were rolled over from 2015/16 or other financial years, for implementation in 2016/17 is presented in **Table 8**. It should be noted that these projects are not part of the approved SDBIP for 16/17 and will only be incorporated once a formal adjustment budget and IDP have been approved by Council.

Table 8: Roll-over Projects approved for implementation during 2016/17 - 2nd Qtr Progress									
Dpt	Project Name	R-value roll-over approved for 16/17	Source of funding	Expenditure to date (30 Dec '16) 2nd Quarter	1st Quarter Project Milestone	Actual Progress by 30 Sept '16	2nd Quarter Project Milestone	Actual Progress by 31 Dec '16	Supporting Documentation
EED	Electrification of 160 households at Sunnyside/ Myakayaka/ Sepacheng	R 744 004	DBSA Loan	R 518 611	Project at construction phase (75%)	Project at construction phase (82%)	Physical construction completed (95%). Awaiting energization	Project at construction phase (85%). Project delayed as contractor abandoned site and delivery of meters.	Payment certificates and Progress reports
EED	Electrification of 350 households at Khopo/Civic	R 937 141	DBSA Loan	R 688 495.35	Physical construction completed (95%). Awaiting energisation	Physical construction completed (95%). Busy with updating of ENS and capturing of PCS file	Project completed and energized (100%)	Physical construction completed (95%). Busy with updating of ENS and capturing of PCS file. Project delayed by procurement of meters	Payment certificates and Progress reports
EED	Electrification of 685 households at Thabina Valley	R 3 102 185	DBSA Loan	R 3 802 256	Physical construction completed (95%). Awaiting energisation	Physical construction completed (93%). Busy with installation of split meters, updating of ENS and capturing of PCS file. Eskom's final inspection will be done on 03 October 2016	Project completed and energized (100%)	Project energized on 23 December 2016 (98%). 398 households connected. Busy with house connections of the remaining households.	Payment certificates and Progress reports
EED	Electrification of villages 425 at Julesburg Area/ Private Farm/ Bordeaux	R 1 930 734	DBSA Loan	R 387 600	Physical construction completed (95%). Awaiting energisation	Physical construction completed (95%). Busy with updating of ENS and capturing of PCS file	Project completed and energized (100%)	Physical construction completed (95%). ENS updated. Busy with capturing of PCS file. Project delayed by procurement of meters.	Payment certificates and Progress reports

Table 8: Roll-over Projects approved for implementation during 2016/17 - 2nd Qtr Progress

Dpt	Project Name	R-value roll-over approved for 16/17	Source of funding	Expenditure to date (30 Dec '16) 2nd Quarter	1st Quarter Project Milestone	<u>Actual Progress by 30 Sept '16</u>	2nd Quarter Project Milestone	Actual Progress by 31 Dec '16	Supporting Documentation
EED	Electrification of 788 households at Xihoko/ Radoo/ Mabele/ Thapane	R 3 950 654	DBSA Loan	R 2 512 219	Physical construction completed (95%). Awaiting energisation	Physical construction completed (95%). Busy with updating of ENS and capturing of PCS file	Project completed and energized (100%)	Project completed and energized. (100%). 825 households connected.	Payment certificates and Progress reports
EED	New Protection Relays	R 300 000	Own		Not applicable this quarter	Not applicable this quarter	Not applicable this quarter	Approved roll over will be utilized as savings for high mast lights	Awaiting confirmation of roll over
EED	Old Technology Main Circuit Breakers	R 700 000	Own		Not applicable this quarter	Not applicable this quarter	Not applicable this quarter	Not yet implemented, Approved roll over will be utilized as savings for procuring a new Crane Truck	Awaiting confirmation of roll over
EED	Electrification of 400 households at Khujwana Phase 2	R 1 290 778	INEP	R 609 565	Physical construction completed (95%). Awaiting energisation	Project at construction phase (85%). Busy with construction of additional 25 households	Project completed and energized (100%)	Project at construction phase (93%). Busy with construction of additional 25 households. Project delayed by late delivery of material and procurement of meters	Payment certificates and Progress reports
EED	Electrification of 700 households at Mine View/Hospital View	R 4 783 713	INEP	R 4 144 173	Project at construction phase (75%)	Project at construction phase (80%)	Physical construction completed(95%).Awaiting energization	Project at construction phase (83%). Project delayed by contractor abandoned site and late delivery of meters.	Payment certificates and Progress reports
EED	Electrification of 160 households at Bonn/Lekutswi	R 677 952	INEP	R 471 522	Project at construction phase (75%)	Physical construction completed (96%). Busy with updating of ENS and Capturing of PCS file	Project completed and energized (100%)	Physical construction completed (96%). ENS updated. PCS file captured. Final inspection completed. Awaiting delivery of meters. Project delayed by delivery of meters.	Payment certificates and Progress reports

Table 8: Roll-over Projects approved for implementation during 2016/17 - 2nd Qtr Progress

Dpt	Project Name	R-value roll-over approved for 16/17	Source of funding	Expenditure to date (30 Dec '16) 2nd Quarter	1st Quarter Project Milestone	<u>Actual Progress by 30 Sept '16</u>	2nd Quarter Project Milestone	Actual Progress by 31 Dec '16	Supporting Documentation
EED	Electrification of 100 households at Madumane/ Mohlakong/ Moruji/ Botludi	R 660 966	INEP	R 386 178	Project at construction phase (75%)	Project at construction phase (80%)	Physical construction completed (95%) Awaiting energization	Project at construction phase (90%). Busy with installation of meters. Project delayed by work stoppage by Eskom due to authorizations.	Payment certificates and Progress reports
EED	Electrification of 450 households at Motupa/ Marirone/ Kubjana	R 1 527 762	INEP	R 928 304	Physical construction completed (95%). Awaiting energisation	Physical construction completed (97%). Busy with updating of ENS and capturing of PCS file	Project completed and energized (100%)	Physical construction completed (97%). ENS updated. PCS file captured. Final inspection completed. Awaiting delivery of meters. Project delayed by delivery of meters.	Payment certificates and Progress reports
EED	Electrification of 130 households at Morapalala	R 406 272	INEP	R 229 942	Physical construction completed (95%). Awaiting energisation	Physical construction completed (96%). Busy with updating of ENS and capturing of PCS file	Project completed and energized (100%)	Physical construction completed (96%). ENS updated. PCS file captured. Final inspection completed. Awaiting delivery of meters. Project delayed by delivery of meters.	Payment certificates and Progress reports
EED	Electrification of 450 households at Wally	R 1 778 768	INEP	R 1 284 821	Physical construction completed (95%). Awaiting energisation	Physical construction completed (96%). Busy with updating of ENS and capturing of PCS file	Project completed and energized (100%)	Project completed and energized. 314 households connected.	Payment certificates and Progress reports
EED	Electrification of 100 households at Mopye/ Seabane	R 625 818	INEP	R 350 188	Project at construction phase (80%)	Project at construction phase (85%)	Physical construction completed (95%). Awaiting energization	Project at construction phase (85%) Project delayed by work stoppage by Eskom due to authorizations and procurement of meters	Payment certificates and Progress reports
EED	Electrification of 231 households at Joppie/ Mabele/ Moroatshehla	R 2 026 773	INEP		Project completed and energised	Project completed and energized (100%)	Project completed and energized (100%)	Project completed and energized (100%)	Hand over certificates

Table 8: Roll-over Projects approved for implementation during 2016/17 - 2nd Qtr Progress

Dpt	Project Name	R-value roll-over approved for 16/17	Source of funding	Expenditure to date (30 Dec '16) 2nd Quarter	1st Quarter Project Milestone	<u>Actual Progress by 30 Sept '16</u>	2nd Quarter Project Milestone	Actual Progress by 31 Dec '16	Supporting Documentation
ESD	Nkowankowa Taxi Rank	R 8 227 880	Own	R 8 741 151	65% Projected Milestone	Physical progress at 64%	Planned Physical progress is 70%	Physical progress is at 66%	Cashflow projections & Program of works Hand over certificate
ESD	Marumofase Pedestrian Bridge	R 5 435 874	Own	R 3 823 000	Physical progress at 24%	Physical progress at 12%	Physical progress at 85%	Physical progress is at 45%	Cashflow projections & Program of works Hand over certificate
ESD	Low Level Bridge-Agatha cemetery Road	R 430 851	Own	R -	Not applicable this quarter	Specification stage	Finalisation of the appointment of the contractor.	On adjudication stage	Cashflow projections & Program of works Hand over certificate
ESD	Mokonyane Low Level Bridge	R 1 751 448	Own	R 737 875	Physical progress at 80%	Physical progress at 15%	Bridge completed 100%	Bridge completed 55%	Cashflow projections & Program of works Hand over certificate
ESD	Rikhotso Low Level Bridge	R 431 587	Own	R 1 021 925	Physical progress at 100%	Physical progress at 95%	Bridge completed 100%	Bridge completed 100%	Cashflow projections & Program of works Hand over certificate
ESD	Khubu-Lwandlamuni Low Level Bridge	R 170 733	Own	R -	Specification stage	Specifications finalised	Appointment of contractor finalisation	On adjudication stage	Cashflow projections & Program of works Hand over certificate
ESD	Speed Humps	R 1 594 833	Own	R 1 470 422	Speed humps construction complete 100%	Completed 100%	N/A	Completed 100%	Cashflow projections & Program of works Hand over certificate
ESD	Politsi Road	R 1 251 806	Own	R -	Not applicable this quarter	Not applicable this quarter	Finalisation of additional scope of work to be done with the savings	Completed 100%	Cashflow projections & Program of works Hand over certificate
ESD	Disability Access Lift	R 600 000	Own	R -	Not applicable this quarter	Not applicable this quarter	Consultation with internal stakeholders due to change of scope of work from a normal lift to a lift at the stairs. Specifications drafted	Still busy with consultation with stakeholders and benchmarking with other municipalities.	Q2: Attendance registers for stakeholder meetings and specification meeting.Q3:Appointment letter of service provider.Q4: Completion certificate

Table 8: Roll-over Projects approved for implementation during 2016/17 - 2nd Qtr Progress									
Dpt	Project Name	R-value roll-over approved for 16/17	Source of funding	Expenditure to date (30 Dec '16) 2nd Quarter	1st Quarter Project Milestone	<u>Actual Progress by 30 Sept '16</u>	2nd Quarter Project Milestone	Actual Progress by 31 Dec '16	Supporting Documentation
							for the new scope of work		
ESD	Construction of Lenyenye Drop Off Centre access road	R 600 000	Own	R 152 334	Completed. Physical progress at 100%	Completed. Physical progress at 100%	Not applicable this quarter	Completed. Physical progress at 100%	Cashflow projections & Program of works Hand over certificate
PED	Land Acquisition (Regional Cemetery)	R 2 985 000	Own	R -	Negotiations completed	Negotiations completed. Community Resolutions signed.	Not applicable this quarter	Consolidated with Lenyenye cemetery project	Minutes of Community Meetings Community resolution. Payments.
PED	Lenyenye Cemetery	R 1 659 996	Own	R -	Not applicable this quarter	Not applicable this quarter	Resume with negotiations to obtain community resolutions	No progress yet, Process will resume in February 2017	Minutes of Pre-resolution & Resolution meetings Signed Community resolutions Payment
	Total	R 50 583 527		R 15 946 707					

Considering the capital expenditure during 2016/17, as presented in **Table 7 & 8** the following should be noted:

- Of the capital projects planned for 2016/17, under expenditure were recorded for 15 projects (see **Table 7**).
- Capital expenditure on grants is progressing very well with 78% of MIG spent by 31 December, however the expenditure on projects funded from own funds are only at 7%.
- Of the R82 million spent on capital projects up to 31 December, R70 million is from grants (MIG & EEDG).
- Of the 28 projects rolled over from 2015/16 only 7 has been completed (refer to **Table 8**).

- e) Expenditure per Department (see **Table 6**) indicates that ESD spent 252% of their capital budget during the first 6 months, while EED only spent 40% and PED only 22%, it should however be noted that this includes spending on roll-over projects.

2.4 Summary of financial performance for the 2nd Quarter of 2016/17

The overall financial performance during the first quarter can be summarised as follows:

- a) The excessive expenditure on legal costs is a cause for concern with **R31,239,459** spent by 31 Dec '16. It should however be noted that this expenditure includes the settlement amount for litigations on capital projects.
- b) Capital expenditure on projects funded by grants is good but expenditure on projects funded from own sources are extremely low.
- c) The operational expenditure reported for service departments do not reflect the true state of affairs, this since the allocation of labour and depreciation is not taking place on a monthly basis.
- d) Only 40.95% of capital has been spent on projects as prioritised for 16/17 in the IDP.

3. Delivery on Key Performance Indicators & Projects

3.1 Office of the Municipal Manager

The performance of the Office of the Municipal Manager (MM) during the 2nd Quarter of 2016/17 is presented below (see **Table 9**).

Table 9: 2 nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D1	Good Governance and Public Participation	Increase financial viability	Budget management	% of capital spent on projects as prioritised in IDP for specific year	Percentage	50%	100%	100%	57.14%	R	Performance target achieved	None	Capital Expenditure report
D2	Good Governance and Public Participation	Effective and Efficient administration	Council Support	% of GTM Council resolutions implemented vs number passed	Percentage	100%	100%	100%	14.96%	R	The implementation of Council resolutions is a continuous process.	Management to timeously update on the progress of implementation circulated to them.	Council annual program Resolution register
D3	Good Governance and Public Participation	Effective and Efficient administration	Management and Administration	# Management meetings	Number	21	24	12	4	R	Scheduled Management meetings are not held as expected due to other commitments on Council business.	The schedule of meetings to be adhered to by management.	Invitations Minutes & Attendance Registers

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D4	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	Mid-year budget and performance report submitted to PT, COGHSTA, and AG by 25 Jan	Number	1	1	0	0	N/A			Mid-year Performance Report Acknowledgement of Receipt
D5	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	Draft Annual Report tabled in Council by 31 Jan	Number	1	1	0	0	N/A			Draft Annual Report Council Minutes
D6	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	Final Annual Report approved by Council by 31 March	Number	1	1	0	0	N/A			Final Annual Report Council Minutes
D7	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	# of Quarterly SDBIP reports submitted to Council	Number	4	4	2	0	R			Quarterly Performance Reports Council Minutes
D8	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	# of Back to Basics statistical reports submitted to CoGTA by the 10th of each month	Number	12	12	6	6	G	B2B Statistical report submitted on 8 December	None required	B2B Reports, Acknowledgement of receipt

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D9	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	Draft Annual Performance Report submitted to the AG, AC and Mayor by 31 August	Number	1	1	1	1	G	Submitted on 31 August	None required	Acknowledgement of Receipt from AG, AC & Mayor
D10	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	# of days taken to submit the SDBIP to the Mayor following budget approval	Number	20	28	0	0	N/A			Acknowledgement of receipt - Mayor
D11	Good Governance and Public Participation	Effective and Efficient administration	Performance monitoring and reporting	# of quarterly performance reports audited prior to submission to Council	Number	0	4	2	0	R			Quarterly SDBIP Audit reports
D12	Good Governance and Public Participation	Improve stakeholder satisfaction	Customer Care	# of community protests	Number	Actual awaited	0	0	0	G			Community Protest applications register
D13	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	# of AG audit queries	Number	94	0	0	0	G			Audit Report

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D14	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	% of employees that Received paid overtime (12 month average)	Percentage	10%	10%	10%	22.35%	R			Monthly HR reports on overtime
D15	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	Unqualified Audit opinion obtained from AG	Number	Qualified	1	1	0	R			Audit Report
D16	Good Governance and Public Participation	Improve stakeholder satisfaction	Customer Care	% of complaints received on the Presidential and Premier hotlines resolved	Percentage	Actual awaited	100%	100%	0%	R			Help desk register of resolutions
D17	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	# audit committee meetings held	Number	4	4	2	2	G			Agendas, Attendance register
D18	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	% of audit committee resolutions implemented	Percentage	New KPI	100%	100%	36.67%	R	Departments not updating progress on the register	Directors to take charge in ensuring that the resolution register is updated on a quarterly basis	AC resolution register

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D19	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	% of MPAC resolutions implemented	Percentage	New KPI	100%	100%	0%	R	No MPAC resolutions implemented by Management during the second quarter.	Management to timeously update the progress on the resolution register circulated to them.	MPAC resolution register
D20	Local Economic Development	Develop a high performance culture for a changed, diverse, efficient and effective local government	Employee Performance Management	# of performance assessments for Sect 56/57 appointments	Number	0	2	1	0	R	None-adherence to reporting timeframes. None adherence to PMS policy	Accounting officer to ensure that All Directors submit information on time.	Mid-year and Annual Assessment reports
D21	Good Governance and Public Participation	Attract and retain best human capital to become employer of choice	Employee Performance Management	# of critical posts with signed performance agreements (MM, CFO, Engineer, Town Planner, CORP, Communications)	Number	4	6	6	2	R	Engineer on Suspension, CORP and Communications vacant Town Planning manager not signing due to salary discrepancy dispute	Corp and Communications to be filled ESD disciplinary case to be finalised. Salary disparities of Managers to be resolved	Signed Performance Agreements

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D22	Local Economic Development	Develop a high performance culture for a changed, diverse, efficient and effective local government	Employee Performance Management	# of Senior Managers (MM & Directors) with signed performance agreements by 30 June	Number	6	7	7	4.17	R	CORP and ESD not signed, EED resigned	ESD disciplinary case to be finalised CORP & EED to be appointed	Performance Agreements for Sect 56/57 Managers
D23	Local Economic Development	Enhanced Integrated developmental planning	Integrated Development Planning	# of IDP Steering Committee meetings	Number	4	6	3	4	G2			Invitations Minutes & attendance registers
D24	Local Economic Development	Enhanced Integrated developmental planning	Integrated Development Planning	# of IDP Rep forum meetings	Number	4	5	3	1	R	None-adherence to the IDP process plan	IDP activities to be prioritised by leadership	Invitations Minutes & attendance registers
D25	Local Economic Development	Enhanced Integrated developmental planning	Integrated Development Planning	Draft IDP approved by Council by 31 March annually	Number	42458	1	0	0	N/A			Draft IDP Council Minutes
D26	Local Economic Development	Enhanced Integrated developmental planning	Integrated Development Planning	Final IDP approved by Council by 31 May annually	Number	42521	1	0	0	N/A			Final IDP Council Minutes

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D27	Good Governance and Public Participation	Increase financial viability	Revenue Management	% equitable share received	Percentage	93%	100%	50%	0%	R			Bank Statement DORA
D28	Good Governance and Public Participation	Increase financial viability	Supply Chain Management	% of bids approved by MM within 90 days after close of tender	Percentage	60%	100%	100%	50%	R	Not applicable. No bids recommended to MM in December	not applicable	Bids approval SCM process checklist
D29	Good Governance and Public Participation	Increase financial viability	Supply Chain Management	Demand Management Plan approved by Council by 30 June Annually	Number	0	1	0	2	B	No specifications received from other departments.	department to submit specification as per date stated on procurement plan	Demand Management Plan Council Minutes
D30	Good Governance and Public Participation	Increase financial viability	Expenditure Management	% of Capital Budget spent	Percentage	54%	100%	40%	59.86%	G2	Performance target not achieved	Spending on capital projects was low due to financial constraints. However this is covered by 58% YTD expenditure	Budget Reports
D31	Good Governance and Public Participation	Increase financial viability	Budget management	% of Operational budget spent	Percentage	101%	100%	50%	35.76%	R	Target has been met	None	Budget Reports

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D32	Good Governance and Public Participation	Increase financial viability	Expenditure Management	% Operating budget spent on Personnel costs (excl Salaries of councillors)	Percentage	35%	35%	35%	18.53%	B	Performance target achieved	Employee costs to be allocated monthly	Budget Reports
D33	Good Governance and Public Participation	Increase financial viability	Supply Chain Management	% of Bids awarded within 2 weeks after adjudication recommendation	Percentage	20%	100%	100%	50%	R	BEC members not forming quorum.	BEC member to attend BEC meetings	SCM Submission register Bids approval by MM
D34	Good Governance and Public Participation	Increase financial viability	Financial Reporting	Submission of AG Action Plan to Council by 31 January	Number	1	1	0	0	N/A			Acknowledgement of receipt by AG & PT
D35	Good Governance and Public Participation	Increase financial viability	Financial Reporting	% of AG queries resolved	Percentage	100%	100%	0%	0%	N/A			Acknowledgement of receipt by AG & PT
D36	Good Governance and Public Participation	Increase financial viability	Revenue Management	Revenue enhancement strategy revised and approved by 30 June '17	Number	New KPI	1	0	0	N/A			Attendance register of consultation sessions Revenue Enhancement Strategy Council Minutes

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D37	Basic Service Delivery	Enhance sustainable environmental management and social development	Disaster Management	Annual Disaster Management report submitted to Mopani District by 30 Sept	Number	3 September '15	1	1	1	G			Annual Report Acknowledgement of receipt from MDM
D38	Basic Service Delivery	Enhance sustainable environmental management and social development	Disaster Management	Annual Disaster Management report submitted to Council by 31 Aug	Number	42610	1	1	1	G			Disaster Management Report Council Resolution
D39	Basic Service Delivery	Enhance sustainable environmental management and social development	Disaster Management	% Disaster incidences responded to (relieved) within 72-hours	Percentage	1	100%	100%	100%	G	All the incidences of disasters were attended to	Non required	Relief forms
D40	Basic Service Delivery	Enhance sustainable environmental management and social development	Disaster Management	# of disaster awareness campaigns conducted	Number	15	9	5	6	G2			Programme for Awareness Campaigns Attendance Register Agenda

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D41	Good Governance and Public Participation	Effective and Efficient administration	Risk Management	# of Anti-corruption committee meetings	Number	1	4	2	2	G	Anti-corruption committee meeting took place on the 14th November 2016.	Program has been developed. Committee meetings will take place per the program	Agendas, Attendance register, Minutes
D42	Good Governance and Public Participation	Effective and Efficient administration	Risk Management	% of reported cases of fraud and corruption investigated	Percentage	1	100%	100%	100%	G	Investigation was done at the Provincial level, by CoGHSTA.	Agreed in the anti-corruption committee meeting that CoGHSTA should engage the municipality during the investigations. It was further agreed that the reported cases should be captured in the municipality case register.	Register of Fraud & Corruption Cases Investigation Reports
D43	Good Governance and Public Participation	Effective and Efficient administration	Risk Management	Risk Assessment report submitted to Council by 30 May	Number	1	1	0	1	B	Not applicable for this reporting period.	None	Risk Assessment Report Council Minutes

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D44	Good Governance and Public Participation	Effective and Efficient administration	Risk Management	# of Risk committee meetings	Number	0	4	2	2	G	Not applicable for this reporting period	None	Appointment letter for chairperson & members Invitations Minutes & attendance registers
D45	Good Governance and Public Participation	Effective and Efficient administration	Risk Management	# of Risk monitoring reports submitted to Council	Number	4	4	2	5	B	4th quarter 2015/16 and 1st quarter 2016/17 were approved late by Council on the 15th December 2016, which is late due to delayed comments by directors on Collaborator.	Accounting Officer to intervene regarding the collaborator comments. Council items life span on collaborator should not exceed 14 days.	Risk Monitoring Reports Council Minutes
D46	Good Governance and Public Participation	Effective and Efficient administration	Risk Management	# of strategic risks identified	Number	10	10	10	10	G	Strategic risks are part of the Enterprise Risk Assessment report which was finalised in June 2016 for 2016/2017 financial year.	None	Strategic Risk Assessment Report

Table 9: 2nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D47	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	3 year Strategic Risk Based Audit plan submitted to Audit Committee by 30 June	Number	1	1	0	0	N/A			3 Year Strategic Risk Plan AC minutes
D48	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (MM)	Percentage	100%	100%	100%	83.33%	O	No audit report issued for the department		Internal Audit Follow-up Reports for Department
D49	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	# of quarterly internal audit reports submitted to audit committee	Number	4	4	2	1	R			Quarterly Audit reports AC minutes
D50	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	Annual Audit Plan approved by Audit Committee by 30 June	Number	0	1	0	0	N/A			Audit Plan AC Minutes
D51	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	Revised Internal Audit Charter submitted & approved by Audit Committee by 30 June	Number	0	1	0	0	N/A			Audit Charter AC Minutes

Table 9: 2 nd Quarter Performance on targets set for 2016/17 – Office of the Municipal Manager													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D52		Effective and Efficient administration	Office Administration	Purchase of office furniture (MM)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for the acquisition of furniture (10%) Q4: Furniture procured for MM offices and delivered (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of furniture

Table 10 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for the Office of the Municipal Manager, indicating that **39%** of the targets set for the period were not met:

Table 10: Office of the Municipal Manager- Summary of Results (2 nd Qtr 2016/17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	13	25%

Table 10: Office of the Municipal Manager- Summary of Results (2nd Qtr 2016/17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Met	19	37%
	KPI Almost Met	1	2%
	KPI Met	12	23%
	KPI Well Met	3	6%
	KPI Extremely Well Met	4	8%
	Total KPIs	52	

Areas of concern in the Office of the Municipal Manager:

1. The functionality of the Internal Audit Division is being compromised by the following issues:
 - i. Inadequate human resources, a situation worsened by the Manager: Internal Audit position being vacant since August 2015.
2. Audit Committee functionality is being compromised by the non-submission of reports for the quarterly meetings. Although the 1st quarter meeting took place almost 50% of the reports were not submitted.
3. Performance Management is dysfunctional due to the following:
 - i. Non-adherence to reporting timeframes and requirements.

- ii. Not all Directors are verifying the performance information reported for their Departments, on a monthly basis, resulting in incomplete and inaccurate reports being submitted to Council.
 - iii. Performance assessments for the MM and Directors have not taken place due to unresolved issues regarding the non-compliance with reporting requirements that resulted in the repeated re-opening of the electronic reporting system.
 - iv. The re-opening of the electronic reporting system nullifies the audit on the evidence already completed, impeding the scheduling of performance assessments for the MM and Directors.
4. Management meetings is not taking place on a bi-weekly basis as planned (only 4 of the planned 12 meetings were held).
5. Performance reporting for the Office of the MM is incomplete with:
- i. Progress made with each KPIs are not always reported on a monthly basis, distorting the year-to-date performance;
 - ii. Reasons for deviation and efforts to address poor performance not reflected in the report for the Department.

3.2 Office of the Chief Financial Officer

The performance of the Office of the Chief Financial Officer (CFO) during the 2nd Quarter of 2016/17 is presented below (see **Table 11**).

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D53	Good Governance and Public Participation	Increase financial viability	Fleet Management	Fleet management policy revised and approved by Council by 30 December 2016	Percentage	Fleet management policy developed in 2006	100%	100%	80%	O	Fleet Policy will finalised during December 2016	Fleet Policy will finalised during December 2016	Fleet Management Policy Council Resolution
D54	Basic Service Delivery	Improve access to sustainable and affordable services	Free Basic Services	R-value of Free Basic Electricity to Households	R-value	3579960	R 4,000,000	R 2,000,000	R 2,531,483	G2	Invoices received from Eskom	Continuous monitoring of indigent claims	FBE Payments
D55	Basic Service Delivery	Improve access to sustainable and affordable services	Free Basic Services	% of households earning less than R 1100 served with free basic electricity (total registered as indigents)	Percentage	100%	100%	100%	100%	G	All indigents on Promis registered receive Free basic electricity	n/a	Indigent register Billing Report
D56	Basic Service Delivery	Improve access to sustainable and affordable services	Free Basic Services	% households earning less than R 1100 with access to free basic waste removal (total registered as indigents)	Percentage	7%	7%	7%	20.50%	B	Only formal towns included but measured against total register	Consider new method for measurement	Indigent register Billing Report

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D57	Basic Service Delivery	Improve access to sustainable and affordable services	Free Basic Services	Total number of registered indigent households who received free basic water and sanitation (5 formal towns)	Number	1400	1,380	1,380	1,403	G2	Actual receiving	n/a	Indigent register Billing Report
D58	Good Governance and Public Participation	Effective and Efficient administration	Regulatory Framework	# of finance related policies revised annually	Number	17	17	0	0	N/A			Budget Policies Council Resolution
D59	Good Governance and Public Participation	Increase financial viability	Asset Management	Annual Asset verification report concluded by 30 August	Number	42551	1	1	1	G			Sign Off report on Asset Verification report Council Resolution
D60	Good Governance and Public Participation	Increase financial viability	Budget management	Draft Budget submitted to Council by 31 March	Number	42456	1	0	0	N/A			Draft Budget Council resolution
D61	Good Governance and Public Participation	Increase financial viability	Budget management	Annual Budget tabled by 31 May annually	Number	28 May '16	1	0	0	N/A			Budget Council resolution

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D62	Good Governance and Public Participation	Increase financial viability	Budget management	Annual Adjustment budget approved by Council by 28 Feb	Number	42427	1	0	0	N/A			Adjustment Budget Council resolution
D63	Good Governance and Public Participation	Increase financial viability	Budget management	Cost coverage	Ratio	0.20%	1.60%	1.60%	2.50%	B	None	N/A	Financial reports Financial viability calculations
D64	Good Governance and Public Participation	Increase financial viability	Budget management	Debt coverage	Ratio	19.20%	18.30%	18.30%	24.88	G2	The actual is higher than the target which means that the target has been met.	N/A	Financial reports Financial viability calculations
D65	Good Governance and Public Participation	Increase financial viability	Budget management	% of debt collected	Percentage	6%	8%	8%	8.67%	G2	Debt collection successful	n/a	Financial reports Financial viability calculations
D66	Good Governance and Public Participation	Increase financial viability	Expenditure Management	% creditors paid within 30 days	Percentage	95%	100%	100%	99.67%	O	All creditors were paid within 30days	None	Monthly reports

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D67	Good Governance and Public Participation	Increase financial viability	Financial Reporting	# of Section 71 (MFMA) reports submitted to NT & PT by no later than 10 working days after the end of the month	Number	12	12	6	6	G	The sect 71 reports were submitted to the Gov. Departments on 14 December 2016. The reports were submitted within 10 working days	N/A	Acknowledge ment of receipt by NT & PT
D68	Good Governance and Public Participation	Increase financial viability	Financial Reporting	Annual Financial statements submitted to AG, PT and NT by 31 August annually	Number	42247	1	1	1	G			Acknowledge ment of receipt by AG & PT
D69	Good Governance and Public Participation	Increase financial viability	Revenue Management	# of Households billed	Number	23066	23,500	23,500	22,911.67	O	New stand sales	Increased development	Billing reports

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D70	Good Governance and Public Participation	Increase financial viability	Revenue Management	# of revenue generation policies reviewed and approved	Number	0	5	0	5	B			Credit Control, Debt Collection, Property rates, Indigent Policy & Cash management Policy, Debt impairment Budget Resolution
D71	Good Governance and Public Participation	Increase financial viability	Revenue Management	% of revenue collected monthly	Percentage	95%	92%	92%	82%	O	Credit control and debt collection	Continue credit control	Budget report
D72	Good Governance and Public Participation	Increase financial viability	Revenue Management	Outstanding service debtors to revenue	Ratio	50%	48%	48%	64.15	R	Increased payment rate	Continue credit control	Financial reports Financial viability calculations
D73	Municipal Financial Viability and Management	Increase financial viability	Expenditure Management	% of Finance Management Grant Spent	Percentage	1	100%	49.80%	45.84%	O	Target not met FMG Budget = R1, 810, 000 FMG EXP = R120, 916	Outstanding Invoice - invoice was not received from service provider	Monthly Expenditure Report

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
											= 120, 916 / 1, 810, 000 X 100 = 6.68% = 7%		
D74	Good Governance and Public Participation	Increase financial viability	Supply Chain Management	# of SCM reports submitted to national treasury	Number	12	12	6	10	B	not applicable	not applicable	Monthly SCM reports Acknowledge ment of receipt from Treasury
D75	Good Governance and Public Participation	Effective and Efficient administratio n	Supply Chain Management	# of contract management reports submitted to Council	Number	0	12	6	7	G2	Non applicable	non applicable	Monthly Contract Management Report Council Minutes
D76	Good Governance and Public Participation	Increase financial viability	Revenue Management	# of indigents registered	Number	36732	36,732	0	36,427	B	Registered 2015/2016	Validate and approve new register	Indigent register

Table 11: 2nd Quarter Performance on targets set for 2016/17 - Office of the CFO

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D77	Good Governance and Public Participation	Effective and Efficient administration	Office Administration	Purchase of office furniture (CFO)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for the acquisition of furniture (10%) Q4: Furniture procured for CFO offices and delivered (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of furniture
D78	Good Governance and Public Participation	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (CFO)	Percentage	1	100%	100%	83.33%	O	No audit was performed during November 2016	No audit was performed during November 2016	Internal Audit Follow-up Reports for Department

Table 12 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for the Office of the CFO, indicating that **27%** of the targets set for the quarter were not met.

Table 12: CFO - Summary of Results (2nd Quarter 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	5	19%

Table 12: CFO - Summary of Results (2 nd Quarter 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Met	1	4%
	KPI Almost Met	6	23%
	KPI Met	4	15%
	KPI Well Met	5	19%
	KPI Extremely Well Met	5	19%
	Total KPIs	26	

Areas that require intervention in the Office of the Chief Financial Officer:

1. Vacancies in the Credit Control section is affecting the ability of the division to collect revenue and do credit control.
2. Allocation of depreciation and labour is not being done on a monthly basis, presenting a skewed expenditure pattern to Council.
3. The information submitted by the Department does not provide reasons for deviations or efforts to improve, a matter which was raised by the AG as a finding on performance information. This affects the credibility of the performance reports.
4. Information required for SDBIP is not being reported on a monthly basis, which affects the year-to-date performance reflected for the department.

3.3 Corporate Services Department

The performance of the Corporate Services Department (CORP) during the 2nd quarter of 2016/17 is presented below (see **Table 13**).

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D79	Service Delivery	Develop and build skilled and knowledgeable workforce	Capacity building and Training	# of employees successfully trained	Number	90	90	40	17	R	Delays in the procurement of service providers		WSP Approval by MM Attendance Register
D80	Service Delivery	Develop and build skilled and knowledgeable workforce	Capacity building and Training	Work place skills plan submitted to LGSETA by 30 Apr	Number	1	1	0	0	N/A			WSP Acknowledgement of receipt
D81	Service Delivery	Develop and build skilled and knowledgeable workforce	Capacity building and Training	% of municipal budget spent on implementing the Work Place Skills Plan	Percentage	0.01	1%	0%	0%	N/A			Municipal Budget Training Budget Spent
D82	Service Delivery	Develop and build skilled and knowledgeable workforce	Capacity building and Training	# of Ward Committee members workshopped on municipal affairs	Number	340	350	250	0	R			Training programme & attendance register

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measureme nt	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D83	Service Delivery	Develop and build skilled and knowledgeable workforce	Labour Relations	# of Local Labour Forum meetings	Number	12	12	6	2	R	The focus was on the implementation of the salary disparity for job level 16 and 17 respectively.	That the corporate calendar be followed immediately after implementation of the council resolution for job level 16 and 17.	LLF Invitations, Minutes and attendance registers
D84	Service Delivery	Enhance sustainable environmental management and social development	Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for youth	Number	160	473	234	0	R	None of the services department employed employees on capital projects Only EPWP	All services department must prioritise projects to accommodate appointment of youth	Consolidated Job creation reports
D85	Service Delivery	Enhance sustainable environmental management and social development	Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for women	Number	422	473	234	0	R	None of the services department employed employees on capital projects Only EPWP	All service department should prioritise capital project to accommodate youth	Consolidated Job creation reports
D86	Service Delivery	Enhance sustainable environmental management and social development	Youth, Gender & Disability support	# of Jobs created by Municipal Capital projects for disabled persons	Number	2	17	6	0	R	All services department did not implement capital projects for the month.	All service department should prioritise capital project to accommodate disabled people	Consolidated Job creation reports

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measureme nt	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D87	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	# of people from employment equity target groups employed in the 3 highest levels of management in compliance with EE plan	Number	27	27	27	26	O	Continuous appointment is ongoing.	None	EE report
D88	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	Number of MM & Director posts vacant for more than three months	Number	7	0	0	0	N/A			Staff establishment
D89	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	Review of Institutional Plan finalised by 30 May	Number	1	1	0	0	N/A			HR Monthly Reports
D90	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	# of employees complying with financial minimum competency requirements	Number	22	22	0	0	N/A			HR Monthly Reports

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D91	Good Governance	Effective and Efficient administration	Council Support	# of days taken to make MPAC oversight reports available to the public following Council approval	Number	7	7	7	4	B	No MPAC oversight report was made available to the public following Council approval.	MPAC Quarterly report to be submitted to Council at the end of January 2017.	Council Minutes Copy of Adverts Proof of Website placement
D92	Good Governance	Effective and Efficient administration	Council Support	# of Council meetings held	Number	Actual awaited	4	2	8	B	1 special Council meeting was held to finalize on urgent matters.	None.	Minutes and attendance registers
D93	Good Governance	Effective and Efficient administration	Council Support	# of Exco meetings held	Number	26	26	13	6	R	Exco meetings are held when the reports are ready for processing.	None	Minutes and attendance registers
D94	Good Governance	Effective and Efficient administration	Council Support	# of Portfolio Committee meetings held	Number	99	99	49	38	O	Some of the Cluster committees held meetings more than once in a month to resolve on urgent matters.	None.	Committee meetings register

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measureme nt	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D95	Good Governance	Effective and Efficient administration	Information Technology	Disaster Recovery Equipment	Q1: Specifications completed. Procurement process initiated (10%) Q2: Appointment of service provider finalised (20%) Q3: Delivery of Disaster Recovery equipment completed (100%) Q4: Not applicable	New project	100%	20%	5%	R	The procurement of Disaster Recovery Equipment has not yet been resolved since the meeting with Management did not materialize. The challenge is on the allocated budget compared to the requirements of the equipment. Through SITA we had negotiated a product that would be covered with the allocated budget.	The matter will be communicated with the Corporate Services Director to find relieve as this will affect the Municipality's ability to continue providing services to its communities in an event of a disaster.	Specifications Appointment Letter Delivery acceptance note

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D96	Good Governance	Effective and Efficient administration	Information Technology	Computers for employees	Q1: Specifications completed. Appointment of service provider finalised (20%) Q2: Delivery of computers as per SLA (100%) Q3: Not applicable Q4: Not applicable	New project	100%	100%	50%	R	The service provider has not yet been appointed, the CFO has not yet signed the requisition.	To report to the Corporate Services Director to intervene on the acquisition of tools of trade since this will affect the newly appointed officials and those who will be appointed in the future.	Specifications Appointment Letter Delivery acceptance note
D97	Good Governance	Effective and Efficient administration	Legal support	% SLAs signed within 10 days after information is provided	Percentage	1	100%	100%	16.67%	R			SLA Register containing date of receipt of request & submission to MM for signature)
D98	Good Governance	Effective and Efficient administration	Human Resource Management	% of budgeted positions on the organogram filled by end June 2017	Percentage	New KPI	100%	50%	36%	R	The process of appointment is ongoing.	None.	Personnel Budget Staff Establishment reports

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D99	Good Governance	Effective and Efficient administration	Human Resource Management	% of personnel budget spent	Percentage	1	100%	50%	97%	B	Appointment is ongoing.	None	Personnel Budget Staff Establishment reports
D100	Good Governance	Effective and Efficient administration	Occupational Health and Safety	# of OHS committee meetings	Number	2	4	2	1	R	The meeting did not reach a quorum and members agreed to postpone it.	Lack of commitment by committee members should be addressed by the municipal manager	Notice of meeting Attendance Register Minutes
D101	Good Governance	Effective and Efficient administration	Office Administration	Purchase of office furniture (CORP)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for the acquisition of furniture (10%) Q4: Furniture procured for CORP offices and delivered (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of furniture

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measureme nt	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D102	Good Governance	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (CORP)	Percentage	1	100%	100%	66.67%	R	All request to the attention of the acting corporate services was resolved.	None	Internal Audit Follow-up Reports for Department
D103	Good Governance	Improve stakeholder satisfaction	Communication	# of media briefings arranged	Number	4	4	2	1	R			Notice of media briefing Attendance Register
D104	Good Governance	Improve stakeholder satisfaction	Communication	# of newsletters produced	Number	1	4	2	1	R			Publications
D105	Good Governance	Improve stakeholder satisfaction	Communication	# of statutory provisions (website) complied with as contained in Section 75 (a-l) of MFMA within 5 days of approval	Number	12	12	12	0.17	R			Printscreen of placements Website update register

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measureme nt	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D106	Good Governance	Improve stakeholder satisfaction	Communication	Sound systems procurement	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for sound system initiated (10%) Q4: Sound system delivered (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of sound system
D107	Good Governance	Improve stakeholder satisfaction	Public Participation	# of Mayoral (local) imbizos held	Number	4	16	8	0	R			Minutes and Attendance register (1 Imbizo per cluster per quarter)
D108	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	% Staff turnover	Percentage	1.80%	1.80%	0%	0%	N/A			Staff establishment

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D109	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	% Employees that are female	Percentage	45%	45%	45%	38.47%	O	Progression of age have an impact.	That all departments must focus on the target during shortlisting.	Employment Equity report
D110	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	% Employees that are youth	Percentage	28%	28%	28%	22%	O	Progression of age.	That panel must ensure that target group is shortlisted.	Employment Equity report
D111	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	% Employees that are disabled	Percentage	3%	2%	2%	2.20%	G2	The disability is stable.	None	Employment Equity report
D112	Good Governance	Attract and retain best human capital to become employer of choice	Human Resource Management	# of employees complying with financial minimum competency requirements	Number	1	22	0	0	N/A			HR Monthly Reports Compliance Certificates
D113	Good Governance	Improve stakeholder satisfaction	Ward Committees	# of monthly ward committee meetings	Number	408	420	210	0	R			Register of Ward Committee Meetings & Minutes

Table 13: 2nd Quarter Performance on targets set for 2016/17 - Corporate Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D114	Good Governance	Improve stakeholder satisfaction	Ward Committees	# Fully functional ward committees	Number	34	35	35	0	R			Minutes of Ward committee meetings, Consolidated Monthly Ward reports
D115	Good Governance	Improve stakeholder satisfaction	Ward Committees	# of summarised quarterly ward reports submitted to Council	Number	4	4	2	0	R			Summarised Ward Reports (quarterly) Council Minutes

Table 14 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for the Corporate Services Department. From the table it can be seen that **65%** of the targets set for the Department were not met by the end of the quarter, with the performance deteriorating since last quarter.

Table 14: CORP - Summary of Results 2nd Quarter 16/17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	9	24%
	KPI Not Met	20	54%

Table 14: CORP - Summary of Results 2nd Quarter 16/17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Almost Met	4	11%
	KPI Met	0	0%
	KPI Well Met	1	3%
	KPI Extremely Well Met	3	8%
	Total KPIs	37	

Areas of concern in the Corporate Services Department:

1. The performance of the Department is severely affected by the vacancies at managerial level. The positions of Director: Corporate Services, Manager: Communications & Marketing and Manager: Office of the Mayor remain vacant.
2. Training of employees are not taking place at the expected rate, due to delays in the procurement of service providers.
3. Only 2 Directors are complying with the minimum competency requirements, CoGHSTA has raised a concern regarding this.
4. The Occupational Health and Safety Committee (OHS) as well as the Local Labour Forum (LLF) are not convening as required.
5. The Job Evaluation Process has come to a halt and even though funds were spent on a service provider to facilitate the process the impact is unclear.
6. The review of the organogram should be prioritised to ensure that it is ready to be adopted by Council along with the 17/18 IDP & Budget.
7. The process of establishing ward committees have not yet been finalised.
8. The switchboard is not functional, making it extremely difficult for customers and external stakeholders to communicate with the municipality.

9. Performance reporting for the Department is incomplete, with KPI progress not being reported every month, this affects the overall performance of the Department for the period. Also, Reasons for deviation and efforts to improve performance are not reported in all instances where it is required.

3.4 Community Services Department

The performance of the Community Services Department (CSD) during the 2nd Quarter of 2016/17 is presented below (see **Table 15**).

Table 15: 2nd Quarter Performance on targets set for 2016/17 - Community Services Department													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D116	Good Governance	Effective and Efficient administration	Safety and Security	# of theft cases from council buildings	Number	2	0	0	0	G			Theft & damages register Police Case number
D117	Service Delivery	Enhance sustainable environmental management and social development	Environmental Health Management	# of contravention notices issued to improve level compliance to Environmental Management legislation (5 formal towns)	Number	112	112	56	131	B	The number of notices issued is from October to December 2016. One fine was also issued. Oct 12 Nov 28 Dec 8	No corrective measures needed.	Contravention Notices
D118	Service Delivery	Enhance sustainable environmental management and social development	Environmental Health Management	% compliance to the environmental legislation checklist	Percentage	85%	90%	0%	82%	B	The landfill audit results are excellent.	No corrective measures required.	Environmental Checklist
D119	Service Delivery	Enhance sustainable environmental management and social development	Environmental Health Management	% of water samples that comply with SANS 0241	Percentage	85%	85%	85%	58.22%	R	A total of 69 samples were collected from October to December. Only 15.9% did not	No corrective measures.	Water quality lab reports

Table 15: 2nd Quarter Performance on targets set for 2016/17 - Community Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
											comply with SANS0241.		
D120	Service Delivery	Enhance sustainable environmental management and social development	Waste Management	# of households with collection of waste once per week	Number	8537	8,537	8,537	8,537	G	The Category-Tariff-Report from C.F.O. is only available on hard-copy	Category-Tariff-Report from C.F.O. must be available on electronic-copy	Category Tariff Billing Report Monthly Example
D121	Service Delivery	Enhance sustainable environmental management and social development	Waste Management	R-value spent on waste management	R-value	71017213	R 77,560,766	R 38,780,383	R 30,021,614	O	(1) The C.F.O.'s office dealing with expenditure report did forward as per arrangement the exp.-report in time (2) The Divisional Waste Manager is accountable for less than 40% of expenditure-line-items. (3) The control of the other 60 % of such line-items is vested @ Dept. of the C.F.O.	The C.F.O.'s office dealing with expenditure must also analyse the root-cause for the un-even monthly expenditure	Budget reports

Table 15: 2nd Quarter Performance on targets set for 2016/17 - Community Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D122	Service Delivery	Enhance sustainable environmental management and social development	Waste Management	# of Rural Waste Service Areas serviced (waste management)	Number	27	30	30	30	G	1) Oversight function is being done by Ward Cllr. and Traditional Leader to ensure the Temp.Workers (T.o.w.'s) are working according to schedule (2) Fleet Management fail service delivery at present as only 3 of the 7 x R.E.L.'s is functional	The Workshop must work on a Rapid-Turn-Around time to ensure the Removal-Fleet is always functional	*EPWP Employee payroll Printout *1 Example of Timesheets signed off by Ward Committee and traditional authority
D123	Service Delivery	Enhance sustainable environmental management and social development	Waste Management	# of Urban Waste Service Areas serviced (waste management)	Number	5	5	5	5	G	To ensure more accurate P.o.E.'s an electronic route sheet / tracking-system need to be installed in each vehicle with a sustainable monitoring	Budget provision by Fleet Management for vehicle-tracking systems	Waste Management Monthly statistical Report *Waste Service Route Maps

Table 15: 2nd Quarter Performance on targets set for 2016/17 - Community Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D124	Service Delivery	Enhance sustainable environmental management and social development	Waste Management	% Households with access to basic level of solid waste management services	Percentage	39%	41%	41%	41%	G	(1) Urban numbers is validated by Category-Tariff-Billing-Report (2) Rural is validated by Maps (by Digicap) of which the nu. of H/h's is not validated due to no-formalized villages	1) Rural areas had to be formalised to ensure ACCURATE figures (2) Vehicle fleet must be renewed as well as additional Rural-vehicles (3) Organogram for Rural Bulk collections must be established	*Removal service maps for rural service Areas *Category Tariff summary Billing reports for urban suburbs
D125	Service Delivery	Improve access to sustainable and affordable services	Traffic Services	Traffic fine collection rate [(Rand value received for fines/ R value of fines issued as %]	Percentage	40%	70%	70%	37.95%	R	Achieved. We unable to do more than the target.	We will continue to send sms and do road blocks to get customers to come and pay.	Revenue reports Traffic Fine system report
D126	Service Delivery	Enhance sustainable environmental management and social development	Library Services	# of library users	Number	95000	95,200	47,600	68,914	G2	5994 Library users and 3618 Library items circulated in December 2017. The GTM libraries are not as busy during Decembers	User statistics increase from January as soon as schools and universities open.	Tattletape statistics Monthly Reports

Table 15: 2nd Quarter Performance on targets set for 2016/17 - Community Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
											due to the school holidays. All GTM libraries except the Tzaneen Library close between Christmas and New Year.		
D127	Service Delivery	Enhance sustainable environmental management and social development	Maintenance and upgrade of parks and open spaces	# of cemeteries developed or extended	Number	1	1	0	2	B			Agatha Cemetery Extension Plans EIAc Project Progress Reports
D128	Service Delivery	Enhance sustainable environmental management and social development	Maintenance and upgrade of parks and open spaces	m² of parks and open spaces maintained	Number	awaited	395,000	395,000	1,213,802.33	B	Work completed at North region only. The contractor still busy at South region of Tzaneen Municipality	Grass cutting work is done as it is available. This order was processed after North region grass cutting order	Grass cutting and garden maintenance sheets Monthly report
D129	Service Delivery	Enhance sustainable environmental management and social development	Maintenance and upgrade of parks and open spaces	# of developed parks maintained	Number	18	18	18	12	R	All areas are done as per tender document.		Parks maintenance sheets Monthly report

Table 15: 2nd Quarter Performance on targets set for 2016/17 - Community Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D130	Good Governance	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (CSD)	Percentage	100%	100%	100%	0%	R			Internal Audit Follow-up Reports for Department
D131	Good Governance	Effective and Efficient administration	Office Administration	Purchase of office furniture (CSD)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for the acquisition of furniture (10%) Q4: Furniture procured for CSD offices and delivered (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of furniture
D132	Service Delivery	Improve access to sustainable and affordable services	Licensing and Testing services	% compliance with ENATIS legislative compliance (ad-hoc audits)	Percentage	New KPI	100%	100%	50%	R			Ad hoc Audit inspection reports by Department of Transport

Table 16 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for CSD indicating that **35%** of targets set were not met during the quarter under review.

Table 16: CSD - Summary of Results (2nd Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	1	6%
	KPI Not Met	5	29%
	KPI Almost Met	1	6%
	KPI Met	5	29%
	KPI Well Met	1	6%
	KPI Extremely Well Met	4	24%
	Total KPIs	17	

Areas that require intervention in the Community Services Department:

1. The information reported by the Community Services Department is not reliable as reporting is not being done on a monthly basis affecting the year-to-date performance e.g. D130, D132 etc.
2. The collection rate for traffic fines is very low, raising a concern regarding the costs involved for outsourcing the service.
3. The efficiency of the solid waste management and parks divisions are affected by the fact that vehicles and equipment remain in the mechanical workshop for extended periods of time.

4. The License Testing centers do not have functional telephone lines making it impossible for the public to communicate with these service centers.
5. Service providers contracted to provide services on behalf of the Department are not providing services in line with the specifications and penalties must be implemented, these include Security Services, Waste Collection and Garden services.

3.5 Electrical Engineering Services Department

The performance of the Electrical Engineering Services Department (EED) during the 2nd Quarter of 2016/17 is presented below (see **Table 17**).

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department											
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D133	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure	% of households with access to electricity	Percentage	0%	0%	N/A	Not applicable this quarter	To be reported in the fourth quarter	Electrification reports
D134	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure	# of households with access to electricity	Number	0	0	N/A	Not applicable this quarter	To be reported in the fourth quarter	Electrification reports
D135	Service Delivery	Optimise and sustain infrastructure investment and services	Cost Recovery	% Electricity loss (Kwh)	Percentage	0%	0%	N/A	Still no info from Revenue to enable this department to report on a monthly basis	Will discuss options with manager revenue	Eskom account Revenue reports
D136	Service Delivery	Optimise and sustain infrastructure investment and services	Cost Recovery	Kilow Watt Hour Electricity loss (Kwh)	Kilow Watt Hour	0	0	N/A	Still no info from Revenue to enable this department to report on a monthly basis	Will discuss options with manager revenue	Eskom account Revenue reports
D137	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Km of overhead lines rebuilt	Kilometres	0	3.5	B	Rebuilding of line at Deeside completed	Rebuilding of lines in progress	Project Progress reports Completion certificates

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D138	Service Delivery	Optimise and sustain infrastructure investment and services	Asset Management	R-value spent on maintenance of electricity infrastructure as % of asset value	Percentage	0%	0%	N/A	Not applicable this quarter.	To be reported in the fourth quarter.	Asset Register Expenditure Reports
D139	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	R-value electricity maintenance	R-value	R 25,541,784	R 8,404,175	R	No deviation		Budget expenditure, (Vote 162/066, 173/066 & 608 183/066)
D140	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	High mast lights at Traditional Authorities offices	Q1: Tender process for appointment of contractor finalised. (5%) Q2: Construction of Apollo lights, physical progress at 5% (10%) Q3: Construction of Apollo lights, physical progress at 40% (50%) Q4: Apollo lights at Traditional Authorities completed (100%)	10%	10%	G	Waiting for SCMU meeting to do evaluation first meeting was cancelled due to me being sick the new date was communicated as attached memo	Waiting for SCMU next meeting	Progress reports Hand over certificate
D141	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of Khopo(Civic)	Q1: Appointment of service provider finalised (5%) Q2: Designs approved by ESKOM (10%) Q3: Construction 50% (60%) Q4: Electrification of 350 households at Khopo/civic completed (100%)	10%	95%	B	Physical construction completed. Busy with updating of ENS and capturing of PCS file.	None	Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D142	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of Sunnyside/ Myakayaka/ Sepacheng	Q1: Appointment of service provider finalised (5%) Q2: Designs approved by ESKOM (10%) Q3: Construction 50% (60%) Q4: Electrification of 160 households Sunnyside/ Myakayaka/ Sepacheng completed (100%)	10%	85%	B	Construction in progress	None	Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)
D143	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of Thabina Valley	Q1: Appointment of service provider finalised (5%) Q2: Designs approved by ESKOM (10%) Q3: Construction 50% (60%) Q4: Electrification of 685 households in Thabina Valley completed (100%)	10%	98%	B	Project energized on 23 December 2016. 398 households connected. Busy with house connections of the remaining households.	House connections of the remaining households in progress.	Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)
D144	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of Xihoko/ Radoo/ Thapana/ Mavele Phase1	Q1: Appointment of service provider finalised (5%) Q2: Designs approved by ESKOM (10%) Q3: Construction 50% (60%) Q4: Electrification of 247 households in Xihoko/ Radoo/ Thapana/ Mavele Phase1 completed (100%)	10%	100%	B	Project competed and energized. 247 households connected.		Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)
D145	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of KhayalamC/ Legobareng/ Shiluvane Ext15	Q1: Designs approved by ESKOM (10%) Q2: Appointment of contractor finalised (20%) Q3: Construction 50% (60%) Q4: Electrification of 190 households in KhayalamC/ Legobareng/ Shiluvane Ext15 completed (100%)	20%	25%	G2	Site handover done on 10 December 2016. Site has been established. Material has been ordered. Awaiting for delivery of material to start with construction.	Material delivered to start with construction.	Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D146	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of Leolo/ Legobareng/Serare/ Mogabe/ Tshidinko Phase1	Q1: Designs approved by ESKOM (10%) Q2: Appointment of contractor finalised (20%) Q3: Construction 50% (60%) Q4: Electrification of 83 households in Leolo/ Legobareng/Serare/ Mogabe/ Tshidinko Phase1 completed (100%)	20%	20%	G	Designs competed and supported by Eskom. Contactor appointed. Awaiting site handover to start with construction.	Busy coordinating site handover	Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)
D147	Service Delivery	Improve access to sustainable and affordable services	Electricity Infrastructure Development	Electrification of Dan/ Lusaka	Q1: Designs approved by ESKOM (10%) Q2: Appointment of contractor finalised (20%) Q3: Construction 50% (60%) Q4: Electrification of 130 households in Dan/ Lusaka completed (100%)	20%	25%	G2	Site handover done on 10 December 2016. Site has been established. Material has been ordered. Awaiting for delivery of material to start with construction	Material to be ordered to start with construction	Appointment Letter Approval letter on Designs from ESKOM Project progress reports Handover certificate PCS File (ESKOM)
D148	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Energy efficiency and demandside management (Tzaneen, Nkowankowa & Lenyenye)	Q1: Finalisation of appointment of consultant and contractor (10%) Q2: Installation and retrofitting of water purification equipment and aircons (20%) Q3: Installation and retrofitting of water purification equipment and aircons (70%) Q4: Installation and retrofitting of water purification equipment and aircons completed (100%)	20%	30%	B	Project in construction phase	Not applicable	DOE Reports Close-up report Verification Report

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D149	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Electrical Master Plan Development	Q1: Consultant appointed field work conducted (25%) Q2: Draft Master Plan developed (50%) Q3: Final Master Plan available for submission to Council (100%) Q4: Not applicable this quarter	50%	68%	G2	Draft report submitted. Final report to be submitted by end of March 2017	Not Applicable	Revised Electricity Master Plan Progress Reports Council Resolution
D150	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Provision of Capital Tools (Urban)	Q1: Procurement of capital tools as and when required, report acquisitions to Council (25%) Q2: Procurement of capital tools as and when required, report acquisitions to Council (50%) Q3: Procurement of capital tools as and when required, report acquisitions to Council (75%) Q4: Procurement of capital tools as and when required, report acquisitions to Council (100%)	50%	50%	G	Capital Tools Purchased as when required	Tools to be purchased as and when required	Proof of purchase Asset register update
D151	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Provision of Capital Tools (outlying)	Q1: Procurement of capital tools as and when required, report acquisitions to Council (25%) Q2: Procurement of capital tools as and when required, report acquisitions to Council (50%) Q3: Procurement of capital tools as and when required, report acquisitions to Council (75%) Q4: Procurement of capital tools as and when required, report acquisitions to Council (100%)	50%	61.90%	G2	Tools purchased as and when required	Tools to be purchased as and when required	Proof of purchase Asset register update

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D152	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Rebuilding of Lalapanzi 33 kv line (2km)	Q1: Determine scope of work and source quotations (10%) Q2: Issue orders to service providers, physical construction at 10% (20%) Q3: Physical progress at 50% (60%) Q4: Rebuilding of Lines- Greenfog - Haenertsburg (12km) completed (100%)	20%	15%	O	Scope of work determined. Quotation received from contractor. order to be issued to Contractor	Awaiting sketched to finalize order to be issued to contractor	Scope of Work Quotations Project Progress Reports Final payment certificate
D153	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Rebuilding of Mashutti 11kv line (4km)	Q1: Determine scope of work and source quotations (10%) Q2: Issue orders to service providers, physical construction at 10% (20%) Q3: Physical progress at 50% (70%) Q4: Rebuilding of Mashutti 11kv line (4km) completed (100%)	20%	10%	R	Scope of work determined. Awaiting quotation from the contractor	Quotation to be received from the contractor. order to be issued to contractor	Scope of Work Quotations Project Progress Reports Final payment certificate
D154	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Rebuilding of Deeside 11kv line from Red Arc to Rooster and Woodside Farm (2.5km) Phase 1 of 2	Q1: Determine scope of work and source quotations (10%) Q2: Issue orders to service providers, physical construction at 50% (60%) Q3: Rebuilding of Deeside 11kv line from Red Arc to Rooster and Woodside Farm (2.5km) completed (100%) Q4: Not applicable this quarter (100%)	60%	100%	B	Rebuilding of 3.5km line at Deeside competed	None	Scope of Work Quotations Project Progress Reports Final payment certificate

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D155	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Rebuilding of Yamorna/ Shivurali 11kv line (4km)	Q1: Determine scope of work and source quotations (10%) Q2: Issue orders to service providers, physical construction at 10% (20%) Q3: Physical progress at 50% (70%) Q4: Rebuilding of Yamorna/ Shivurali 11kv line (4km) completed (100%)	20%	20%	G	Scope of work determined. Quotation received. Order issued to Contractor. Awaiting delivery of material to start with rebuilding of lines.	Awaiting for delivery of material to start with rebuilding of line	Scope of Work Quotations Project Progress Reports Final payment certificate
D156	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Rebuilding of Ledzee 11kv line from LZ44 to Vandergrey Farm (3.5km)	Q1: Determine scope of work and source quotations (10%) Q2: Issue orders to service providers, physical construction at 10% (20%) Q3: Physical progress at 50% (70%) Q4: Rebuilding of Ledzee 11kv line from LZ44 to Vandergrey Farm (3.5km) completed (100%)	20%	20%	G	Scope of work determined. Quotation received. Order issued to Contractor. Awaiting delivery of material to start with rebuilding of lines.	Awaiting for delivery of material to start with rebuilding of line	Scope of Work Quotations Project Progress Reports Final payment certificate
D157	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Replacing of old SS1 electrical substation circuit breakers with compact switchgear	Q1: Initiate the appointment of a consultant (10%) Q2: Appointment of consultant and contractor finalised. (25%) Q3: Construction of Switching station 1 commencing, physical progress at 50%. (50%) Q4: Construction of Switching station 1 completed (100%)	25%	25%	G	Procurement Process: Bid Evaluation committee to sit. Service provider to be appointed	Not applicable	Appointment letters Progress reports Handing over certificate

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D158	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Replacement of auto-reclosers (11kv and 33kv)	Q1: Identify strategic location of auto-reclosers (10%) Q2: Order for Delivery of auto-reclosers (20%) Q3: Auto Reclosers delivered (30%) Q4: Installation of Auto Reclosers completed (100%)	20%	15%	O	Quantity of Autoreclosers to be ordered identified and submitted to stores. Awaiting delivery of Autoreclosers.	Autoreclosers to be delivered	Sketches Payment certificate Delivery Certificate Asset Register
D159	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	Renewal, Repairs and Maintenance on pre-paid meters	Q1: Acquire quotations for the procurement of pre-paid meters and data concentrators (10%) Q2: Placing of orders by end November (35%) Q3: Meters and data concentrators received (50%) Q4: Installation of data concentrators and meters as and when required (100%)	35%	35%	G	Awaiting delivery of meters to the Stores	Not applicable	Quotation Proof purchase Asset register *AMI registry file
D160	Service Delivery	Optimise and sustain infrastructure investment and services	Electricity network upgrade and maintenance	New electricity Connections (Consumer contributions)	Q1: Funds received for services contributions spent on re-capitalisation of the network (10%) Q2: Funds received for services contributions spent on re-capitalisation of the network (20%) Q3: Funds received for services contributions spent on re-capitalisation of the network (30%) Q4: Funds received for services contributions spent on re-capitalisation of the network (100%)	20%	20%	G	New Connections in progress. Ongoing	None	New connections register Job card sign off

Table 17: 2nd Quarter Performance on targets set for 2016/17 - Electrical Engineering Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Year-To-Date As At December 2016					Source of Evidence
						Target	Actual	R	Reason for deviation	Corrective Measures	
D161	Good Governance	Effective and Efficient administration	Office Administration	Purchase of office furniture (EED)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for the acquisition of furniture (10%) Q4: Furniture procured and delivered (100%)	0%	0%	N/A	Not applicable this quarter	Furniture to be purchased in the third quarter.	Quotations Proof of receipt of furniture
D162	Good Governance	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (EED)	Percentage	100%	83.33%	O	No outstanding internal departmental Audit.	None	Internal Audit Follow-up Reports for Department
D163	Good Governance	Attract and retain the best human capital to become employer of choice	Human Resource Management	# of employees with technical skills/capacity (engineers & technicians - EED)	Number	19	18	O	Director resigned	Council to appoint new Director	EED Monthly reports

Table 18 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for EED indicating that **36%** of the targets set were not yet achieved by the end of the quarter.

Table 18: EED - Summary of Results (2nd Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	6	19%

Table 18: EED - Summary of Results (2nd Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Met	2	6%
	KPI Almost Met	4	13%
	KPI Met	8	26%
	KPI Well Met	4	13%
	KPI Extremely Well Met	7	23%
	Total KPIs	31	

Areas that require intervention in the Electrical Engineering Department:

1. Director: Electrical Engineering position to be filled, as the prolonged vacancy is affecting the performance of the Department.
2. The budget allocation for refurbishment of the network should be considered during the budget adjustment to alleviate the high rate of electricity outages, which has negative effects on the economy of the area.
3. The unavailability of vehicles for technical personnel is a major concern as it affects the ability of Department to respond to outages.

3.6 Engineering Services Department

The performance of the Engineering Services Department during the 2nd Quarter of 2016/17 is presented below (see **Table 19**).

Table 19: 2nd Quarter Performance on targets set for 2016/17 - Engineering Services Department													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D164	Good Governance	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (ESD)	Percentage	100%	100%	100%	100%	G	No Departmental internal audit findings were issued.	Not required	Internal Audit Follow-up Reports for Department
D165	Good Governance	Increase financial viability	Budget management	% MIG funding spent	Percentage	71%	100%	40%	83%	B	Projects are performing well	None	Budget printout
D166	Economic Growth	Increased investment in the GTM economy	Expanded Public Works	# of jobs created through municipal EPWP initiatives (FTE)	Number	715	860	428	3,660	B	932 Jobs created through municipal EPWP initiatives.	Not required	Project reports, EPWP reports
D167	Service Delivery	Enhance sustainable environmental management and social development	Sport and Recreation	Burgersdorp Sports Facility	Q1: Designs completed (5%) Q2: Specifications completed (25%) Q3: Appointment of contractor finalised (50%) Q4: Physical Construction at 15% (100%)	New project	100%	25%	27%	G2	The Engineer is finalizing the detailed report	None	*Approval of preliminary & detailed designs *Minutes of Specifications Committee *Project Progress Reports

Table 19: 2nd Quarter Performance on targets set for 2016/17 - Engineering Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D168	Service Delivery	Enhance sustainable environmental management and social development	Sport and Recreation	Relela Community Hall	Q1: Physical progress at 5% Q2: Construction, Physical Progress at 30% (50%) Q3: Construction, Physical Progress at 100% (100%) Q4: Not applicable this quarter	Physical progress at 5%	100%	100%	95%	O	The contractor is busy finishing outstanding items	The contractor has put skilled personnel and all work will be completed by end January.	Project Progress Reports Completion Certificate
D169	Service Delivery	Enhance sustainable environmental management and social development	Sport and Recreation	New Runnymede Sports facility	Q1: Physical construction at 25% (25%) Q2: Physical construction at 40% (40%) Q3: Physical construction at 75% (75%) Q4: Sports facility at Runnymede completed (100%)	Designs completed. Draft Tender document to be approved by BSC	100%	40%	60%	B	Project is progressing well	None	Project progress Report Completion Certificate
D170	Service Delivery	Improve access to sustainable and affordable services	Building Control	# of contravention notices issued to decrease non-compliance to building regulations	Number	20	50	24	1	R			Register of contraventions
D171	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Km of roads tarred	Kilometers	11	12	0	0	N/A			Road Progress Reports

Table 19: 2nd Quarter Performance on targets set for 2016/17 - Engineering Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D172	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Kwekhwe Low Level Bridge	Q1: Advertisement for the appointment of a contractor (15%) Q2: Appointment finalised, contractor on site. (25%) Q3: Physical construction at 50% (75%) Q4: Construction of Kwekhwe low level bridge completed (100%)	New project	100%	25%	5%	R	Designs completed but not yet advertise due to budget underestimates by the consulting engineer.	Advertising in January and getting more money during budget adjustment.	Appointment letter Site meeting minutes (Progress report) Completion certificate
D173	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Rikhotso low level bridge	Q1: Construction of low level bridge, physical progress at 50% (50%) Q2: Construction of low level bridge at Rikhotso completed (100%) Q3: Not applicable this quarter Q4: Not applicable this quarter	Contractor onsite	100%	100%	100%	G	Project complete	Not required	Appointment letter Site meeting minutes Completion certificate
D174	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Mokonyane low level bridge	Q1: Construction of low level bridge, physical progress at 50% (50%) Q2: Construction of low level bridge at Mokonyane completed (100%) Q3: Not applicable this quarter Q4: Not applicable this quarter	Contractor onsite	100%	100%	55%	R	Contractor physical progress is 50%	Fast tracking progress on site	Appointment letter Site meeting minutes Completion certificate

Table 19: 2nd Quarter Performance on targets set for 2016/17 - Engineering Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D175	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Khubu to Lwandlamuni low level bridge	Q1: Advertisement for the appointment of a contractor (15%) Q2: Appointment finalised, contractor on site. (25%) Q3: Physical construction at 50% (75%) Q4: Construction of Khubu to Lwandlamuni low level bridge completed (100%)	New project	100%	25%	15%	R	Tender advertised and is currently on Adjudication stage.	Not required.	Appointment letter Site meeting minutes (Progress report) Completion certificate
D176	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Moruji to Matswi, Kheshokolwe Tar Road	Q1: Physical construction at 9% (25%) Q2: Physical construction at 18% (50%) Q3: Physical construction at 27% (75%) Q4: Physical construction at 35% (100%)	Tender re-advertised	100%	50%	16%	R	The project commenced late due to litigations	The contractor has put two teams to fast track progress	Project Progress Reports
D177	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Rita, Khopo, Lefara, Zanghoma, Uhuru, Xipungu to Mariveni Tar Road (Phase 3 of 4)	Q1: Physical construction at 53% (25%) Q2: Physical construction at 71% (60%) Q3: Physical construction at 90% (80%) Q4: Physical construction at 100%, 12km completed (100%)	Contractor appointed, physical progress at 44% (25%)	100%	60%	65%	G2	The project is progressing well	None	Project Progress Reports Completion Certificate

Table 19: 2nd Quarter Performance on targets set for 2016/17 - Engineering Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D178	Service Delivery	Improve access to sustainable and affordable services	Roads and Storm water Infrastructure Development	Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana Tar Road	Q1: Physical construction at 30% (25%) Q2: Physical construction at 50% (50%) Q3: Physical construction at 75% (75%) Q4: Physical construction at 100% (100%)	Project re-advertised, physical progress at 21%	100%	50%	61%	G2	The project is progressing well	None	Project Progress Reports Completion Certificate
D179	Service Delivery	Optimise and sustain infrastructure investment and services	Maintenance and upgrading of municipal buildings	Construction of ablution facility for Parks Offices in Tzaneen	Q1: Appointment of consultant (10%) Q2: Specifications and procurement of service provider (20%) Q3: Construction, physical progress at 50% (70%) Q4: Construction of ablution facilities completed. (100%)	New project	100%	20%	0%	R			*Appointment letter *Specifications committee minutes *Appointment letter for service provider *Completion Certificate
D180	Service Delivery	Optimise and sustain infrastructure investment and services	Maintenance and upgrading of municipal road infrastructure	Tzaneen Airfield Refurbishment	Q1: Finalise specifications. (5%) Q2: Appointment of contractor finalised (10%) Q3: Physical construction underway at 50% (50%) Q4: Refurbishment of runway at airfield completed (100%)	New project	100%	10%	3%	R	Scoping report completed. More money needed for phase 1.	Advertising in January and getting more money during budget adjustment.	Specifications Appointment Letter Completion Certificate Progress Payment Completion Certificate

Table 19: 2nd Quarter Performance on targets set for 2016/17 - Engineering Services Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D181	Good Governance	Effective and Efficient administration	Office Administration	Purchase of office furniture (ESD)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Sourcing of quotations and initiate procurement process (10%) Q4: Procurement of furniture for ESD completed (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of furniture
D182	Service Delivery	Optimise and sustain infrastructure investment and services	Asset Management	R-value spent on maintenance of roads infrastructure as % of asset value	Percentage	0.66%	3.20%	0%	0%	N/A			Asset Register Expenditure Reports
D183	Service Delivery	Optimise and sustain infrastructure investment and services	Asset Management	R-value spent on maintenance of municipal buildings as % of asset value	Percentage	0.06%	5%	0%	0%	N/A			Asset Register Expenditure Reports
D184	Service Delivery	Optimise and sustain infrastructure investment and services	Asset Management	R-value spent on fleet maintenance as % of asset value	Percentage	0.65%	10%	0%	0%	N/A			Asset Register Expenditure Reports
D185	Good Governance	Attract and retain the best human capital to become employer of choice	Human Resource Management	# of employees with technical skills/capacity (engineers & technicians - ESD)	Number	5	8	8	8	G	8 employees with technical skills appointed	Not required	ESD Monthly reports

Table 20 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for ESD indicating that **37%** of the targets set were not met by the end of the quarter.

Table 20: ESD - Summary of Results (2nd Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	5	23%
	KPI Not Met	7	32%
	KPI Almost Met	1	5%
	KPI Met	3	14%
	KPI Well Met	3	14%
	KPI Extremely Well Met	3	14%
	Total KPIs	22	

Areas of concern in the Engineering Services Department:

1. The Director: Engineering Services was suspended in December 2015. The case has not yet been finalised. The delay in finalising the case is affecting the performance of the department.
2. The SDBIP does not include any measure to monitor the efficiency of the mechanical workshop, this should be corrected during the adjustment process.

3. While MIG projects are doing well, projects for the construction of low level bridges are not on target and should receive attention to avoid further roll-overs.
4. The effectiveness of KPI D171 (compliance to building regulations) should be evaluated since it is ambiguous in the sense that, a reduction in the number of notices served may imply an improvement in compliance but on the other hand it may be a negative incentive discouraging building inspectors to address non-compliance issues found.

3.7 Planning and Economic Development Department

The performance of the Planning Economic Development Department during the 2nd Quarter of 2016/17 is presented below (see **Table 21**).

Table 21: 2 nd Quarter Performance on targets set for 2016/17 - Planning and Economic Development Department													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D186	Economic Growth	Create a stable and an enabling environment by attracting suitable investors	Marketing and Investor Targeting	Investment Incentive Policy.	Q 1: Finalise TOR with GTEDA. (25%) Q 2: Consultations with internal and external stakeholders (50%) Q3: Draft Investor Incentive Policy ready for Management consideration (75%) Q 4: Investor Incentive Policy submitted to Cluster and Council for approval (100%)	New initiative	100%	50%	50%	G	Still awaiting for input from stakeholders	No corrective measures	*Minutes of GTM consultations *Incentive Policy Draft & Final Document *Attendance Registers of engagement sessions with stakeholders *Council Resolution
D187	Economic Growth	Enhanced Integrated developmental planning	Spatial Development	Integrated Sustainable Human Settlements Plan (ISHSP) reviewed by 30 May '17	Percentage	Not done	100%	50%	50%	G	Waiting for Council resolution	No corrective measures	Council minutes Revised ISHSP
D188	Economic Growth	Enhanced Integrated developmental planning	Spatial Development	# of land parcels acquired for development	Number	1	1	0	0	N/A			Deed of sale

Table 21: 2nd Quarter Performance on targets set for 2016/17 - Planning and Economic Development Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D189	Service Delivery	Improve access to sustainable and affordable services	Integrated Human Settlements	Land Acquisition at Letsitele	Q1: Negotiations with land owners for GTM to buy land (50%) Q2: Agreement on sale of land, contract finalised. (75%) Q3: Budgeted amount transferred. (85%) Q 4: Budget for the payment of the outstanding balance on land at Letsitele. (100%)	New project	100%	10%	50%	B	Memorandum of Understanding has been send to Municipal Manager for signature	No corrective measures	Communiques with land owners Deed of Sale Signed Purchase contract/agreement Budget submission for 17/18
D190	Economic Growth	Increased investment in the GTM economy	Community Works Programme	No of cooperatives established and still functional in wards where the CWP is implemented	Number	4	2	2	2.5	G2	No Performance Comment	No Corrective Measures	CWP reports Minutes & Attendance register of CWP meetings
D191	Economic Growth	Increased investment in the GTM economy	Community Works Programme	Number of job opportunities created through the CWP	Number	2000	3,400	3,400	2,190.50	R	No Performance Comment	No Corrective Measures	CWP Employment register
D192	Economic Growth	Increased investment in the GTM economy	Marketing and Investor Targeting	# of Agricultural Expos held	Number	1	1	1	1	G			Agricultural EXPO Advert & Programme List of exhibitors'

Table 21: 2nd Quarter Performance on targets set for 2016/17 - Planning and Economic Development Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D193	Economic Growth	Increased investment in the GTM economy	Marketing and Investor Targeting	# of jobs created through agricultural programmes	Number	150	200	100	203	B	No Performance Comment	No Corrective Measures	Employment register Minutes and Attendance Registers of meetings with agricultural programmes
D194	Economic Growth	Increased investment in the GTM economy	Marketing and Investor Targeting	# of jobs created through municipal LED initiatives including Capital Projects	Number	500	400	146	4,846	B	No performance Comment	No Corrective Comment	*Consolidated LED monthly job creation report *MIG Monthly Reports *EPWP Monthly Reports
D195	Economic Growth	Increased investment in the GTM economy	Marketing and Investor Targeting	LED strategy revised by 30 June 2017	Q1: Develop terms of reference and submission to SCM for advertisement by July (10%) Q2: Evaluation and Adjudication of tenders. Appointment of Service provider. (20%) Q3: Review of the LED strategy in consultation with stakeholders. (75%) Q4: LED strategy submitted to Cluster and Council for approval by 30 June '17 (100%)	n/a	100%	20%	100%	B	Awaiting for appointment for the Service Provider	No Corrective Measures	*TOR *Invitations Minutes & Attendance Register (stakeholder engagements) *Revised LED Strategy *Council minutes

Table 21: 2nd Quarter Performance on targets set for 2016/17 - Planning and Economic Development Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D196	Economic Growth	Increased investment in the GTM economy	Marketing and Investor Targeting	# of GTM LED forum meetings arranged	Number	4	4	2	3	B	No Performance Comment	No Corrective Measures	Invitations Minutes & Attendance Register
D197	Economic Growth	Increased investment in the GTM economy	SMME support	# of meetings held with informal traders	Number	4	4	2	2	G	No Performance Comment	No Corrective Measures	Invitations Minutes & Attendance Register
D198	Economic Growth	Increased investment in the GTM economy	SMME support	# of Local Tourism Association Meetings	Number	4	4	2	2	G	No Performance comment	Meeting to be held in the third quarter	Invitations Minutes & Attendance Register
D199	Economic Growth	Increased investment in the GTM economy	Tourism	# of Tourism SMMEs exposed to the market	Number	30	40	34	14	R			Itinerary Events report

Table 21: 2nd Quarter Performance on targets set for 2016/17 - Planning and Economic Development Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D200	Economic Growth	Enhanced Integrated developmental planning	Integrated Development Planning	Spatial Development Framework review	Q1: Status quo report available from Service Provider. Public Participation process concluded (40%) Q2: Analysis and proposals for draft SDF ready for consideration by Council. (60%) Q3: Public Participation on the draft SDF and adoption by Council (80%) Q4: Identification of programmes and projects for implementation by Council (100%)	Service Provider appointed	100%	60%	60%	G	Draft SDF as well as nodal and density policy documents in place pending a presentation to Council committees and final public participation.	Service provider urge to update and finalise all draft policy documents setup dates for presentation to Council committee around February 2017	*Status Quo Report *Minutes of Steering Committee *Minutes of Public Participation *Draft and Final SDF *Council Minutes
D201	Economic Growth	Enhanced Integrated developmental planning	Spatial Development	SPLUMA implementation	Q1: Gazetting of By-laws into SPLUMA. (25%) Q2: Finalisation of specifications for appointment of service provider to formulate a Land Use Management Scheme (50%) Q3: Appointment of service provider (75%) Q4: Status quo report available for consultations (100%)	Awaited appointment of Tribunal by MDM	100%	50%	75%	B	Planning Tribunal in place, and Bylaws Gazetted, however Tribunal could NOT convene due to Mopani District lack of capacity, and the Appeal Tribunal NOT yet appointed also due to lack of prioritisation of this matter.	GTM decided to formulate its own committees both Tribunal and the Appeal Tribunal expected to be finalised in 90 days	Govt Gazette *Specifications *Status Quo Report

Table 21: 2nd Quarter Performance on targets set for 2016/17 - Planning and Economic Development Department

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D202	Good Governance	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (PED)	Percentage	100%	100%	100%	83.33%	O			Internal Audit Follow-up Reports for Department
D203	Good Governance	Effective and Efficient administration	Office Administration	Purchase of office furniture (PED)	Q1: Not applicable this quarter (0%) Q2: Not applicable this quarter (0%) Q3: Procurement process for the acquisition of furniture (10%) Q4: Furniture procured for PED offices and delivered (100%)	New project	100%	0%	0%	N/A			Quotations Proof of receipt of furniture

Table 22 below presents a summary of the level of performance for the 2nd Quarter of 2016/17 for PED, indicating that **72%** of the targets set were met by the end of the quarter.

Table 22: PED - Summary of Results (1st Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	2	11%
	KPI Not Met	2	11%

Table 22: PED - Summary of Results (1 st Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Almost Met	1	6%
	KPI Met	6	33%
	KPI Well Met	1	6%
	KPI Extremely Well Met	6	33%
	Total KPIs	18	

Areas that require intervention in the Planning and Economic Development Department:

1. The performance of the department is affected by the inability of the Mopani District Municipality to appoint a Tribunal and an Appeal Tribunal in line with SPLUMA.
2. The targets set for job creation (as contained in the IDP) must be revised to be in line with the departmental plans and capital budget.
The actuals achieved far exceeds the targets set, bringing into question the basis for setting such low targets.

3.8 Greater Tzaneen Economic Development Agency

The performance of the Greater Tzaneen Economic Development Agency (GTEDA) during the 2nd Quarter of 2016/17 is presented below (see **Table 23**).

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency													
Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D204	Good Governance	Effective and Efficient administration	Sound Governance	Unqualified Audit opinion for GTEDA	Audit opinion	Unqualified	1	1	1	G	Unqualified audit opinion obtained		Audit Report
D205	Good Governance	Effective and Efficient administration	Sound Governance	% of Departmental Internal Audit findings resolved (GTEDA)	Percentage	100%	100%	100%	27.83%	R	Internal audit was not conducted due to capacity challenges from GTM internal audit unit.	Requested funds from GTM to appoint Internal Auditors	Internal Audit Follow-up Reports for Department
D206	Good Governance	Increase financial viability	Budget management	% of GTEDA budget spent	Percentage	86%	100%	50%	59%	G2	Overspending of 9% above budget due to payment of VAT shortfall	provision has been made to cover shortfall from GTM	Monthly financial reports

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D207	Economic Growth	Create a stable and an enabling environment by attracting suitable investors	Economic Growth and Investment	# of committed investors attracted through GTEDA	Number	0	3	0	0	N/A			Investment reports (LADC, MDDA, Premiers Office & SEDA)
D208	Economic Growth	Increased investment in the GTM economy	Enterprise Development (SMME support)	# of SMMEs capacitated through GTEDA	Number	4	15	6	6	G	SMME development policy finalised 15 SMMEs identified Training will be done in collaboration with Letaba FET college		*Training Programme *SMME training and development Policy *Assessment Report on the training provided to 15 SMME's *Service Provider Appointment letters
D209	Good Governance	Effective and Efficient administration	Information management	MSCOA equipment and programmes	Q1: Source quotations. (10%) Q2: Procurement of printer finalised (100%) Q3: Not applicable this quarter (100%) Q4: Not applicable this quarter (100%)	New project	100%	10%	10%	G	Procurement of printer finalised (contract with Pan solutions extended for all printers)		Quotations Invoice

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D210	Economic Growth	Create a stable and an enabling environment by attracting suitable investors	Marketing and Investor Targeting	Resource mobilisation	Q1: Investors Data base developed & Signed SLAs with funders (25%) Q2: 5 Enterprises assisted (50%) Q3: 4 funding applications submitted (75%) Q4: 2 funding applications concluded successfully (100%)	New initiative	100%	50%	33%	R	Assisted three SMMEs with fine tuning their proposals for funding. 1. Mokwape farming project 2. RAMS furniture business industries 3. Thabane youth agriculture project	Two more have been identified and are in the process of registering their projects/co mpanies.	*Investor Database *Printscreen *SLAs/MoUs concluded (x5) *Enterprise assistance programme & proof of assistance (x5) *4 Funding applications *Signed funding agreements (x2)
D211	Economic Growth	Create a stable and an enabling environment by attracting suitable investors	Marketing and Investor Targeting	Greater Tzaneen Investment Promotion	Q1: Design Audio visual and print promotional material, Appoint service provider, Organise investor conference (30%) Q2: Audio visual and print promotional material developed. Investor Conference hosted (60%) Q3: Investor Conference Feedback, Exhibit at Tzaneen Agri Expo (80%) *Q4: Exhibit at 2 trade fares/ expo's (100%)	New initiative	100%	60%	60%	G	Audio visual and print material developed. Investor conference held at Carousel from 16-18 November 2016.		*Audio visual & print promo material *Appointment letter *Investor conf programme & attendance register *Investor conf report *Project prioritisation list *Exhibition report & pictures

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D212	Economic Growth	Create a stable and an enabling environment by attracting suitable investors	Marketing and Investor Targeting	Partnerships with economic development role-players (5)	Q1: Conduct research and compile database of potential economic development agencies in SA and abroad. (10%) Q2: Facilitate signing of partnership agreements with identified agencies. (25%) Q3: Facilitate signing of partnership agreements with identified agencies (50%) Q4: Facilitate the LED forum *5 Partnership agreements finalised (100%)	New initiative	100%	25%	25%	G	Signed partnership agreements with the following agencies: 1. FABCO 2. Astir holdings 3. Letaba FET college 4. CSIR		*Research report on investors *Database on development agencies *Partnership agreements (x5)
D213	Economic Growth	Create a stable and an enabling environment by attracting suitable investors	Marketing and Investor Targeting	Office park development	Q1: Develop and submit a proposal to GTM to transfer/ allocate vacant municipal land/derelict properties to GTEDA to develop (20%) Q2: Obtain Council resolution for transfer/ allocation of land. (30%) Q3: Obtain title deeds and commence with land registration processes. Develop plans to utilise land for revenue generation. (50%) Q4: Develop plans to utilise land for revenue generation (100%)	New initiative	100%	30%	24%	O	Item to Council requesting allocation of land submitted. Proposal on property to be developed finalised.	Awaiting Council resolution on request for land.	*Disposal of land proposal& proof of submission to GTM *Council Resolution on GTEDA mandate to develop land *Title deeds *Vacant Land development plan

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
D21	Economic Growth	Increased investment in the GTM economy	Enterprise Development	Agro-processing businesses based on 3 commodities	Q1: Review/ conduct feasibility study on agro-processing. Engagement of stakeholders (25%) Q2: Conduct value propositions and business plans (Agro-processing of Tomato, Mango and Marula). (60%) Q3: Engage potential investors, Sign MOUs/SLA with identified co-ops/farms and investors (80%) Q4: Appoint transactional advisors to facilitate implementation of the proposed initiatives. (100%)	New initiative	100%	60%	40%	R	Proposals to conduct agro-processing finalised, awaiting funding.	Additional funding requested from GTM to cover the costs of the studies.	* Feasibility study on agro-processing *Minutes of stakeholder engagements *Value propositions & Business Plans *Appointment letters for advisors
D215	Economic Growth	Increased investment in the GTM economy	Enterprise Development	Entrepreneurship career guidance and mentorship programme	Q1: Develop an Entrepreneurship career guidance & mentorship project plan in consultation with stakeholders. Develop material/content to be presented. Identify 5 successful entrepreneurs to motivate and mentor youth. (25%) Q2: Implement the Entrepreneurship career guidance and mentorship programme, Develop a concept document on a school entrepreneurship competition. (50%) Q3: Implement the Entrepreneurship the career	New initiative	100%	50%	50%	G	The Entrepreneurship career guidance programme was done in quarter 1		*Entrepreneurship project plan *School Entrepreneurship competition concept document *School Entrepreneurship programme and awards results

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
					guidance programme (60%) Q4: Implement the programme, Award ceremony conducted (100%)								
D216	Economic Growth	Increased investment in the GTM economy	Enterprise Development	SMMEs Incubation	Q1: Develop an incubation model, Incubation of Greater Tzaneen Financial Services Cooperative (GTFSC) through a diagnostic assessment (25%) Q2: Incubation model finalised, Incubation of Greater Tzaneen Financial Services Cooperative (GTFSC) through board training. (50%) Q3: Incubation of Greater Tzaneen Financial Services Cooperative (GTFSC) through committees training (75%) Q4: Incubation of Greater Tzaneen Financial Services Cooperative (GTFSC) through staff training. (100%)	New initiative	100%	50%	50%	G	Incubation plan finalised and will be finalised with the support of CBDA		*Incubation Model *Community Bank incubation M&E report *Incubation monthly activity report.
D217	Economic Growth	Increased investment in the GTM economy	Enterprise Development	Community dialogue / ideas hub	Q1: Consultative meeting with community to establish an Ideas Hub programme. Appoint service provider to resuscitate radio station. (25%) Q2: Develop criteria to ID projects from Ideas Hub & milestone checklist. Develop, business & implementation plan for GTFM. (50%) Q3: Identify potential partners/funders for Ideas Hub	New initiative	100%	50%	50%	G	GTFM programming and marketing on track. Two SMMEs identified through ideas hub. GTFM application for funding approved by MDMA.		*Minutes & Attendance register of community consultation sessions *App letter for service provider *Ideas Hub project dev plan *List of investors in Ideas hub

Table 23: 2nd Quarter Performance on targets set for 2016/17 - Greater Tzaneen Economic Development Agency

Ref	Municipal KPA	Strategic Objective	Programme	KPI	Unit of Measurement	Baseline	Annual Target	Year-To-Date As At December 2016					Source of Evidence
								Target	Actual	R	Reason for deviation	Corrective Measures	
					programme. Monitor & support radio station activities (75%) Q4: Sign MOUs/SLAs with potential partners/funders for Ideas Hub programme. Monitor & support radio station activities. (100%)								*Radio Station monthly reports on support

Table 24 below presents a summary of the level of performance for the 2nd Quarter of 16/17 for GTEDA reflecting that only **64%** of the targets set were met.

Table 24: GTEDA - Summary of Results (2 nd Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	KPI Not Yet Measured	1	7%
	KPI Not Met	3	21%
	KPI Almost Met	1	7%
	KPI Met	8	57%
	KPI Well Met	1	7%
	KPI Extremely Well Met	0	0%

Table 24: GTEDA - Summary of Results (2nd Qtr 16_17)			
	Level of performance	Number of KPIs	% performance at this level
	Total KPIs	14	

Areas of concern for the Greater Tzaneen Economic Development Agency:

1. The expenditure pattern at GTEDA should be closely monitored to avoid overspending by year-end. GTM is investing more funds in GTEDA than in the initial years and the return on this investment should be tangible by year-end.
2. Board expenses and employee costs should be contained to ensure that sufficient funds are channeled to projects aimed at stimulating job creation and investment attraction.

3. Assessment of the performance of Service providers (2016/17)

Table 25 contains an evaluation of the performance of service providers that were appointed through a competitive bid process, delivering services during the 2016/17 financial year.

Table 25: 2nd Quarter Evaluation of Service Provider Performance for 2016/17												
Dept.	Project name	Name of Service provider	Source of funding	Start date	Completion date	Physical Progress to date - <u>Narrative required</u>	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent				Assessment comments (future utilisation of service provider)
								Qtr 1	Qtr 2	Qtr 3	Qtr4	
MM	Electronic Performance Reporting System	ActionIT	Own	1/07/2015	1/07/2018	SDBIP & Individual PM modules being utilised	None	4	4	n/a	n/a	System supports Performance Reporting and auditing. Other modules may be considered for future use
CFO	Credit control and debt collection	Physon Business solutions	Own funds	4/2015	3/2018	Continuous credit control actions	Supplier not professional and we do not receive reports within time provided	1	1	n/a	n/a	Will consider if need is still applicable
CFO	Debt collection	Altimax Zandile Monene Business	Own funds	10/2015	9/2018	Altimax withdrawn pending dispute resolution	Reporting system to be re-defined	4	3	n/a	n/a	Will continue with the service provider
CFO	Meterreading	Electrocuts	Own funds	7/2015	7/2018	updated readings monthly	None	4	4	n/a	n/a	Will continue with the service provider
CFO	Valuation roll	DDP Valuers	Own funds	7/2012	6/2017	Valuations done on request within time frames	None	4	4	n/a	n/a	Will continue with the service provider

Table 25: 2nd Quarter Evaluation of Service Provider Performance for 2016/17												
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								Qtr 1	Qtr 2	Qtr 3	Qtr4	
CFO	Insurance	Lateral Unison (Insurance Brokers)	Own funds	7/2015	6/2018	Lateral Unison handle claims as received with regular feedback	GTM did not pay yearly premium (2016/2017) up to date, this action is a big risk regarding the payment of claims to GTM as well as contractors etc.	4	4	n/a	n/a	Lateral Unison gives professional and updated service.
CFO	Assets Management Consultants	ARMS	Own funds	5/2013	11/2016	The audit outcome is Unqualified	Contract ended in November	4	4	n/a	n/a	The service was excellent
CORP	Telephone Exchange System	Gijima	GTM	1-Dec-00	30-Nov-05	The telephone system is operational.	Switchboard and other line extension not operational.	4	3	n/a	n/a	The telephone system is obsolete and needs replacement.
CORP	Managed printing service	Nashua Limpopo Phinnet Communicatio ns	GTM	2012/07/01 2016-11-01	2015/06/30 2019-10-30	Printing Services contract was extended until the 30th of October 2016. The Services were also terminated with effect from the 1st of November 2016 from which, Phinnet Communications took over the services.	None.	3	3	n/a	n/a	There were challenges with two production printers supplied by Phinnet Communication since they were not in line with the Specification and it was resolved that they will be replaced by the 31st of January 2017.

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CORP	Paperless Council Meetings	Telkom Mobile	GTM	1-Apr-15	31-Mar-17	Telkom Mobile service provided.	None	4	4	n/a	n/a	The Municipality to consider upgrading the contract or advertise a tender for services.
CORP	Mimecast : Unified Email Management System	EOH	GTM	1-Jun-15	30-Jun-17	Services are rendered effectively.	None	4	4	n/a	n/a	The Municipality to consider utilizing other security feature of the system in the coming financial years.
CORP	Website Services	SITA	GTM	1-May-15	31-May-17	The website is up-to-date with the information that is submitted to SITA for publication.	None	4	4	n/a	n/a	Services provided by SITA are good as they respond promptly to requests for publications.
CORP	Provision of Legal Services	Mahowa Inc Attorney	GTM	1-Feb-13	28-Feb-17	The law firm has date performed satisfactorily and has exhausted all the mandate given to it	No challenges have been encountered	4	4	n/a	n/a	Service provider may be used in future
CORP	Provision of Legal Services	Magabe Inc Attorneys	GTM	1-Feb-13	28-Feb-17	The services rendered are professional and all the mandate has been satisfactorily executed	No challenges to date	4	4	n/a	n/a	Service provider may be used in future
CORP	Provision of Legal Services	Mushwana Inc Attorneys	GTM	1-Feb-13	28-Feb-17	All work assigned to them has been well executed	no challenges	4	4	n/a	n/a	Service provider may be used in future
CORP	Provision of Legal Services	Talane & Ass	GTM	01-Feb-13	28-Feb-17	All mandate given has been well executed	no challenges encountered	4	4	n/a	n/a	Service provider may be used in future
CORP	Provision of Legal Services	Baloyi Shirinda Inc	GTM	1-Feb-13	28-Feb-17	All work assigned has been well executed	no challenges	4	4	n/a	n/a	Service provider may be used in future

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								Qtr 1	Qtr 2	Qtr 3	Qtr4	
CORP	Provision of Legal Services	Ramothwala M. attorneys	GTM	1-Feb-13	28-Feb-17	Mandate well carried	no challenges	4	4	n/a	n/a	Service provider may be used in future
CORP	Provision of Legal Services	Modjadji Raphesu Attorneys	GTM	1-Feb-13	28-Feb-17	All work assigned has been well executed	no challenges to date	4	4	n/a	n/a	Service provider may be used in future
CORP	MFMA Training	Kamanga Skills Projects	GTM	28-Jun-16	30-Sep-16	In progress	None	4	4	N/A	N/A	They are performing a satisfactory job and their services will still be needed.
CORP	PowerPoint Training	Avuxeni Computer Academy	GTM	10-Oct-16	15-Oct-16	Completed	None	4	4	N/A	N/A	They are performing a satisfactory job and their services will still be needed.
CORP	Electronic Records Management System (Collaborator)	Business Engineering	GTM	01-Aug-06	Automatic renewal after 3 years	Day-to-day support is provided to the users.	None	4	4	n/a	n/a	Support is provided as per the SLA.
CSD	Treatment & Disposal Management	Mmatshope J.V. Theuwedi C.C.	GTM	1/08/2014	31/07/2017	Service is being provided, regular penalties applied in areas of underperformance.	Constant supervision and training required from GTM personnel to ensure that service is sustainable.	3	3	n/a	n/a	Service provider must be subjected to a "Waste Management Skills-rating" by the B.A.C. during procurement. Awaiting regulations by Minister i.t.o. Section 7 of Act 59/2008 (Nat. Waste Act)

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CSD	Litterpicking Region-North	Molebogeng Trading Enterprise C.C.	GTM	1/08/2015	31/07/2018	Service is being provided, regular penalties applied in areas of underperformance.	Constant supervision and training required from GTM personnel to ensure that service is sustainable.	3	3	n/a	n/a	Service provider must be subjected to a "Waste Management Skills-rating" by the B.A.C. during procurement. Awaiting regulations by Minister i.t.o. Section 7 of Act 59/2008 (Nat. Waste Act)
CSD	Litterpicking Region-South	Selema Planthire Construction C.C.	GTM	1/08/2015	31/07/2018	Service is being provided, regular penalties applied in areas of underperformance.	Constant supervision and training required from GTM personnel to ensure that service is sustainable.	3	3	n/a	n/a	Service provider must be subjected to a "Waste Management Skills-rating" by the B.A.C. during procurement. Awaiting regulations by Minister i.t.o. Section 7 of Act 59/2008 (Nat. Waste Act)
CSD	Collection & Transportation Nkowankowa	Ingwe Waste Management	GTM	1/08/2014	31/07/2017	Service is being provided, regular penalties applied in areas of underperformance.	Constant supervision and training required from GTM personnel to ensure that service is sustainable.	3	3	n/a	n/a	Service provider must be subjected to a "Waste Management Skills-rating" by the B.A.C. during procurement. Awaiting regulations by Minister i.t.o. Section 7 of Act 59/2008 (Nat. Waste Act)
CSD	Collection & Transportation Lenyenye	Selema Planthire Construction C.C.	GTM	1/08/2015	31/07/2018	Service is being provided, regular penalties applied in areas of underperformance.	Constant supervision and training required from GTM personnel to ensure that service is sustainable.	3	3	n/a	n/a	Service provider must be subjected to a "Waste Management Skills-rating" by the B.A.C. during procurement. Awaiting regulations by Minister i.t.o. Section 7 of Act 59/2008 (Nat. Waste Act)

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CSD	Grass Cutting	Shidila Trading Enterprise	GTM	1/08/2015	31/07/2018	Grass cutting is done on areas where order is issued.	None	4	4	n/a	n/a	They can be utilised if they do not underquote as this disadvantages their personnel and end up writing letter to GTM.
CSD	Garden Maintenance	Tshandukos Consultation and Projects	GTM	1/08/2015	31/07/2018	Garden maintenance is done weekly	None	4	4	n/a	n/a	They can be utilised if they do not underquote.
CSD	Physical Security	Mapheto Business Services CC	GTM	01/01/2016	31 /12/2018	Breach of Contract	Many thefts occurred and the matter was escalated to the Cluster for an action to Council	2	2			No Firearms as per Tender Specifications and some guards do not report for duty. No penalties despite several requests from the Department to impose them.
CSD	Cash In Transit	Letaba Security	GTM	01/10/2009	31/12/2015	Contract expired	New service provider appointed in July 2016 but not yet onsite which is creating uncertainty	5	5	n/a	n/a	SLA to be signed
CSD	Surveillance Cameras	Bravospan	GTM	01/10/2014	31/10/2016	Contract expired	Contract expired and left premises	5	5			There is no Monitoring of sites and no evidence will be provided if there are thefts in Council buildings
CSD	Electronic Morpho Access Control	Prosatelite	GTM	01/07/2013	to date	No Contract	Delays in payment after Call Up which is frustrating the service provider and the department	5	5			Maintenance Service Plan must be entered into asap

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								Qtr 1	Qtr 2	Qtr 3	Qtr4	
EEM	Energy and Efficiency and Demand Side Management Phase3	MVM Africa Consulting Engineers	DOE	2016/08/01	2017/06/30	Construction phase, material ordered.	None	4	4	n/a	n/a	Performance above standard
EEM	Energy and Efficiency and Demand Side Management Phase3	Rivisi Electrical Contractors	DOE	2016/08/01	2017/06/30	Construction phase, material ordered.	None	4	4	n/a	n/a	Performance above standard
EEM	Electrical Master Plan Phase 2	Royal Haskoning Consulting Engineers	Own Funds	2016/07/01	2017/06/30	Inception report completed for phase 1 and phase 2 report due end November 2016	None	4	4	n/a	n/a	Performance above standard
EEM	Upgrading of SS1 Substation	To be appointed	Own Funds	2016/07/02	2017/06/30	Procurement Process	None	n/a	n/a	n/a	n/a	Contractor not yet appointed
EEM	Electrification of Sunnyside/ Myakayaka/ Spacheng	Bawelile Consulting Engineers And MPTJ Construction	DOE	01-07-2016	30-06-2017	Project at construction phase (85%).	Delays with delivery of meters. GTM personnel to intervene and ensure that the meters are delivered.	4	4	n/a	n/a	Performance above standard
EEM	Electrification of Khopo Civil	Mogalemo Consulting Engineers and Rivisi Electrical	DOE	01-07-2016	30-06-2017	Physical construction completed (95%) Busy with updating of ENS and capturing of PCS file	None	4	4	n/a	n/a	Performance above standard

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EEM	Electrification of Thabina Valley	Superior Quality Engineering & Technologies And Mdina Engineering	DOE	01-07-2016	30-06-2017	Project energised on 23 December 2016 (98%). 398 households connected. Busy with house connections in the remaining households.	None	4	5	n/a	n/a	Outstanding Performance. Services to can be utilized in future
EEM	Electrification of Xihoko/Radoo/T hapane/Mavele Phase 1 & 2	Calibre Consulting Engineers And Tshabalala Multipurpose Workshop	DOE	01-07-2016	30-06-2017	Project competed and energized(100%). 825 households connected	None	4	5	n/a	n/a	Outstanding Performance. Services to can be utilized in future
EEM	Electrification of Leolo/Serare	Izwe Engineering and Investments	DOE	01-07-2016	30-06-2017	Designs completed and supported by Eskom. Contractor appointed. Awaiting site handover.	None	4	4	n/a	n/a	Performance above standard
EEM	Electrification of Leolo/Serare	Kedibone Construction	DOE	01-07-2016	30-06-2017	Designs completed and supported by Eskom. Contractor appointed. Awaiting site handover.	None	n/a	n/a	n/a	n/a	Construction will commence in third quarter
EEM	Electrification of Dan/Lusaka	Izwe Engineering and Investments	DOE	01-07-2016	30-06-2017	Designs completed and supported by Eskom. Awaiting contractor appointed. Site handover done on 10 December 2016. Site has been established. Awaiting delivery of material to start with construction.	None	4	4	n/a	n/a	Performance above standard

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								Qtr 1	Qtr 2	Qtr 3	Qtr4	
EEM	Electrification of Dan/Lusaka	Modikeng Electrical	DOE	01-07-2016	30-06-2017	Designs completed and supported by Eskom. Awaiting contractor appointed. Site handover done on 10 December 2016. Site has been established. Awaiting delivery of material to start with construction.	None	n/a	n/a	n/a	n/a	Construction will commence in third quarter
EEM	Electrification of Khayalam/Lego bareng/Shiluvane Ext	Izwe Engineering and Investments	DOE	01-07-2016	30-06-2017	Designs completed and supported by Eskom. Awaiting contractor appointed. Site handover done on 10 December 2016. Site has been established. Awaiting delivery of material to start with construction.	None	4	4	n/a	n/a	Performance above standard
EEM	Electrification of Khayalam/Lego bareng/Shiluvane Ext	Omphile Electrical	DOE	01-07-2016	30-06-2017	Designs completed and supported by Eskom. Awaiting contractor appointed. Site handover done on 10 December 2016. Site has been established. Awaiting delivery of material to start with construction.	None	n/a	n/a	n/a	n/a	Construction will commence in third quarter
EEM	Rebuilding of lines-Mashuti 11kv (4km)	Rivisi Electrical Contractors	Own Funds	01-07-2016	30-06-2017	Job number opened. Busy determining scope of work	None	n/a	n/a	n/a	n/a	Rebuilding of line will commence in third quarter

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EEM	Rebuilding of lines-Lalapanzi to Waterbok (2km)	Rivisi Electrical Contractors	Own Funds	01-07-2016	30-06-2017	Scope of work determined. Quotation received. Order to be issued to Service Provider.	None	n/a	n/a	n/a	n/a	Rebuilding of line will commence in third quarter
EEM	Rebuilding of Deeside 11kv line from Red ARC to Rooister and Woodside Farm (2.5km)	Rivisi Electrical Contractors	Own Funds	01-07-2016	30-06-2017	Scope of work determined. Quotation received. Order to be issued to Service Provider. Project completed (100%)	None	n/a	5	n/a	n/a	Outstanding Performance. Services to can be utilized in future
EEM	Rebuilding of Yamoma/ Shivurali 11kv line (4km)	Rivisi Electrical Contractors	Own Funds	01-07-2016	30-06-2017	Scope of work determined. Quotation received. Order issued to Service Provider. Awaiting delivery of material to start with rebuilding of line	None	n/a	n/a	n/a	n/a	Rebuilding of line will commence in third quarter
EEM	Rebuilding of Ledzee 11kv line from LZ 44 to Van der Gryp Farm (3.5km)	Rivisi Electrical Contractors	Own Funds	01-07-2016	30-06-2017	Scope of work determined. Quotation received. Order issued to Service Provider. Awaiting delivery of material to start with rebuilding of line	None	n/a	n/a	n/a	n/a	Rebuilding of line will commence in third quarter
ESD	Supply and delivery of water treatment chemicals	Zamangwane	GTM	01/04/2016	30/04/2019	Supply and delivery	none	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future

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ESD	Supply and delivery of water treatment chemicals	Zamandlambili Trading	GTM	01/04/2016	30/04/2019	Supply and delivery	none	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Supply and delivery of water treatment chemicals	Indlela Construction	GTM	01/04/2016	30/04/2019	Supply and delivery	none	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Supply and delivery of water treatment chemicals	Ifa Lethu	GTM	01/04/2016	30/04/2019	Supply and delivery	none	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Re Advert-Construction of Mokonyane low level bridge Option A and B	Muavuli Trading	GTM	20/06/2016	20/10/2016	Busy with the pedestrians walkway	Contractor progress is very slow	1	1	n/a	n/a	The performance of the service is poor and it will be risky to utilise them in the future
ESD	Re Advert-Construction of Rikhotso low level bridge.	Zacks Business	GTM	24/05/2016	24/09/2016	Completed	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Construction of Agatha Cemetry low-level bridge	Mosomo Consulting Engineers	GTM	28/07/2015	Depends on the contractor's appointment	On adjudication stage.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future

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ESD	Construction of Khubu to Lwandlamuni low-level bridge	Sky High	GTM	30/03/2015	Depends on the contractor's appointment	On adjudication stage.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Refurbishment of Tzaneen Airfield runway	AES Consulting Engineers	GTM	08/2016	Depends on the contractor's appointment	Design stage completed	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Rita to Mariveni: Upgrading of Road from Gravel to Tar: Phase 3 of 4	Tangos Engineering Consultant	MIG	22/09/2015	31/09/2018	The supervision team of the consultants is executing duties well as the contractor is well ahead of schedule at 65%.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Rita to Mariveni: Upgrading of Road from Gravel to Tar: Phase 3 of 4	Selby Construction	MIG	22/09/2015	31/09/2018	65%-The Contractor is busy with Asphalt surfacing for another 1.5km and the Contractor is ahead of schedule.	The community of Zangoma had interdicted the implementation of the 6.7km of the internal streets in Zangoma. The court ruled in favour of the Municipality. The Contractor will resume the works on Thursday as there were still some challenges with the disgruntled	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future

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							members of the community.					
ESD	Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 3 of 4	Mtema Mashao Engineering Consultants	MIG	05/09/2016	04/09/2018	The Supervision team couldn't supervise the works as the SLA wasn't signed.	None	3	3	n/a	n/a	The performance of the service is average and it will be risky to utilise them in the future
ESD	Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 3 of 4	Quality Plant Hire/Expectra 388 CC JV	MIG	05/09/2016	04/09/2018	5%- The Contractor has done site establishment and busy with bypasses.	None	3	3	n/a	n/a	The performance of the service is average and it will be risky to utilise them in the future
ESD	Upgrading of Mafarana to Burgersdorp Road From Gravel to Tar	Southern Ambition Consulting Engineers	MIG	28/02/2018	28/02/2018	The supervision team of the consultants is executing duties well as the contractor is well ahead of schedule at 30%.	None	3	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Upgrading of Mafarana to Burgersdorp Road From Gravel to Tar	Selby Construction	MIG	28/02/2018	28/02/2018	30%-The Contractor is busy with construction of the base, subbase and prime coat.	None	3	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Tickyline to Makhwibidung Tar Road	Southern Ambition Consulting Engineers	MIG	23/11/2015	03/06/2016	The supervision team of the consultants is executing duties.	None	3	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Tickyline to Makhwibidung Tar Road	Makasana Construction	MIG	23/11/2015	03/06/2016	90%-The Contractor is busy with the double seal surfacing.	None	3	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future

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ESD	Upgrading of Runnymede Cluster Sports Facility: Phase 2 of 2	Uranus Consulting ENGINEERS CC	MIG	14/03/2016	12/03/2017	The supervision team of the consultants is executing duties well as the contractor is well ahead of schedule at 54%.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Upgrading of Runnymede Cluster Sports Facility: Phase 2 of 2	Selby Construction	MIG	14/03/2016	12/03/2017	58% Progress- Contractor is busy with brickwork for hall and Blasting for the soccer pitch	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Relela Community Hall: Phase 2 of 2	Melco Consulting and Projects	MIG	24/11/2016	24/11/2016	The supervision team of the consultants is executing duties well.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Relela Community Hall: Phase 2 of 2	Masrik Social Development Consultancy	MIG	24/11/2016	24/11/2016	95%-Contractor is busy with brickwork for hall, finishes for the office block and plastering on the main hall.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Upgrading of Nkowankowa Taxi Rank	Ryntex /G&C Consulting Engineers JV	NDPG	04/05/2016	06/12/2016	The supervision team of the consultants is executing duties well.	None	3	3	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Upgrading of Nkowankowa Taxi Rank	Uyapo Engineering	NDPG	04/05/2016	06/12/2016	The Contractor is busy with electrical works for stalls.	None	3	3	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future

Table 25: 2nd Quarter Evaluation of Service Provider Performance for 2016/17												
Dept.	Project name	Name of Service provider	Source of funding	Start date	Completion date	Physical Progress to date - <u>Narrative required</u>	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent				Assessment comments (future utilisation of service provider)
								Qtr 1	Qtr 2	Qtr 3	Qtr4	
ESD	Marumofase Pedestrian Bridge	Sky High Consulting Engineers	Own Funds	29/07/2016	29/11/2016	The supervision team of the consultants is executing duties well.	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Marumofase Pedestrian Bridge	Versatex jv Cttj Properties	Own Funds	29/07/2016	29/11/2016	45%-The Contractor is waiting for the delivery of steel to complete the columns	None	3	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Refurbishment and Upgrading of Lenyenye Stadium	SSA Consultants	MIG	08/09/2014	30/11/2016	The supervision team of the consultants is executing duties well.	None	3	3	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Refurbishment and Upgrading of Lenyenye Stadium	Makgetsi Construction	MIG	08/09/2014	30/11/2016	The Contractor is completing the outstanding works.	None	3	3	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
ESD	Burgersdorp Sports Ground, Juliesburg Sports Ground and Nkowankowa Stadium	Sky High Consulting Engineers	MIG	13/01/2014	Depends on the contractor's appointment	Design Stage	None	4	4	n/a	n/a	We are happy with the performance of the service provider and can be utilised in future
PED	Review of the SDF	Dludla Development Consultant	Own	01/04/2016	01/03/2017	Draft SDF in place, public participation to be conducted in due course.	Review process very slow and service provider has been ask to use a different consultative method in order to speed up	4	4	n/a	n/a	Maybe considered for future appointment if need arises.

Table 25: 2nd Quarter Evaluation of Service Provider Performance for 2016/17												
Dept.	Project name	Name of Service provider	Source of funding	Start date	Completion date	Physical Progress to date - <u>Narrative required</u>	Challenges and interventions	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent				Assessment comments (future utilisation of service provider)
								Qtr 1	Qtr 2	Qtr 3	Qtr4	
							input from council Departments.					

From **Table 25** above the following matters are of major concern due to high level of risk involved for Council:

- a) The non-payment of the annual insurance premium and the impact thereof if a major incident should occur and also on claims lodged during the past 6 months and going forward.
- b) The poor performance of the physical security service provider, placing council property and employees at risk.
- c) A new service provider was appointed in July '16 to manage "cash in transit" but no service level agreement has yet been concluded and the service provider is not yet on-site.
- d) The performance of the service providers appointed for solid waste removal is subject to regular penalties.
- e) The appointment of the lowest bidders, should not jeopardise service delivery by resulting in unsustainable services, poor working conditions for the employees of the contractors or these employees not being paid.

4. Progress with implementing the recommendations made by the 2015/16 Annual Performance Report

The table below provides the progress made with the implementation of the recommendations made in the Annual Performance Report for 2015/16.

Table 26: Annual Performance Report (15/16) Recommendations Monitoring Tool (2nd Quarter - Dec 2016)						
Item no	Resolution	Implementing Agent	Planned Timeframe	Progress to date (30 Dec '16)	Challenges	Intervention required
1	That Internal Audit investigate the bottlenecks in the procurement process and submit recommendations to Management on how the process can be streamlined, within the legislative requirements.	MM/ CIA	30 Jun '17	No progress yet.	None	None
2	That the overtime management by Directors be closely monitored and linked to their individual performance, wherein a reduction in expenditure is required.	MM / PMO	Quarterly Assessments	KPI has been included in the Performance Agreements of Directors. Quarterly assessments however not taking place.	Monthly reporting by Directors on the KPI not taking place progress therefore cannot be monitored	Consequences for non-adherence to reporting requirements must be implemented
3	That a Risk Assessment be conducted on the Engineering Services Workshop.	MM / RO	30 Mar '17	No progress yet.	None	None
4	That monthly reconciliations and clearing of suspense accounts be monitored and non-compliance be reported to the MM.	CFO	Quarterly	No report received	None	None
5	That quarterly Financial Statements be submitted the Audit Committee.	CFO	Quarterly	1st Quarter Financial statements not submitted to AC	Clearing of suspense accounts not done on a monthly basis	CFO to monitor the clearing of suspense accounts
6	That vacancies in the Revenue division be filled by 30 October 2016.	CFO	30 October '16	Positions advertised: 3 Cashier positions, 1 credit control position, and 1 * snr clerk position (rates) and 1 * assistant account.	Delays in the filling of urgent positions	MM fast track appointment
7	That Ward committee reports be consolidated and a summary of the key challenges, with recommendations to resolving these, be submitted to Management and Council on a monthly basis.	CORP	Monthly	No reports submitted for 16/17	Wards was established but not yet allocated portfolios.	Establishment of ward committees to be finalised

Table 26: Annual Performance Report (15/16) Recommendations Monitoring Tool (2nd Quarter - Dec 2016)						
Item no	Resolution	Implementing Agent	Planned Timeframe	Progress to date (30 Dec '16)	Challenges	Intervention required
8	That the quarterly performance reports be presented to the IDP representative forum.	MM / PMO	Quarterly	1st Qtr SDBIP report for 16/17 delayed, only approved by Council in Dec. No Rep forum during this time	None-adherence to reporting timelines delays performance reporting	MM to ensure adherence to reporting timeframes
9	That the monthly performance management reports reflect the level of compliance to the monthly timeframes as set on the electronic reporting system.	MM / PMO	Monthly	Implemented since Dec reporting. PMS Monthly report includes names of users that did not login during December	8 Users did not report during Dec.	MM and Directors to monitor reporting by Managers
10	That the none-attendance of IDP Steering Committee meetings by Directors and Managers be monitored by the Municipal Manager.	MM	Ongoing	One(1) IDP Steering Committee held, 4 out of 7 Directors and 18 of 36 Managers attended	Non-attendance by other Directors and managers	Monitoring of Attendance before the meeting starts
11	That reports on the implementation of the MSCOA Process Plan be submitted to Council on a monthly basis.	MM	Monthly	No progress yet.	MSCOA committee is not yet functional.	MSCOA Champion, secretariat and dedicated official to manage process to be appointed
12	That a Revenue enhancement strategy be developed.	CFO	30 Jun '17	No progress yet.	None	None

The recommendations made in the Annual Performance Report is intended to ensure that performance is improved and that the issues highlighted by the Auditor General, pertaining to predetermined objectives, be addressed. The non-implementation of the recommendations is a reflection on the commitment of Management in this respect.

5. Overall Performance Evaluation.

This section contains an analysis of overall performance focusing on the key areas where performance has to be improved in order to ensure that targets are met by year-end.

5.1 Filling of critical vacancies & Organogram Review

The filling of critical vacancies continue to be a cause of concern since it affects the ability of Departments to deliver on the commitments, made in terms of the IDP and Budget, with the limited human resource.

The following critical positions have been vacant for an extended period of time:

- **Director: Corporate Services** (vacant since 1 June 2015)
- **Director: Electrical Engineering** (vacant since August 2016)
- **Director: Engineering Services** (incumbent on suspension since December 2015)
- Manager: Communications
- Manager: Internal Audit
- Manager: Office of the Mayor

5.2 Procurement of goods and services

Council approved a Demand Management Plan for the 2016/17 financial year, which outlines the planned timeframes for the procurement of goods and services. During the past financial years various projects were rolled over to the next financial year due to the fact that the awarding of bids did not take place on time for the projects to be finalised. 28 Projects rolled-over from 2015/16 to 2016/17 (see **Table 8**). Council must monitor the implementation of the Demand Management Plan to ensure that the situation is not repeated at the end of 2016/17 as it has the following implications:

- None-alignment between the IDP and current year budget
- Results in cashflow constraints if projects are not cash backed
- A loss in grant funding if funds are continually not spent (as was the case with the NDPG for the Nkowankowa Taxi Rank)
- Results in audit findings on performance information as the reported projects are not in line with what is being implemented. In an effort to address this, **Table 8** was included in this report.

Even though it was agreed that DPM progress reports should be submitted to Management on a bi-weekly basis, this has not taken place.

5.3 Delays in Performance Reporting

Quarterly performance reports, which reflects the progress with the implementation of the budget and IDP, should be presented to Council within 30 days of the close of the quarter to enable Council to fulfill its oversight role. Currently performance reports are not reaching Council on time, with the 4th Quarter Report for 15/16 only considered by Council in December 2016 along with the 1st Quarter report for 2016/17. The following issues must be addressed:

- a) None-compliance to reporting timeframes;
- b) None-compliance to reporting requirements, in that incomplete information is submitted and reasons for not achieving the set targets are not provided;
- c) Council Items proceeding to Exco, Clusters & Council without Management discussing them.

5.4 MSCOA Implementation

GTM has made no progress with the implementation of the MSCOA regulations. It is expected of municipalities to be MSCOA compliant by 1 July 2017 and to-date GTM has only managed to appoint the Project Steering Committee members. The following issues need to be attended to:

- a) Appointment of the MSCOA Project Champion & Secretariat.
- b) Appointment of a service provider to assist with the implementation of MSCOA is urgently required and must consider the following:
 - a. The internal capacity to change the accounts system while proceeding with normal duties.
 - b. The success rate of all service providers with the implementation of MSCOA at other municipalities, with preference of those utilised by High capacity municipalities.
 - c. The implementation of MSCOA is a matter of compliance with Treasury requirements (Circular 80), and this does not require a change in the electronic financial system. Any proposal towards changing the electronic system, at this time, should be carefully considered in the light of our IT and Human Resource limitations.

- c) An MSCOA office (with a dedicated employee) must be established to facilitate the implementation of MSCOA.
- d) MSCOA training to be provided to all relevant officials on an ongoing basis to build internal capacity.
- e) MSOA meetings are convened at the last minute with no secretariat or documentation in place. Decisions taken at the committee will be illegal if the correct procedures are not followed.

5.5 Employee Performance Management

The performance evaluations of Directors for the 2015/16 financial year did not take place. Initially the mid-year assessment process was stalled to allow training on the electronic reporting system. Thereafter the assessments was put on hold because the CFO requested that the reporting system be re-opened for prior-month reporting. The re-opening of the system, for prior months reporting, resulted in audit reports on this information being null and void. Management therefore resolved that Internal Audit should re-audit the Portfolio of Evidence for the Directors, but due to human resource limitations, that has not been done. It should be noted that for the evaluation of an individual the Portfolio of Evidence plays a crucial role in verifying the claimed performance (especially since exceptional performance may result in a financial award being made). The following issues still needs to be resolved:

- a) Non-compliance to reporting timeframes by some Directors;
- b) Non-compliance to reporting requirements, in that the required Portfolio of Evidence is not uploaded and reasons for deviating from the set targets are not provided;
- c) Internal audit capacity to audit performance information must be increased.

6. Aspects to be considered during 2016/17 budget adjustment

During the 2015/16 audit conducted by the AG various non-compliance matters were raised. In order to address these the following issues should be attended to.

- a. Council approved the roll-over of capital projects from the 2015/16 financial year for implementation during 2016/17, these must be included in the 2016/17 IDP and also in the adjusted capital budget, then only can it be included in the current year SDBIP.
- b. The NDPG project (Nkowankowa Taxi Rank) is being implemented, whilst Treasury did not approve a roll-over to 2016/17, this expenditure should be accommodated in the adjustment budget.
- c. The utilization of the capital rolled over from 2015/16 to 2016/17 is not in line with the projects listed in the Council Item A39 of August 2016. The re-allocation of funds, to the projects that are being implemented, must be done during the adjustment budget and Council must be informed of these changes.
- d. The 2016/17 IDP must be adjusted to ensure alignment with the projects as approved for roll-over.
- e. The key performance targets contained in the 2016/17 IDP must be adjusted to ensure alignment with the adjusted capital and operational budget.
- f. The 16/17 IDP & SDBIP must be adjusted to ensure that performance measures are included to monitor the efficiency of all service units e.g. mechanical workshop, fleet and stores.
- g. The 2016/17 SDBIP must be adjusted in line with the adjustments made to the 16/17 IDP & Budget to maintain alignment and to ensure that performance report submitted to council are in line with the actual activities being undertaken.

7. Areas to receive attention to ensure improved performance towards year-end

- A. Filling of Director Posts (CORP & EED):** The vacancies in top management is affecting the performance of the organisation and contributes to a decline in accountability. Taking into consideration that the contracts of the other positions are expiring at the end of the financial year, it becomes paramount that these vacancies be filled to ensure a smooth handover and the continuation of service delivery.
- B. Finalisation of outstanding disciplinary cases:** Employees that are on suspension (paid) for extended periods of time amounts to fruitless expenditure, the finalisation of these cases must be fast-tracked.
- C. Efficiency of the Mechanical Workshop:** The efficiency of the Electricity, Parks, Roads and Waste collection services are affected by the prolonged period of time that vehicles and equipment remain at the mechanical workshop.
- D. Maintenance and Refurbishment of existing infrastructure:** The 16/17 budget adjustment process as well as the 17/18 IDP projects phase should prioritise funding to alleviate the pressure on the electricity network. This, to alleviate the potential loss of jobs in the agricultural and agro-processing sectors and to ensure adherence to NERSA license requirements.
- E. Procurement of goods and services:** The turnaround time on the approval of orders should be fast-tracked, as it is directly affecting service delivery and renders operations numb. Finance must develop a register of documents received, to avoid delays in the signing of orders and documents being misplaced.
- F. Functionality of Management:** Top Management meetings are not taking place on a bi-weekly basis, with the last Management meeting (at the time of finalising this report) held on 3 November.
- G. Performance Management:** Council procured an electronic system to facilitate the reporting of performance to the SDBIP and Performance Agreements of the MM & Directors. Employees are not adhering to the reporting timeframes and requirements jeopardizing the ability of Council to perform an oversight role. Performance Evaluations must be conducted for the MM and Directors to ensure accountability.

- H. Audit Action Plan:** The audit action plan must be implemented and the Audit Steering Committee must meet at least bi-weekly, to monitor progress made towards addressing the issues raised by the AG for 2016/17, to avoid a repeat.
- I. Implementation of committee resolutions:** Council must monitor the implementation of resolutions taken at the Audit Committee and recommendations made by MPAC.
- J. Review of financial policies:** Financial policies are approved by Council together with the budget, these review processes should however be consultative in that these policies must be discussed at Management to ensure that it does not negatively affect service delivery e.g. Procurement Policy.
- K. Non-payment of insurance:** The cause of the non-payment of the GTM Insurance premium for 2016/17 must be investigated and addressed. The financial loss incurred, due to the non-payment of claims submitted to date, possible penalties etc. must be calculated and recovered.
- L. Telecommunications:** The non-functionality of the switchboard, as well as telephone lines to satellite offices and service centers (e.g. Tzaneen Testing Station) needs to be resolved.
- M. Water Service Authority status:** The provision of water services to the majority of our residents, as well as control over the budget, for improving service capacity, is dependent on GTM securing Authority Status. It also hinders our ability to expand our revenue base.
- N. Contract management:** Service providers must be monitored and penalized for not adhering to service level agreements.

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