

1st DRAFT IDP
REVIEW DOCUMENT

2013-14

INTERGRATED DEVELOPMENT PLAN



THIRD GENERATION IDP 2013-14

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<ul style="list-style-type: none"> • FINANCIAL MASTER PLAN • LED STRATEGY • SPATIAL DEV. PLAN • EPWP POLICY 	



MAYOR-FOREWORD

Once again it is a privilege for me to introduce this first review of our Integrated Development Plan third generation. This municipality was to implement and to attain the following objectives.

- To address the provision and maintenance of services such as water, electricity, solid water, road and sanitations.
- To contribute towards financial viably.
- To promote organizational cohesion and performance management.
- To promote effective governance and accountability.

As Kopanong we have been confronted by some challenges to realise the above objects, those include.

- The thin revenue base.
- The rural nature of Municipality.

Nonetheless our Municipality has got strengths and opportunities which include the following.

- Concentration camp.
- Historical Monuments.
- Many tourist attraction sites.

Local Economic Development is going to be our cornerstone on this review of our IDP. Kopanong Municipality is in the process of developing its LED Strategy and it will be part of this IDP.

I'm Happy to report that the partnership between the Municipality as the Facilitator and our communities as beneficiaries of services has been very successful in ensuring that we continue to address the development aspirations of our people in a manner that is inclusive and meets their expectations.

I trust that this IDP Review will prove to be one more meaningful step towards making Kopanong Local Municipality a place where all of us can live fulfilled lives and achieve our full human potential.

Cllr XT Matwa

Mayor of Kopanong Local Municipality

MUNICIPAL MANAGER- FOREWARD



Municipal Manager: LY Moletsane

According to the Municipal Structures Act, Act No. 117, 1998 the primary purpose of the municipality is:

1. A municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution,
2. **A municipal council must annually review**
 - (a) *The needs of the community;*
 - (b) *Its priorities to meet those needs;*
 - (c) *its process for involving the community;*
 - (d) *its organizational and delivery mechanisms for meeting the needs of the community; and*
 - (e) *its overall performance in achieving the objectives referred to in subsection (1)*
3. **A municipal council must develop mechanisms to consult the community and community organizations in performing its functions and exercising its powers;**

Emanating from the municipal strategic planning session, we concluded strategic priorities accompanied with quarterly service delivery targets to be achieved; which are aligned with the resources at our disposal and it is believed that all these targets can be realised only if our municipality is getting total support from the community through enhanced revenue collection and effective public participation. We have also made our Communities aware that a process of revising the municipal Vision and Mission was completed during that municipal strategic planning session and is incorporated in this IDP.

Besides, the developmental role that local government is called to play, we are also expected to maintain existing infrastructure which, in most cases, is aged and in a state of ill repair. The Integrated Development Plan (IDP) therefore needs to reflect a balancing act between providing access to basic services to new recipients and the maintenance of existing infrastructure to avoid power cuts, water leaks, pot holes, etc.

Underpinning successful service delivery is the availability of funds to do so. Whilst a substantial amount of funding is made available through the National and Provincial fiscus through conditional grants such as the Municipal Infrastructure Grant (MIG) and others, the only way that the Municipality will realize service delivery to its fullest potential is by ensuring optimal revenue generation by collecting payment due for services rendered by the Municipality. In addition to debt collection, the municipality has developed a Revenue Enhancement Strategy that will increase our reserves to enable us to plan and implement capital projects beyond the provision of grant funding.

The Municipality will also fast-track the process of finalising the approval of the Local Economic Development (LED) Strategy. This will assist us in radically attacking service delivery challenges, strengthening our local economic muscle and development, promoting emergence of cooperatives, entrepreneurs and public-private partnerships.

We are continually implementing the Turn-Around Strategy driven by the inter-governmental organs of state which will through the IDP address the social and development agenda for change.

The development and implementation of corrective action plans is put at the forefront by administration to ensure that we address and clear issues rose by the Auditor General and obtain an Unqualified Audit Report by 2014.

In the previous financial year Kopanong Local Municipality started to implement GRAP and consultants were appointed to implement and compile the financial statements. This process has continued during this financial year we have even gone further to appoint consultants in assisting with the unbundling of assets. There are continuous meetings amongst the Mayor, the Municipal Manager and Chief Financial Officer to ensure the smooth running of the municipality and also to see to it that systems and internal controls are in place. Our goal is to achieve a better audit opinion and deliver services in an accountable and sustainable manner.

There are also weekly management meetings where operational issues are discussed and addressed, and if there are any challenges, they are addressed in time.

I will like to thank management and all staff members I have worked with during the year to ensure that we achieve the best results for Kopanong, not forgetting the members of Kopanong Council, especially the Mayor for his support, and also the Speaker for her support.

I THANK YOU!!!!



1.1 Executive Summary.

1.1 Introduction and Background

In terms of the Local Government: Municipal Systems Act 2000 and the Municipal Planning and Performance Management Regulations 2001 each council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) Links, integrates and coordinates plans and takes into account proposals for the development of the municipality
- b) Aligns the resources and capacity of the municipality within the implementation of the plan
- c) Forms the policy framework and general basis on which annual budgets must be based
- d) Is compatible with Chapter 5 of the Local Government: Municipal Systems Act 32 of 2000
- e) Is compatible with National and Provincial development plans and planning requirements binding on the municipality in terms of legislation

Much of the South African public sector has been undergoing profound transformation of its internal functions, organization, management and broader purpose to enable it to focus on service delivery and performance. Although, to a large extent, the pressure for such change can be attributed to the political, economic and social situation in South Africa, the changes have been adopted and are increasingly driven from within the organizations and departments themselves. There is therefore within many municipalities the desire to begin the task of redefining their institutional existence and fundamental service delivery responsibilities within the context of accountability, cost-effectiveness, transparency and service provision.

Through the Integrated Development Plan (IDP) and its associated planning process the municipalities are envisaged to:

- Make more effective usage of limited resources
- Speed up delivery
- Attract additional funding
- Strengthen the democracy
- Overcome the legacy of apartheid at the local level
- Promote intergovernmental co-ordination.

The IDP is envisaged to be the result of a process through which the municipalities prepare a strategic development plan for the following five-year period. The IDP is to perform the task of being the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision making in the municipality.

The IDP as a legislative requirement has a legal status and it super cedes all other plans that guide development at local government level. It carries both the mission and vision for the Municipality with clear objectives and strategies linked to the term of office for Councilors.

The IDP for the period 2012/17 Kopanong Municipality seeks to have the following impacts:

- A programme specifying the time frames for the different planning steps;
- Integrated and sustainable human settlements;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process;
- Environmental Sustainability; and
- Mechanisms and procedures for vertical and horizontal alignment and therefore a strengthening of inter-governmental relationships.

As part of the IDP preparation process, Council resolved to establish an IDP Steering Committee which comprises the Kopanong Local Management Committee, Councilors, the Municipal Manager and the IDP Manager.

The IDP Representative Forum (IDP RF) was constituted as part of the preparation phase of the IDP and will continue its functions throughout the annual IDP Review processes. The proposed composition of the IDP RF include Councilors, Ward Committee Chairpersons, Senior municipal officials, Stakeholder representatives of organized groups, resource persons, other community representatives, National and Provincial Departments' regional representatives, NGO's, Parastatal organisations, Tourism Association, Farmers Association and Ratepayers Association.

During this IDP process the main roles and responsibilities allocated to each of the role players have been set out.

Four major functions can be aligned with the public participation process namely:

- Needs orientation and prioritization;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

The Kopanong Municipality seeks to actualize and make real the principles of the Constitution, the Freedom Charter and the Free State's Citizen's through the IDP and its processes, the Municipality seeks to:

- Actively engage with citizens of the Municipality and its partners;
- Operate fairly and be accessible to everyone;
- Promote choice within the area;
- Continuously develop and improve the quality of life of all its citizens;
- Effectively and efficiently utilize resources allocated to it; and
- Improve the opportunities and quality of life in the communities it serves.

During the Audit the Auditor-General have raised an exception that Kopanong Local Municipality does not have a Strategic Planning document in place. Therefore, municipality has to develop this document as it serves as a guiding and operational tool for the municipality.

The Mission, Vision as well as the core value of Kopanong Local Municipality were also discussed and endorsed by the Honorable Councilors during the session as outlined below;

Vision

- By 2020 the Kopanong Local Municipality should be a vibrant, sustainable and successful municipality which provides quality services.

Mission.

- To promote working relationship with stakeholders and communities
- Promoting and providing effective and efficient administration, political leadership to ensure a safer and healthier environment
- Promote shared and integrated service delivery
- To uphold the principles of Good Governance in a transparent and accountable manner
- To promote sound financial management and increase revenue base

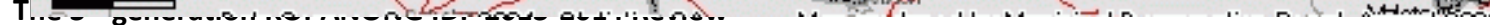
1.2 Who are we?

Kopanong Local Municipality forms the middle section of the Xhariep District and comprises of nine towns of which Trompsburg is the main centre it is the biggest local municipality in the Xhariep District in terms of area and covers 11.7% of the Free state which 1523 407 hectares.

The other Municipalities in the Xhariep District are Mohokare, Letsemeng and Naledi.

The Kopanong Municipal consists of nine towns i.e. Reddersburg, Edenburg, Fauresmith, Jagersfontein, Trompsburg, Springfontein, Phillipolies, Bethulie and Gariep Dam

T... ..

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Historical events that took place in the municipality, aspects of the natural and man-made environment and local activities may form the basis for promoting tourism as a significant economic activity. Some of these events, man-made and natural environment aspects are:

- “Lake Gariep” and the Gariep water festival;
- Game reserve at Lake Gariep
- Jagersfontein Mine;
- The “tiger project” at Phillippolis;
- The Orange River Ravine from the Gariep Dam wall to the Water-Kloof Dam Wall;
- Battlefields of significant battles conducted during the Anglo-Boer War, e.g. Mostert’s hoek
- Phillippolis “witblits” festival;
- Historical building in Phillipolis, e.g. the Dutch Reformed Church, library, old jail, the house where Lourens van der Post was born, Adam Kok, the Griqua leader’s house, kraal and structure where gunpowder was kept, and
- Fauresmith horse endurance run.

1.3. Soils

Southern areas of the Free State mostly have calcareous soils. According to the FSGDS the whole of the Xhariep District mainly has soils of intermediate to poor suitability for arable agriculture or forestry or grazing where climate permits. Xhariep with Thabo Mofutsanyane have the highest percentages of soils for conservation only.

The Kopanong Local Municipality area is situated in the Southern Free State. It has the largest surface area of the four local municipalities in the Xhariep District, covering 15 190 square kilometers (44, 5%). Nine towns from part of Kopanong namely:

- Trompsburg, it is situated approximately 108km south of Bloemfontein, it is a small agricultural town and one of the Free State’s best Marino sheep product manufacturers.

- Gariep Dam, it is situated approximately 62 km south of Trompsburg and it is the largest expanse of fresh water in the country.
- Springfontein, it is situated 150 km Southwest of Bloemfontein on the N1, this town history relates directly to the struggle and especially to the hardship.
- Bethulie, it is situated approximately 52 km South of Trompsburg; it serves as the Regional agricultural service centre within Kopanong.
- Jagersfontein, it is the world oldest diamond mining town and the 1st place where the diamond was discovered.
- Phillippolis, It is situated approximately 53km ,southwest of Trompsburg
- Fauresmith, it is situated approximately 77km northwest of Trompsburg; it serves as a general agriculture service centre within Kopanong.
- Reddersburg, it is situated approximately 65km northeast of Trompsburg. The main social and economic functions of the town is to serve as a general agricultural service centre to surrounding farming areas and social functions such as residence ,education and medical service.

Edenburg, situated 83km south west of Bloemfontein was founded in 1862 when the farm Rietfontein was purchased to build a church.

2. ECONOMY

The economy of Kopanong is, like the remainder of the Southern Free State, is dominated by agricultural activities, with Kopanong contributing 45% (R95, 545,000) to the GGP of Xhariep in 1996. Almost a third (4,700 persons) of the employed population is employed in the agricultural sector. The agricultural sector is dominated by large/extensive commercial farms with few small scale farms being found in the area.

The predominance of agriculture as primary economic activity in the area means that cycles of prosperity and decline experienced in the agricultural sector, impact on the economic prospects (i.e. whether their economies grow or decline) of the nine urban settlements.

The second biggest contributor to the district's GGP in 1996 was general government, contributing R58, 567,000 followed by financial services with R33, 341,000.

The extremely narrow economic base of Kopanong, i.e. the dependency of local communities on agriculture production, increase the area's vulnerability to economic downturns caused by adverse agricultural conditions, to economic downturns caused by adverse agricultural conditions, such as prolonged droughts, low prices for agricultural goods, e.g. wool prices, rapidly increasing wage in the agricultural sectors and so on. It is therefore important that the central thrust of any economic development strategy for the areas should aim to diversify the economic base.

Economic output is usually measures in terms of Gross domestic Product (GDP). At the national Gross Geographic product (GGP) is used. Figure 2.3.2 (b) provides an overview of annual economic growth since 1995. The overall ten year growth rate between 1995 and 2005 was 19%

3.1. DEMOGRAPHIC PROFILE

3.1.1 Demographic analysis

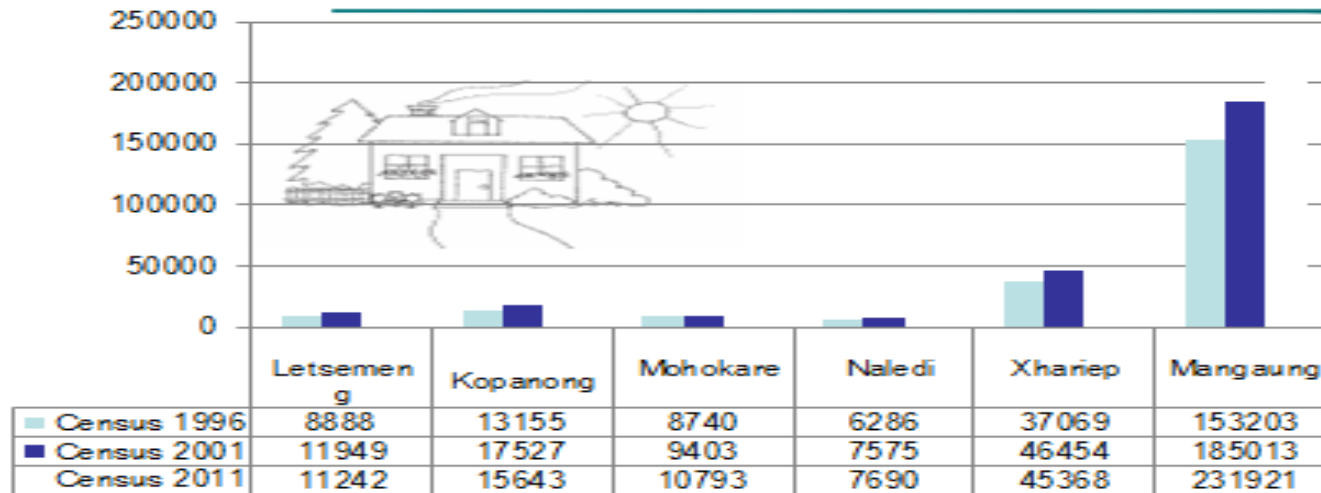
Following below is a number of Tables that summarize the population of Kopanong in terms of numbers, growth, gender, age, etc.

3.1.2 Population Distribution

- The total population in the Municipality was **56,079** in 2001 of which **29 187** were female and **26892** male and **49 171** in 2011
- It is doubtful whether there is any major migration of people from outside the municipality into the municipality. Migration tends to be from commercial farms to the informal settlements within the municipality. And due to fact that Trompsburg is the Administrative Headquarters of both Kopanong and Xhariep there is a trend of people moving inward.
- The total population were organized as 17,527 households in 2001 and 15,643 showing decline in 2011 with the bulk of households (85%) being five or less members.
- If we look at the table below compare the statistical report between 2001-2011 , we will see the slightly difference in terms of number of population between 2001 census and 2011 census report.
- That simply show the migration of people from the municipality to other municipalities due to number of factors like jobs.

- Population size as recorded in Census 2001 and 2011 Census

Distribution of households



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- No of Households per Municipality within XDM with trends from 1996, 2001 & 2011 census as presented by a table below.

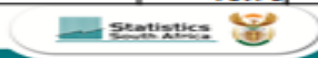
Average household (HH) size, 2011

Municipality	Census 1996			Census 2001			Census 2011		
	Population	Household	Average hh size	Population	Household	Average hh size	Population	Household	Average hh size
Letsemeng	35449	8888	4.0	42847	11949	3.6	38628	11242	3.4
Kopanong	50017	13155	3.8	56079	17527	3.2	49171	15643	3.1
Mohokare	36238	8740	4.1	36321	9403	3.9	34146	10793	3.2
Naledi	24912	6288	4.0	27479	7575	3.6	24314	7690	3.2
Xhariep	146616	37069	4.0	162727	46454	3.5	146259	45368	3.2
Mangaung	603528	153203	3.9	645440	185013	3.5	747431	231921	3.2
Free State	2633504	625011	4.2	2706775	733302	3.7	2745590	823316	3.3

- Percentage of households by tenure status in Kopanong Census 2001 and Census 2011

Distribution of Household by tenure status

Municipality	% Census 2001				% Census 2011				
	Rented	Owned but not yet paid off	Occupied rent-free	Owned and fully paid off	Rented	Owned but not yet paid off	Occupied rent-free	Owned and fully paid off	Other
FS161: Letsemeng	13.20	15.18	37.88	33.74	18.51	2.57	23.24	51.42	4.27
FS162: Kopanong	14.94	10.94	24.60	49.52	21.78	4.19	23.55	46.61	3.86
FS163: Mohokare	13.19	8.28	33.79	44.74	24.77	11.93	28.11	32.41	2.78
FS164: Naledi	14.31	9.19	29.05	47.46	16.49	3.02	13.79	64.38	2.32
DC16: Xhariep	14.03	11.21	30.60	44.16	20.78	5.43	22.90	47.44	3.44
MAN: Mangaung	11.95	15.68	28.75	43.63	20.47	11.03	14.56	51.27	2.67
Free State	16.79	13.24	26.60	43.37	19.93	9.03	16.63	51.64	2.77



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- The table above shows status of tenure within the District Municipality in terms of people renting and owning houses between 2001 & 2011 census. It also shows a decline in percentages between people renting and owning houses within the municipality and that reflect level of affordability in buying property within municipality.

Economic Growth

In terms of the Community Survey 2007, 77% % of the population is rural, and 42% are under the age of 19. 13.6% of the adult population has no education and only 1.7% of the population older than 20 years of age with a higher education qualification. This poses significant challenges for managing the municipality and specifically growth of the economy in the municipality.

4.1 What opportunities do we offer?

- Kopanong Local Municipality has abundance of land to can develop.
- Tourism attraction site or areas
- Agricultural areas especially livestock farming
- Job creations like construction of Albert Nzula Academic hospital
- Mining
- Construction of Xhariep Energy Solar Hub

5.1 What are we doing to improve ourselves?

Kopanong Municipality is putting appropriate systems in place to build capacity and deliver services to communities.

This is achieved through the Municipality's alignment of the various line function departments, as well as the District Municipality, in order to provide residents with access to basic services. The Municipality is also devoting substantial energy and resources to kick-start the local economy with innovative projects, Energy Solar Hub Project, EPWP projects and development of LED strategy and Tourism Strategy.

6.1 What can you expect from us over the next 5 Years?

The approach that needs to be followed is that Kopanong Local Municipality together with Xhariep District Municipality balance the provision of basic services, with the need to develop skills and create economic opportunities for Local Economic Development. With greater potential incomes and increase levels of employment through EPWP projects, community members are better able to pay for services and this making the roll-out of services quicker and more effective.

7.1 How will progress be measured?

(see attached PMS document)

In terms of answering the question of “How will our performance be measured?”

- Kopanong Local Municipality has developed a Performance Management System in line with section 41 of the Local Government: Municipal Systems Act and section 9 of the Municipal Planning and Performance Regulations of 2001.
- The Municipal Manager’s office will coordinate and ensure good quality reporting and reviews and will also ensure conformity to reporting formats and timelines.
- The Performance Organisational Management System is in place and signed Performance Agreement of section 56 and MM.
- Development of EPAS to be cascaded to Managers and Officers
- By improving the Audit Opinion for the year 2013/2014 financial year

SECTION B

Situational Analysis



2. Situational Analysis

Local analysis of Kopanong

2.1 Introduction

To identify and prioritize development issue an analysis of the current situation in Kopanong is done in order to develop a basis for strategic planning. The strategic plan will include objectives and identify intervention and projects.

It needs to be noted that for the purpose of this Chapter only official statistic available for Kopanong municipality from Statistics South Africa (SSA), could be used. SSA indicated that new statistics will be available only during November 2007. In addition, information was sources from Global Insight, and Quantic databases.

2.2 Background of regional analysis

The overall vision for development of the Free State is outlined in the Free State Growth and Development Strategy (FSGDS) towards 2014. Development goals and the economic growth rate of 6% per annum guide Integrated Development planning. Kopanong municipality should align its development plans in accordance with this objective for economic growth.

This part of the IDP shares basic information on the municipality, identify key trends and suggestions from the data and make some comments and suggestions in respect of the strategic plan for Kopanong.

The information retrieved from the regional analysis serves to:

- provide an economic and infrastructure profile of Kopanong;
- apply the principles of the National Spatial Development Perspective (NSDP) where possible on Kopanong; and
- analyse the basic demographic and environmental conditions in which the economy of the Kopanong finds itself

This part consists of:

- A brief overview of the environmental situation
- Economic output and trends
- Employment trends
- An application of the NSDP to identify development potential
- An analysis of the level of infrastructure and services
- An overview of social infrastructure
- Safety and security issues in the area

Methodology

The baseline set of data is retrieved from Census data from Statistics South Africa. It was difficult to detect specific detail data for Kopanong before the new statistical report be published in February 2013. See attached table below:

Population and percentage change by province

Municipality	1996	2001	% change 1996-2001	2011	% change 2001-2011
Letsemeng	35449	42847	17.3	38628	-10.9
Kopanong	50017	56079	12.1	49171	-14.0
Mohokare	36238	36321	0.2	34146	-6.4
Naledi	24912	27479	10.3	24314	-13.0
Xhariep	146616	162727	11.0	146259	-11.3
Mangaung	603528	645440	6.9	747431	13.6
Free State	2633504	2706775	2.8	2745590	1.4



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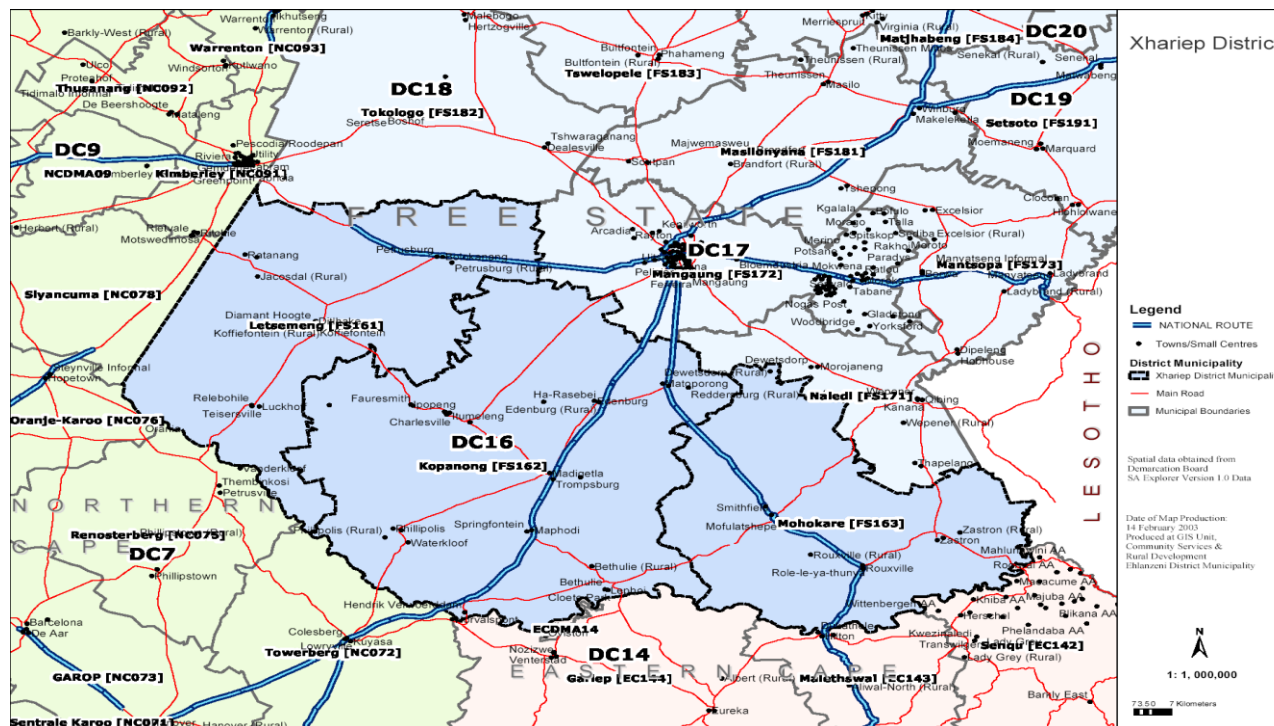
Furthermore:

- The emphasis on trends over a number of years provides valuable information for planning. In the case of census data, focus was placed on comparisons between 1996, 2001 and 2011 census report. Other data revealed comparisons between 1996 and 2007 community survey.
- In respect of the economic data, Gross Value Added (GVA) is mostly used as appose to Gross Domestic Product (GDP). The main reason is that GDP is not always available at sub-regional level. The main difference between GVA and GDP is that GVA does not include taxes and subsidies. In practice, there is thus virtually no difference when growth rates and relative economic contribution are determined.

2.2.3 Spatial analysis of Kopanong

Most of the information shared in this paragraph relates to information acquired from the reviewed IDP 2009/10, the latest available statistics and National spatial development perspective.

Kopanong Municipality is the biggest Local Municipalities in Xhariep District in terms of area and covers 11.7% of the Free State which is 1 523 407 Hectares¹. The other Municipalities in the Xhariep District are Mohokare and Letsemeng.



Map 1: Xhariep District Municipality (IDP 2005/2006)

The Kopanong Municipal consists of eight towns i.e. Reddersburg, Edenburg, Fauresmith, Jagersfontein, Trompsburg, Springfontein, Phillippolis and Bethulie

Basic agricultural products are exported from the area for processing and re-imported into the areas as consumer products – very little processing of agricultural products should be considered as a strategy to reduce dependence of the area on production of products that are processed elsewhere.

WATER Analysis						
WARD : 1	TOWN	REDDERSBURG				
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	Households without water	House connections
Matoporong	4821	1607	3 Boreholes		76 House-holds	
Inadequate housing	Water treatment works	Pump stations	Stand pipe yard connections	RDP House need infrastructure	RDP House need infrastructure	Inadequate housing interim solutions
560 House-Holds need RDP houses	Old Existing-Need upgrading of Treatment works	1 Existing water pump-Station.	Due to low water pressure in some area need installation to elevate tank.		Town still supplied by old Asbestos pipe.	
SANITATION Analysis						
DESCRIPTION						
RDP House need infrastructure	Bucket eradication		Inadequate RDP management need refurbishment	Waterborne waste treatment works	Septic tanks	Sewerage pump station.
	320 house-holds use buckets sanitation. (informal)		Training to implement all Criteria of Green Drop	Construction completed in2009, Ponds Walls are not well compacted		The pumps are operating



Access to piped water

Municipality	% Census 2001		% Census 2011	
	Access to piped water	No access to piped water	Access to piped water	No access to piped water
Letsemeng	94.68	5.32	97.83	2.17
Kopanong	97.53	2.47	98.65	1.35
Mohokare	97.92	2.08	98.83	1.17
Naledi	97.46	2.54	97.88	2.12
Xhariep	96.86	3.14	98.36	1.64
Mangaung	95.73	4.27	97.87	2.13
Free State	95.68	4.32	97.80	2.20

- The table above it reflects or shows numbers of people with and without access to water stand pipes in percentage,
- Per municipality within Xhariep District Municipality. It also shows the improvement as to provision of water and backlog for the whole of Kopanong as compared to other Municipality within the District.

Situational analysis

WARD 2 : EDENBURG						
WATER	Analysis					
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	Households without water	House connections
Harasebei	6570	2190	5-Boreholes			500 Household
DESCRIPTION						
Inadequate housing settlement	Water treatment works	Pump stations	Stand pipe yard connections	RDP House need infrastructure	RDP House need infrastructure	Inadequate housing interim solutions
650 households need RDP houses		Eden burg				
SANITATION	Analysis					
RDP Houses needs infrastructure to be upgraded	Bucket eradication			Waterborne waste treatment works	Septic tanks	Sewerage pump station

2. Services Delivery & Infrastructure situational Analysis

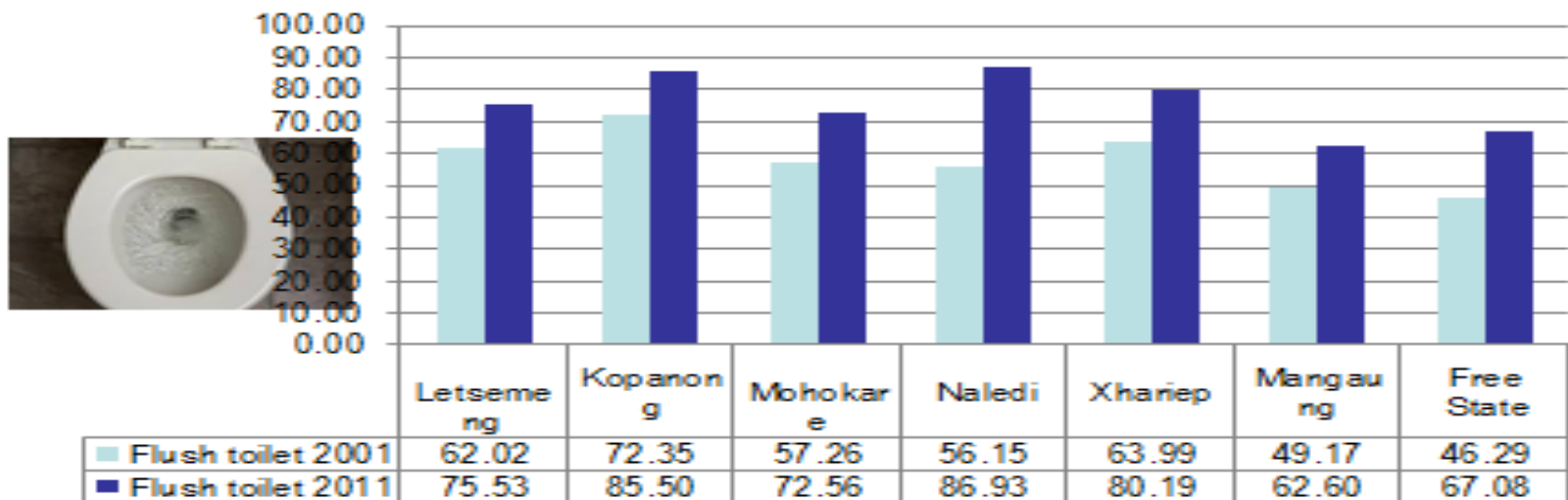
WATER						
WARD	TOWN	TROMPSBURG				
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	Households without water	House connections
MADIKGETLA	8250	2750	12 Boreholes	Bethulie dam situated at Bethulie and operated and maintained by Bloem water	196	
DESCRIPTION						
Inadequate housing settlement	Water treatment works	Pump stations	Stand pipe yard connections	Inadequate RDP infrastructure need: extensions	Inadequate RDP management need: refurbishment	Inadequate housing interim solutions
600 households need RDP houses			Due to low water pressure in some areas, town need installation of elevated water tank		Town still supplied by old asbestos pipe that affect water quality and cannot be easily repaired as any spares available anymore.	

SANITATION	Analysis					
Inadequate housing settlement	Bucket eradication		Inadequate RDP management need refurbishment	Waterborne waste treatment works	Septic tanks	Sewerage pump station
Some areas still use old clay and asbestos pipes.	13 households use bucket sanitation.(informal)		Town still supplied by old Infrastructure	Construction completed in 2009, ponds walls are not compacted well and they will need lining to prevent seepage in some ponds.		Pump is still operational but requires regular maintenance.

Eradication of Bucket System

The table below shows the number of households with access to waterborne in terms of percentage and the improvement made on providing people with flushing toilets as per Municipality within our District Xhariep.

Toilets, 2001 & 2011



2.1 SERVICE DELIVERY& INFRASTRUCTURE DEVELOPMENT

WATER						
WARD	TOWN	SPRINGFONTEIN				
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	No water services	House connections
Maphodi	3594	1198	11 boreholes	Bethulie dam situated at Bethulie and operated and maintained by Bloem water	216 households	
WATER NEED DESCRIPTION						
Inadequate housing permanent solution.	Water treatment works	Pump stations	Stand pipe yard connections	Inadequate RDP infrastructure need: extensions	Inadequate RDP management need: refurbishment	Inadequate housing interim solutions
500 households need RDP houses		1			Town still supplied by old asbestos pipe that affect water quality and cannot be easily repaired as no spares available anymore	
SANITATION						
SANITATION NEED DESCRIPTION						
Inadequate infrastructure upgrade to RDP	Bucket eradication	Inadequate interim solutions	Inadequate RDP management need refurbishment	Waterborne waste treatment works	Septic tanks	Sewerage pump station

need						
Some areas still use old clay and HDP pipes	There are 15 households using bucket sanitation. (informal)		Town still supplied by old asbestos pipe that affect water quality and cannot be easily repaired as any spares available anymore.	Construction completed 2009	12 houses holds usage septic tanks not connected to the sewage	Pump is still operational but require regular network

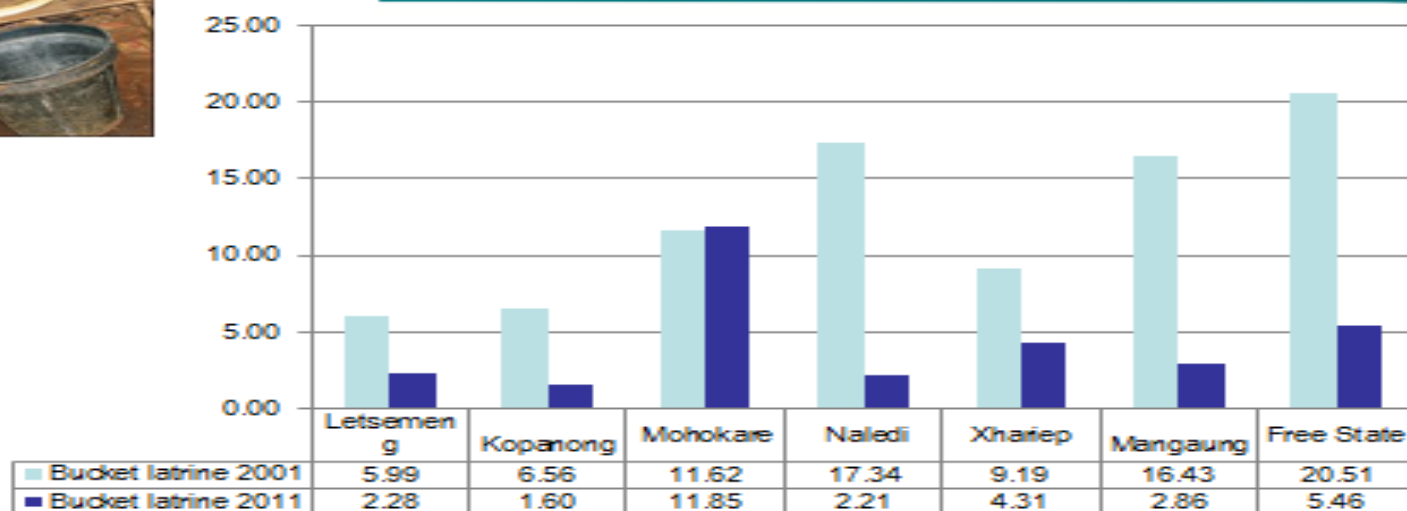
Bucket System/ Latrine

The table below shows the backlogs in terms of bucket latrine or system within the District per Municipality.

Kopanong Local Municipality has improved a lot in terms of eradication of bucket latrine as compared to other municipalities within the District. Moving from 6.56 % in 2001 to 1.60 % 2011, this shows seriousness in addressing bucket system with Municipality.



Toilets, 2011 (cont...)



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2.1 SERVICE DELIVERY& INFRASTRUCTURE DEVELOPMENT

WATER						
WARD	TOWN BETHULIE					
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	No water services	House connections
Lephoi	8570	1230	14 boreholes	Bethulie dam situated at Bethulie and operate d and maintained by Bloem water		
WATER NEED DESCRIPTION						
Inadequate housing permanent solution.	Water treatment works	Pump stations	Stand pipe yard connections	Inadequate RDP infrastructure need:extentions	Inadequate RDP management need: refurbishment	Inadequate housing interim solutions
1300 households need RDP houses				Due to low water pressure in some area, town need installation of elevate water tank.	Town still supplied by old asbestos pipe that affect water quality and are cannot be easily repaired.	
SANITATION	SANITATION NEED DESCRIPTION					
Inadequate	Bucket eradication	Inadequate	Inadequate RDP	Waterborne waste	Septic tanks	Sewerage pump

infrastructure upgrade to RDP need		interim solutions	management need refurbishment	treatment works		station
			Training to implement all criteria`s of green and blue drop certificates.	Old existing treatment works which is over capacitated, it needs upgrading.	6 households using septic tanks not connected to the sewerage network.	The pump station need to be upgraded.

2.1 SERVICE DELIVERY& INFRASTRUCTURE DEVELOPMENT

WATER						
WARD	TOWN	JAGERSFONTEIN				
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	No water services	House connections
Itumeleng	6996	2332	5 boreholes	Kalfontein dam situated at Fauresmith		
WATER NEED DESCRIPTION						
Inadequate housing permanent solution.	Water treatment works	Pump stations	Stand pipe yard connections	Inadequate RDP infrastructure need:extentions	Inadequate RDP management need:refurbishment	Inadequate housing interim solutions
700 households need RDP houses						
SANITATION	SANITATION NEED DESCRIPTION					
Inadequate infrastructure upgrade to RDP need	Bucket eradication	Inadequate interim solutions	Inadequate RDP management need refurbishment	Waterborne waste treatment works	Septic tanks	Sewerage pump station
Some areas still use old clay and HDP pipes	There are 102 households using bucket toilet		Training to implement all criteria's of green and blue drop certificate	Construction completed in 2009	1 household using septic tank not connected to the sewerage network. Training to implement all criteria's of green.	

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2.1 SERVICE DELIVERY& INFRASTRUCTURE DEVELOPMENT

WATER						
WARD	TOWN	PHILLIPOLIS				
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	No water services	House connections
Poding tse rolo	4017	1339	3	Gariep Dam situated at Gariep Dam	200	
WATER NEED DESCRIPTION						
Inadequate housing permanent solution.	Water treatment works	Pump stations	Stand pipe yard connections	Inadequate RDP infrastructure need: extensions	Inadequate RDP management need: refurbishment	Inadequate housing interim solutions
550 households need RDP house		1		Due to low water pressure in some areas	Town still supplied by old asbestos pipe that affect	
SANITATION	SANITATION NEED DESCRIPTION					
Inadequate infrastructure upgrade to RDP need	Bucket eradication	Inadequate interim solutions	Inadequate RDP management need refurbishment	Waterborne waste treatment works	Septic tanks	Sewerage pump station
			Training to	Refurbishment		Old pump

			implement all criteria's of green and blue drop certificate	was done in 2009, pumps are still not operational, major refurbishment is required.		stations need refurbishment.

2.1 SERVICE DELIVERY& INFRASTRUCTURE DEVELOPMENT

WATER						
WARD	TOWN	FAURESMITH				
	SETTLEMENT DEMOGRAPHICS		WATER SOURCES			
SETTLEMENT	POPULATION PER SETTLEMENT	Household per settlement	Ground water	Surface water	No water services	House connections
Ipopeng	3000	1000	7 boreholes	Kalfontein dam situated in Fauresmith	150	
WATER NEED DESCRIPTION						
Inadequate housing permanent solution.	Water treatment works	Pump stations	Stand pipe yard connections	Inadequate RDP infrastructure need: extensions	Inadequate RDP management need: refurbishment	Inadequate housing interim solutions
550 households need RDP houses.		1		Due to low water pressure in some areas, town need the construction of	Training to implement all criteria's of green and blue drop certificate	

				pipe from the plant and the reservoir.		
SANITATION	SANITATION NEED DESCRIPTION					
Inadequate infrastructure upgrade to RDP need	Bucket eradication	Inadequate interim solutions	Inadequate RDP management need refurbishment	Waterborne waste treatment works	Septic tanks	Sewerage pump station
Some areas are still use old day and tar pipes.					1 household s using septic tanks not connected to the sewer network.	

2.3 No of Households

Definition of Households in terms of Stats SA:

Households data

A household is a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone

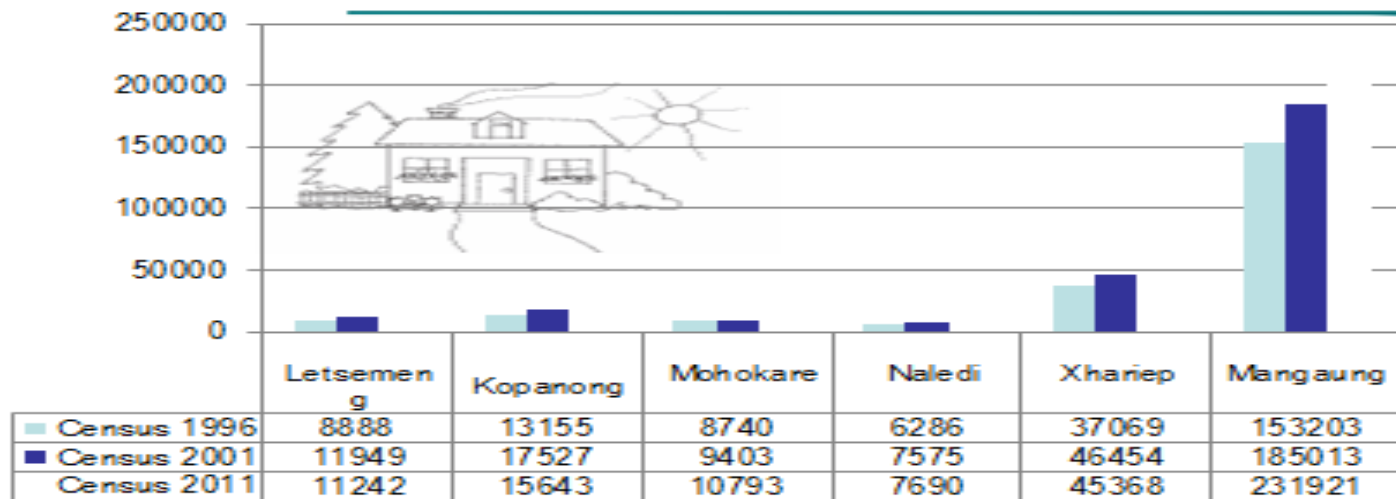


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Distribution of households




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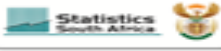
The informal employment could be significant as indicated in the figures of 2011 (Census). The information provided next indicates that there is still a long way in terms of ensuring that there is work for all employable people in the area.

The total labour force of the Municipality, divided into employment and unemployment and economic inactive people is provided. The rate for people living in poverty in Kopanong according to the FSGDS² is approximately 40.2% which enforce a high demand for job opportunity creation.



Labour Market indicators, 2011

	Employed	Unemployed	Not economically active	Population 15-64	Labour force	Labour participation rate	Unemployment rate	Youth unemployment rate
Letsemeng	9164	2624	13263	25051	11788	47.1	22.3	27.7
Kopanong	11336	4193	15703	31232	15529	49.7	27.0	33.6
Mohokare	7672	3518	9771	20961	11190	53.4	31.4	40.0
Naledi	4729	1697	8333	14759	6426	43.5	26.4	34.8
Xhariep	32900	12032	47070	92002	44932	48.8	26.8	33.8
Mangaung	211746	81225	213951	506922	292971	57.8	27.7	37.2
Free State	649661	313793	832466	1795920	963454	53.6	32.6	43.0


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From an analysis of information it is apparent that the economy of the region is dominated by agriculture followed by community services.

Formal Employment per sector

Agriculture, forestry and fishing

Economic: Formal Employment 2005	Employment		Industry	I01: Agriculture, forestry and fishing							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	10021	10256	10390	10504	10623	10709	10779	10623	11155	10829	10909
P4D01M02: Kopanong Local Municipality	3609	3686	3726	3760	3795	3819	3838	3776	3959	3838	3804

Table 2.4.2 (d) Employment – Agriculture, forestry and Fishing, Kopanong, 1995 - 2005

From the data acquired, this sector reflects a consistent employment rate with limited growth from 1995 to 2005.

Community, social and other personal services

Economic: Formal Employment 2005	Employment		Industry	I24: Community, social and other personal services							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	3696	3687	3859	4029	4201	4376	4556	4761	4737	4858	4342
P4D01M02: Kopanong Local Municipality	1544	1538	1608	1678	1748	1820	1894	1978	1965	2014	1803

Table 2.4.2 (e) Employment – Community, Social and other personal services, Kopanong, 1995 - 2005

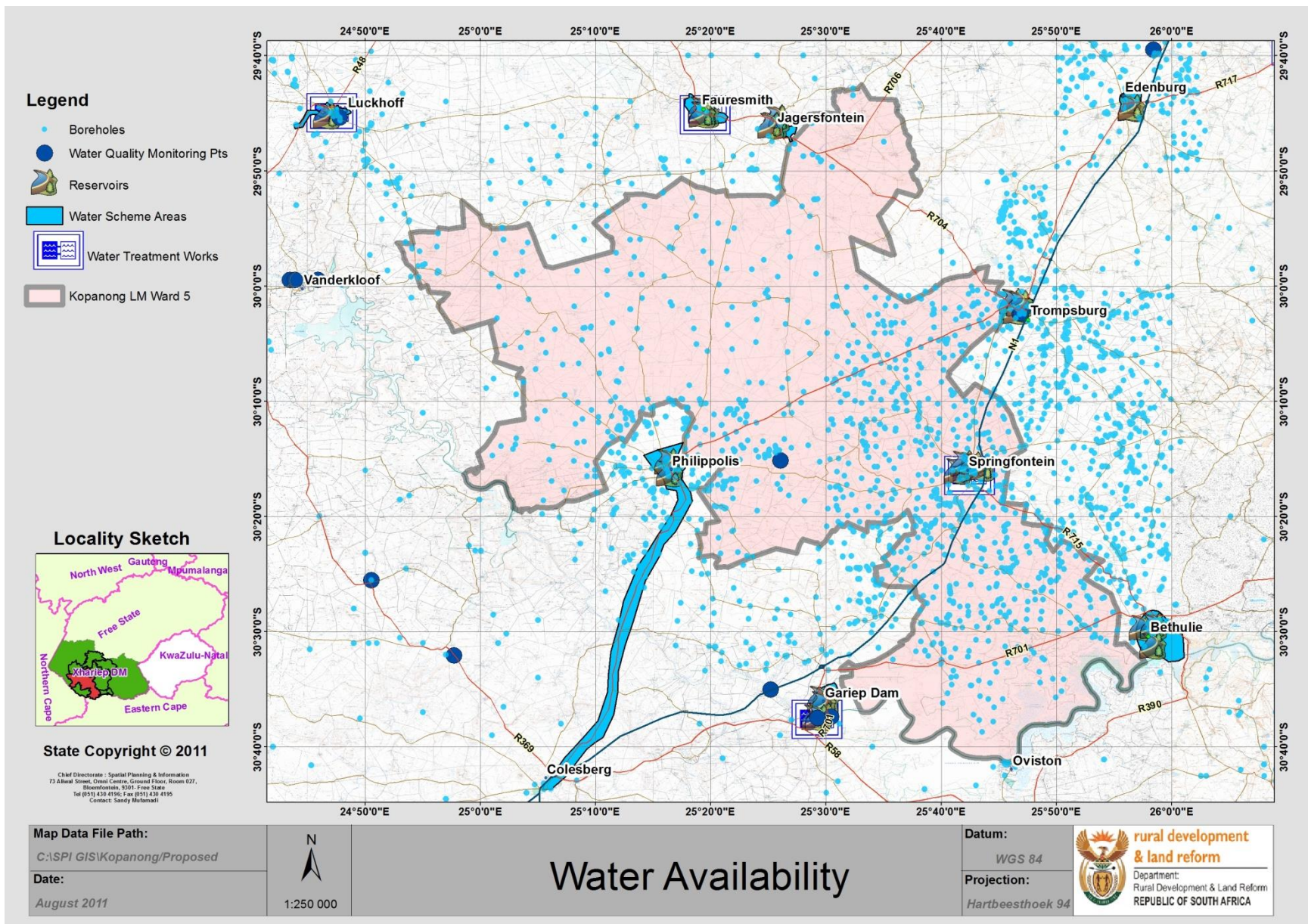
Compare to the performance of the District overall, a growth of approximately 17% over a period of 10 years which is insignificant is demonstrated for both the District and the Municipality

Construction

Economic: Formal Employment 2005	Employment		Industry	I17: Construction							
CONCEPT				Units	Value						
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
P4D01: Xhariep District Municipality	1180	1095	1072	975	821	790	785	764	720	689	887
P4D01M02: Kopanong Local Municipality	562	517	502	453	378	361	355	342	319	301	399

Table 2.4.2 (f) Employment – Construction, Kopanong, 1995 - 2005

A decline of employment in the construction industry is visible for both the District and the Municipality. With the current building activities in Trompsburg (including a hospital) one can assume that for at least the next two to three years this figure could increase



2.1.3 WASTE REMOVAL AND WASTE MANAGEMENT:

- Most Towns experienced problem with the Refuse removal and waste disposal sites
- Landfill sites are not regulated and lack administrative fundamentals pertinent for waste disposals.
- The urban areas are serviced, with refuse removal on a weekly basis; the effective and the co-ordinate function of these services need to be addressed.
- The municipality has appointed a service provider to assist with registration and rehabilitation of the new areas
- Status of Landfill-sites in Kopanong:

Location of Landfill site	Registration status	Fenced	Operational status	Remaining Life –Span.
Reddersburg	Not Registered	Fenced Partly	Operational	Almost Full
Edenburg	Not Registered	Due for rehabilitation	Operational	4-Years
Jagersfotein	Registered(14/09/92)	Fenced	Operational.	
Faurismith	Nor Registered	Fenced	New	New
Phillipolis	Not Registered	Not Fenced	operational	
Trompsburg	Not Registered	Not Fenced	operational	
bethulie	Not Registered	Not Fenced	operational	Almost Full
Gariep Dam	Not Registered	Not Fenced	Operational	Almost Full
Springfotein	Not Registered	Not fenced	operational	

2.1.4 ELECTRICITY.

- Total backlog of electrification 2012 financial year:

WARD	SETTLEMENT(S)	Newly developed Sites	house connection needed	Total connection required.
one	Matoporong	53	53	0
Two	Harasebei	52	52	52
Three	Bethulie	301	110	411
Five	Springfotein	250	250	250
Four	Phillipolis	146	146	146
	Trompsburg	385	115	500
Six	Jagersfotein	50	42	92
Four	Gariep dam	67	67	67
Seven	Faurismith	207	49	49
	Total	1511	884	1567

2.2. LOCAL ECONOMIC DEVELOPMENT

STRATEGIC OBJECTIVE: Create an environment that promotes the development of the local economy and facilitate job creation.

Local Economic Development Strategy	A new LED strategy will be developed	
Unemployment Rate	Female:19%	
	Male.23%	

Level of current economic Activities.	Agriculture. Diamond Mining Activities in Jagersfontein	
Job creation initiatives	Local procurement	None
	EPWP	None
	CWP.	

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

STRATEGIC OBJECTIVE: Improved organizational cohesion and effectiveness.

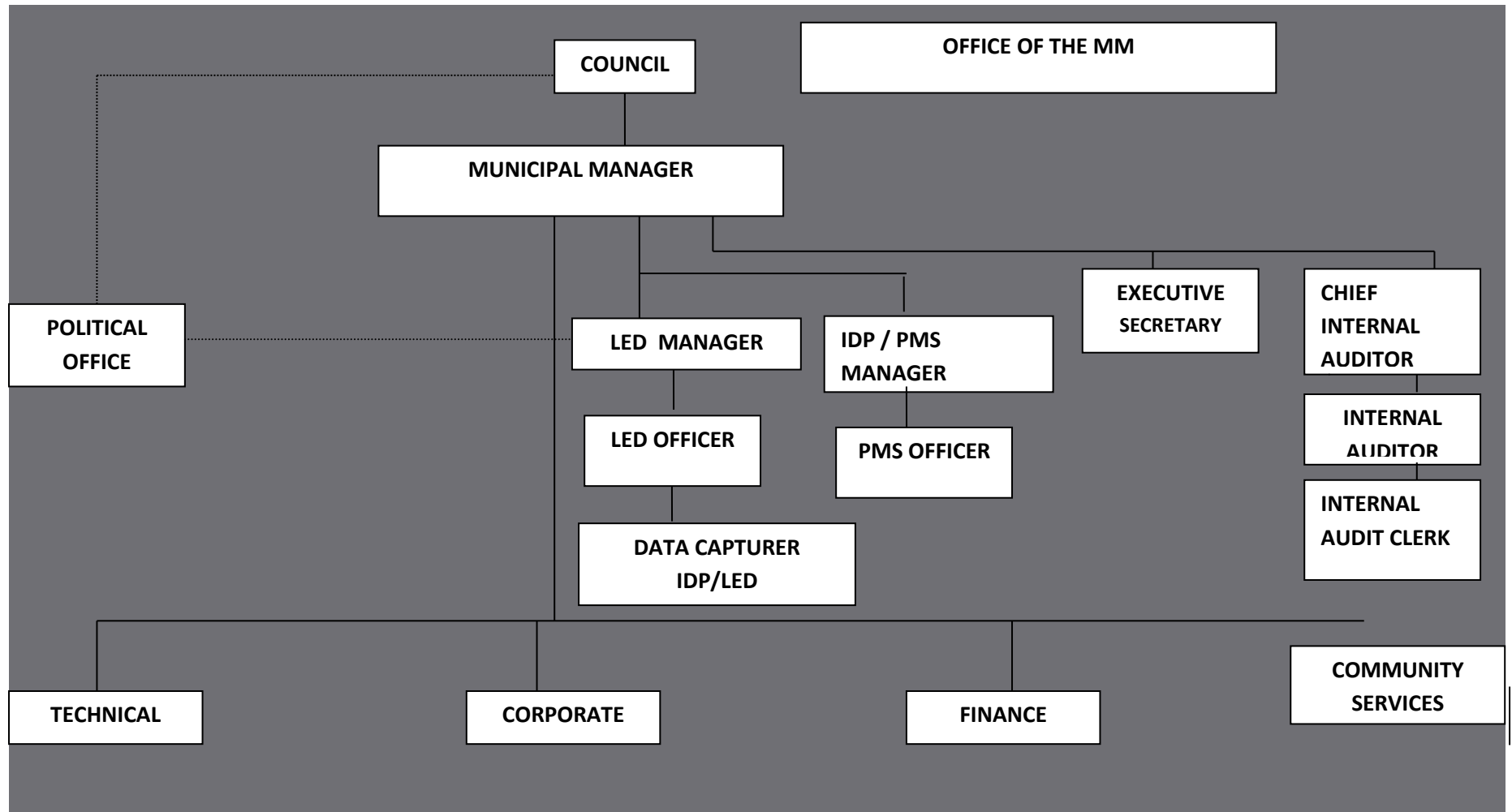
INTENDED OUTCOME: Improved Organizational stability and sustainability.

POLICY	CURRENT STATUS	
Information technology	present	Active web-site
Availability skilled staff	Yes.	
Organizational structure	Present.	
Vacancy rate	97,3%	
Skill Development Plan	Present	
HRM Strategy	Not in place	

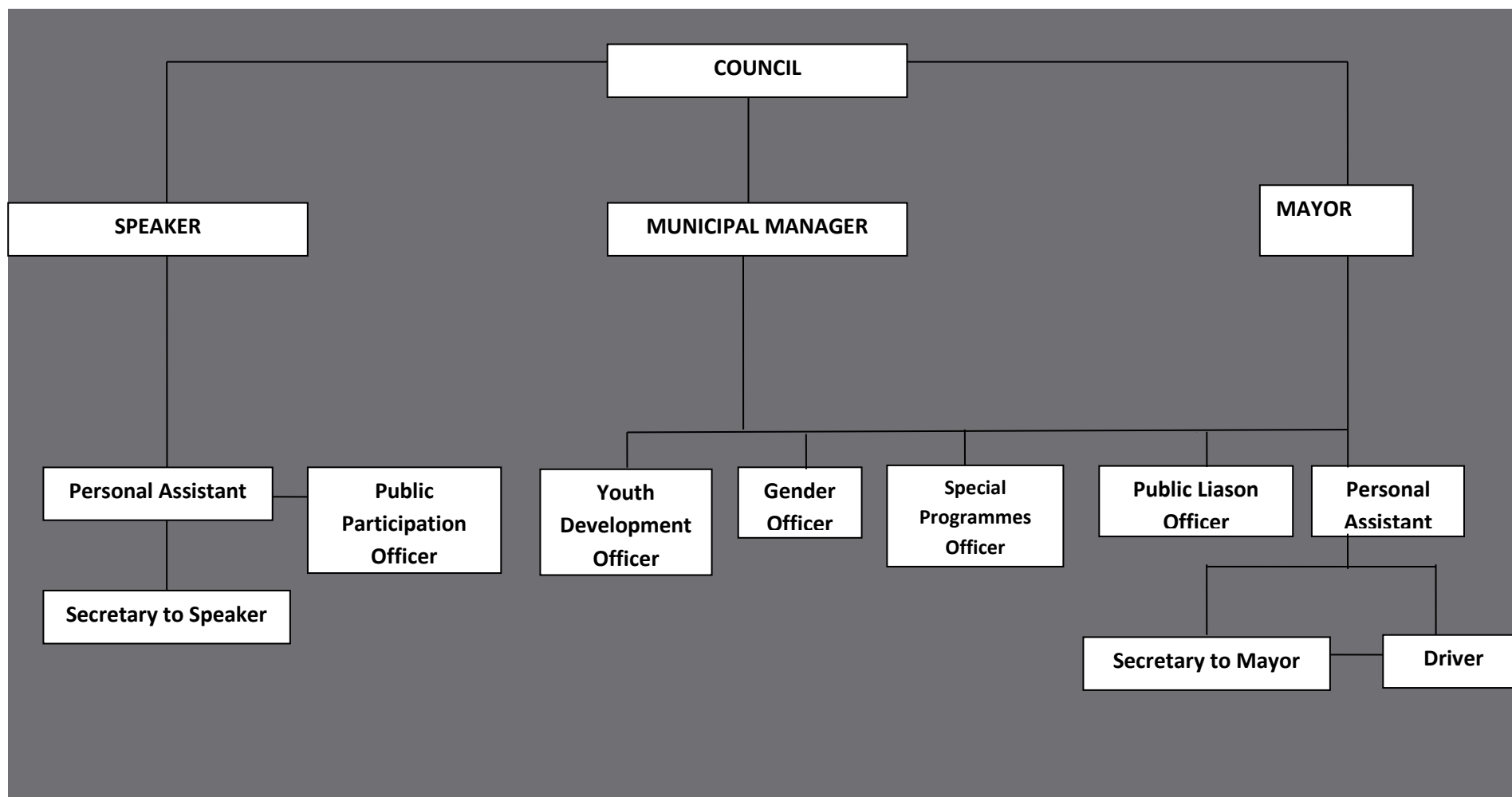
THE ORGANIZATIONAL STRUCTURE

The organizational structure is provided for the functioning of the Municipal council and the Department within the Administration, guided by the Municipal Manager:

Organizational structure office of the Municipal Manager



POLITICAL OFFICE ORGANISATIONAL STRUCTURES:

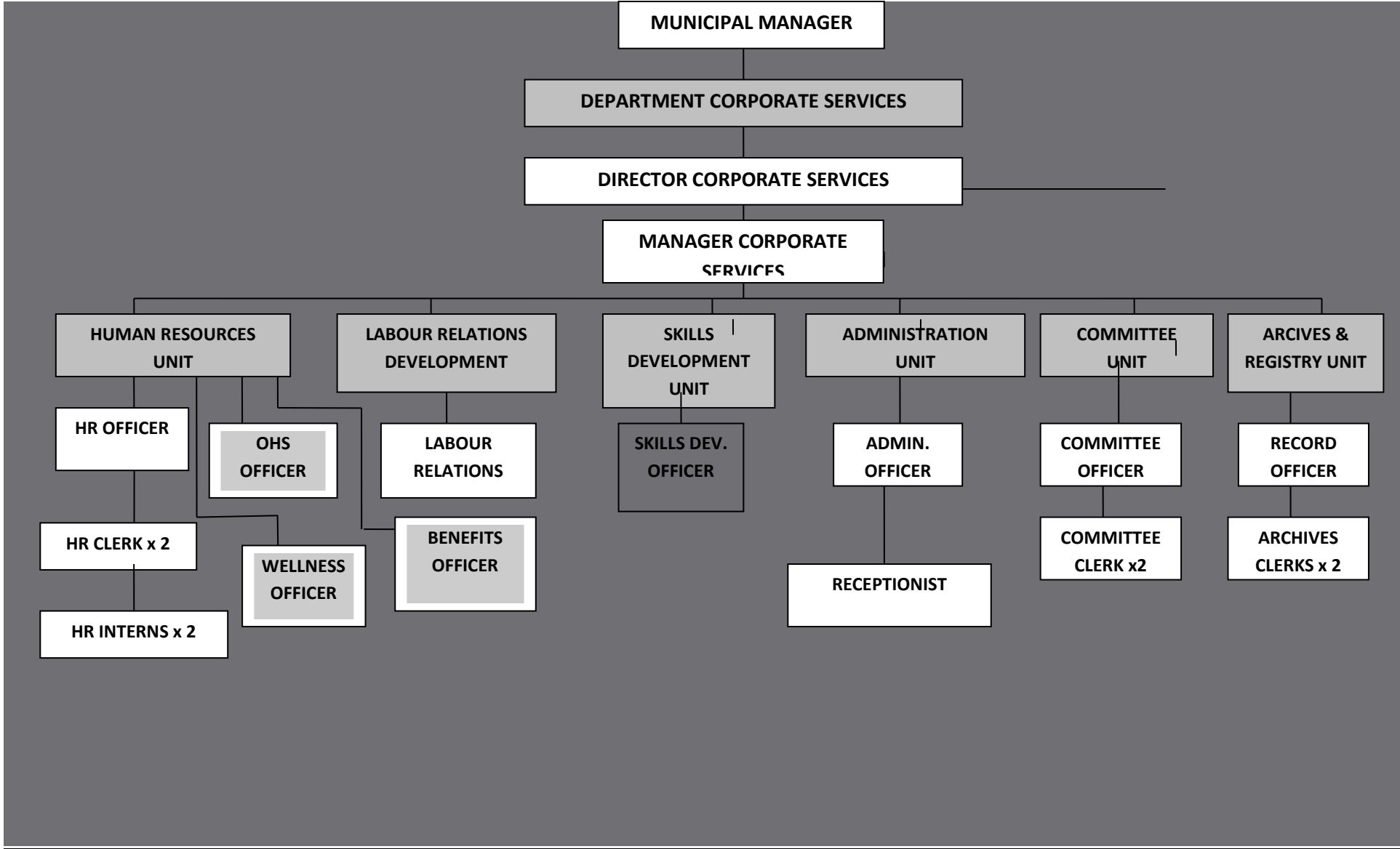


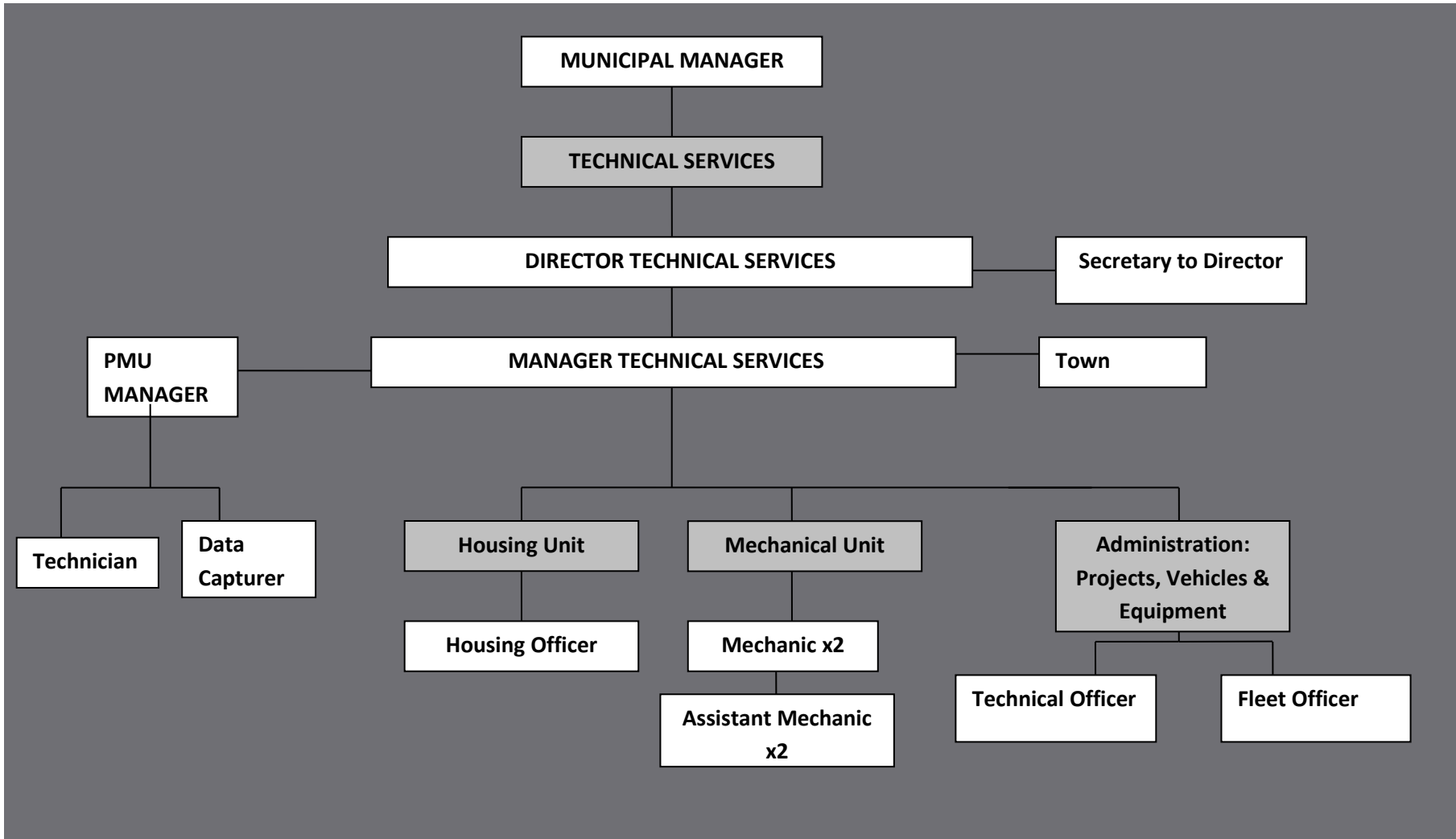


ORGANIZATIONAL STRUCTURE FINANCE DEPARTMENT



DEPARTMENT COPORATE SERVICES





2.4. FINANCIAL VIABILITY.

POLICY	STATUS.	
TARRIFF POLICY.	PRESENT	
RATES POLICY.	PRESENT	
SCM POLICY.	PRESENT	Supply Chain Committee.
FINANCIAL Management Plan	To be developed	
Audit Findings.	2011-Disclaimer.	
	2010-Discliamer.	
	2009-Disclaimer.	

2.5 PUBLIC PARTICIPATION AND GOOD GOVERNANCE

GOVERNANCE STRUCTURES	AVAILABILTY	STATUS.
• Internal Audit Function.	In Place.	Functional
• Audit Committee.	In Place.	Shared Audit.
• Ward Committee.	All Ward committee in place.	
• Council Committee	Three committees: LED& Finance. Institutional Transformation. Rural Development.	All operational and functional.
• Supply –chain committee	IN PLACE	
MANAGEMENT AND OPERATIONAL SYSTEMS		
• Complaints Management System.	In place	
• Fraud Prevention System.	In place	
• Communication Strategy.	Available	
• Stakeholder Mobilization Strategy.	Not in place.	

SECTION C

DEVELOPMENT OF STRATEGIES



TION .C

DEVELOPMENT OF STRATEGIES, PROGRAMME AND PROJECTS.

Service Delivery and infrastructure Development:

STRATEGIC OBJECTIVE: Eradicate backlogs in order to improve access to basic services and ensure proper operations and maintenance of the infrastructure.

INTENDED OUTCOME: Sustainable delivery to improved services to all households

IDP-Objective/goal	Strategies	Key Performance outcome	Key Performance Indicator	Project/Programme(s)	Target	Budget	Time - Frame
To provide access to water in a sustainable manner.	Provide adequate water infrastructure	1.Ensure that access to water comply with prescribed quality standards 2.Educate local communities about the cost and usage of water 3. Increase water pressure.	Maintenance of bore holes water reservoirs and Distribution networks	Taking water samples for testing. Publication of water quality.	Acquire of Blue-drop certification	R 48 000	On-going
			Monthly water samples are taken and analysed.	Water services by-laws			
			18 Trained process controllers	Educate locals usage and cost of water			
				Increase water pressure			
Provide acceptable sanitation infrastructure.	Acquire appropriate and		Regular maintenance of purification	Publication of Green-drop status.	Acquire Green – drop	R144 000	ongoing

	adequate equipment for unblocking sewer systems		plant, waste treatment works, oxidation pond	Training of Supervisors	certification.	R360 000	
	Set service standards in relation to sewage services	Maintain purification plant ,pumps, reticulation networks, oxidation ponds					
ELECTRICITY	TECHNICAL DEPARTMENT						
To ensure the provision of adequate and sustainable electricity services to all customers.	Extend the existing electricity networks to newly developed areas		Connecting 400 House-holds	Electrification of the following towns: Trompsburg - 262 Jagersfontein -50 Bethulie - 39 Fauresmith- 49	House connection of 400	R4 million	2012-13
	Upgrade the existing networks and extend services to newly developed area			Connect Five high Mast light per town in Kopanong Bethulie, Trompsburg, Edenburg, Phillipolis and Springfontein	Appoint service provider for feasibility study.	R5.5million	2012-14
Cemeteries and Crematoriums –Community Department							
<i>To increase available space for cemeteries in all towns. Ensure cemeteries are secured a fenced.</i>	Identify .set aside suitable land for new &, extending the existing	Ensure proper management of cemeteries	3x fenced gravesides per year	Fencing three cemeteries per year.	3 fenced cemeteries.(Reddersburg,Trompsburg,P	R750 000	Yearly.

	cemeteries.				hillipolis		
ROADS, STREET AND STORM WATER							
To paved all muddy and gravel roads in Kopanong			Place of proper road signs Paved Access road-2km(Phillipolis)Edenburg	Traffic signs are placed in all roads Paved access roads in the next financial year		12'5 million for Phillipolis	ANNUALLY
						13'4 million for Edenburg	
	Install storm water drainage systems		Installed Drainage water channels in newly established areas	1.Upgrading and constructing of paved access road, 2. Installation of water drainage systems at newly Established Sites. 3. Oxidation ponds	All Newly established sites	R26 000000 (MIG)	2012-1216
WASTE MANAGEMENT(Refuse removal							
To ensure that landfill sites are managed & operated according to relevant legislations	To register landfill sites. To identify and developed appropriate land for provision of land fill sites			Rehabilitation of Landfills-sites-Reddersburg, Fauresmith , Jagersfontein and,Edenburg		R19'1 Million MIG	2012/-15
			Waste management treatment works in Gariep Dam	Waste treatment works in Gariep Dam	Refurbishment of waste water treatment works in Gariep-	R7'8million	2012/2013

					Dam		
Sports and Recreation	Community department						
Upgrading and maintainace of sports &recreation facilities			Upgrade and Maintained sports Ground.	1.Upgrading of Sports ground in Faurismith	Up – grade - Sport Ground.	R5.6 million 000	2012/2013

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION:

STRATEGIC OBJECTIVE: Improve organizational cohesion and effectiveness.

INTENDED OUTCOME: Improve organizational stability and sustainability.

IDP- Objective/goal	Strategies	Key Performance outcome	Key Performance Indicator	Project/Programme(s)	Target	Budget	Time - Frame
To enhance the human capacity & productivity within the municipality	Implement retention strategy through effective promotion.	Low turnover of staff	Number of personnel leaving the municipality	Implementation of retention strategy	2013	Operational	Ongoing.
	Implement succession plan through	Institutional memory and maintaining	Training and transferring skills to all our	Training of personnel	2013	R500 000	Ongoing

	transferring of skills to all employees	continuation of service delivery	employees				
		Healthy & Productive workforce.	Number of employee assisted	Employee assistance Programme.	All personnel	R100 000(medical Examination) R100 000(Wellness)	Ongoing.
	Standardization of systems & policies		Standardized policies				
To provide an effective HR admin service to the organisation	Efficient management of appointment , resignations, conditions of service claim	Effective HR section	Appointment of 2 HR officers, Labour Relations Managers and Records Management officer	Workshops with all stakeholders	All Employee by 2013	operational	Annually.
				Incentives for Excellent performances. Recognition of long services.		R100 000	Monthly.
To ensure the efficient utilization of human capital	Training of personnel	Well trained staff.	Training of personnel	WSP submission Training of managers for competency level compliance	2013/2014	Operational	Bi-Monthly

FINACIAL VIABILITY.

STRATEGIC OBJECTIVE: To improve overall financial management in the municipality by developing and implementing appropriate financial policies, procedures and systems.

INTENDED OUTCOME: Improved financial management and accountability:

IDP-Objectiv e/goal	Strategies	Key Performance outcome	Key Performance Indicator(s).	Project/Programme (s)	Target	Budget	Time -Frame
To improve financial manage ment	To implement sound budget management.	No unauthorized expenditure	No budget votes to be exceeded by 10% and not underspend by 5%	System generated budget page outlining budget to date before procuring	100%	R37 000 000.00	quarterly
	Full implementation of Credit Control	Reduced Debtors balances	Outstanding debtors reduced by 5%.	Dis-connection of Debtors who are sixty days overdue	85%	R92 000 000.00	On-going
	Compliance with GRAP and other relevant standards	GRAP compliant financial statements	No GRAP related query	GRAP implementation and compilation of annual financial statements.	Unqualifie d audit	R1.5 000 000	31/08 2014
	Verification of employees.	To prevent wasteful and fruitless expenditure on Payroll	Detection of any ghost workers.	Maintain an effective payroll management system.	100%	operational	quarterly
	Corrects account are sent out on time.	All accounts contain the correct levies.	Number of audit queries on accounts solved.	Embark on Audit of all accounts.	100%	operational	monthly
	Effective and efficient credit control	No unverified balances	80% credible debtors book	Verify all outstanding balances and write off of all debt that can't be collected	No unverified balances	operational	monthly
	Effective control over water levies	Complete rate levies on time	80% accuracy of rates levies	Compile a rates reconciliation	100%	Operational	monthly
	Improving the	Effective transparent	90% reduction on	Beefing up of	100%	Operational	monthly

	procurement processes	and fair supply chain management practices	irregular and unauthorized expenditure	Procurement Section with an accountant	adherence to the SCM policy		
	Ensure Creditors are paid time	To prevent wasteful expenditure	60%of creditors are paid on time	Implementation of revenue enhancement Effective payment system be implemented	100%	Operational	Monthly
	Effective and credible budget and in house GRAP financial statements	Linked budget with IDP,PMS and SDBIP In house compiled financial statements.	Budget not over or under spending with more than 5% No disclaimer items on financial statements.	Spending 100%			
	Effective and efficient record keeping	All documents are complete and available	90% effective and efficient record keeping	Appointment of a record management clerk	100%	Operational	Monthly
	Effective internal controls	Internal control and procedure manual and financial policies	Up to date financial policies and internal control and procedure manual in place	External review of all updated financial policies and internal control and procedure manual	All	R200 000	Annually
To safeguard and maintain assets	Maintain asset register	GRAP compliant asset register	No disclaimer items on asset register	Projects to be run by IMESA and consultants	100%	R2 million and IMESA to be paid by Treasury.	Monthly

PUBLIC PARTICIPATION AND GOOD GOVERNANCE.

STRATEGIC OBJECTIVE: Promote a culture of participatory, democracy and good governance.

INTENDED OUTCOME: Entrenched a culture of accountability and clean governance.

IDP-Objective/goal	Strategies	Key Performance outcome	Key Performance Indicator	Project/Programme(s)	Target	Budget	Time - Frame
To provide effective and efficient local government administration.	Ensure effective, efficient and transparent system of risk management.	Implementation of risk management policy, and strategy.	Updating of risk register	Risk assessment workshop.	2 risk workshop.	operational	Ongoing
		Implement anti-corruption strategies		The policy on public participation will be adopted by council on 30 th May 2012 Fraud awareness campaign. Risk committee meetings	Submission of monthly reports		
To provide oversight on the affairs of the	Establishment of all legislative oversight	Functionality of all oversight committees	Meetings of all oversight committees	Submission of quarterly reports	2 meetings per year. 3 Audit	operational	Ongoing.

municipality	committees				committees meetings 4 Risk committee meetings 10 compliance meetings		
To promote effective and efficient communication & provide feedback to the needs of the community	Development and implementation of the communication strategy	Implementation of communication policy.	Develop outreach community programme and implementation plan.	Community Outreach programmes/ Imbizo's Ward-committee	8 outreach programme (the policy will outline the programme)	R220 000	Ongoing
To support and capacitate ,Councillors, ward committees,CD W in enhancing	Constant workshop, conferences and training. Hold	Promote the effectiveness of ward-committees meetings.	Trainings of ward Committee members and Councillors	-induction workshop. -Workshop for Councillors.	Training of ALL ward committee members and	R120 000	Ongoing

our performance	conferences for all ward committees to shares experiences and best practices.				Councillors		
To improve the effectiveness of internal controls	Ensure effective internal controls	The implementation & monitoring of the internal controls	Improved audit reports Reduction of audit findings	3 Audit & PMS committee meeting. Develop & Implement action plan Maintain 5 key controls		Operational.	Ongoing
To ensure the development/ review of credible IDP annually	To facilitate IDP processes and to ensure compliance with relevant legislations and policies	Reliable and Credible IDP	Annual Review of IDP Alignment of IDP, SDBIP & BUDGET	Public participation in all communities.	Two x per ward.	R500 000	
				IDP-forums. IDP-Steering committees	9 x per Year. 4 meetings in a year.		
To ensure the implementation of performances management systems	Develop performance agreements according to sec. 54 & 56 managers	Effective and efficient performance management systems	Development of OPMS & Implementation plan Signing of Performance agreements	Appointment of evaluation panel	Development of PMS policy by end July.	R300 000	

	Monitoring and reporting of performance reports.	Reports submitted to Council	Reviewing & Auditing of reports	Preparation of quarterly, Mid year and Annual reports	4- review 1 Annual meetings 1 mid- year reports	R320 000	ONGOIN G
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LOCAL ECONOMIC DEVELOPMENT.

STRATEGIC OBJECTIVE: Create an enabling environment that promotes the development of the local economy and facilitate job creation.

INTEENDED OUTCOME: To promote sustainable economic growth.

IDP- Objective/goal	Strategies	Key Performance outcome	Key Performance Indicator	Project/Programme(s)	Target	Budget	Time - Frame
to promote local economic development and create job opportunities. Development of LED Strategy	Promote local tourism.	Good tourism activities. Attraction of tourism & sustainable job opportunities.	Facilitate a tourism information offices with visible signages	3 clustered information centres	One(1) information centre per financial year	500 000	2012-13
	Promote awareness of local development potential on tourism.		Packaged marketing for Kopanong.	Develop Brochures of tourism areas.			
			Linking the Web-sites of hospitality areas with our Websites	Build Bill-Boards which include All place of interest &hospitality places			
				Road shows to schools inform our tourist destinations.			

			Ensure improvement of signage	Place signage for direction to place of interests.			
			Promote and support local festivals e.g. Gariep water festival	Involvement in Faurismith Endurance run,gariep water festival ,phillipolis witblit fees,			
Development of Tourism Strategy	Encourage continuous improvement of the quality and range of tourism services and facilities eg accommodation.		Quartely monitoring of customer service surveys.				
			Assist B&B,Guest house with the grading process to Grading Council				
	Facilitate business management skills development. Prefer local SMME`s when awarding contracts		Facilitate and support the capacity building workshop.				
			Identifying of skill gaps				
AGRICULTURE:							
To promote & encourage agricultural initiative	Facilitate, encourage and support public & private initiatives to promote	Provide emerging farmers with commonage land.	Reviewing of commonage policy	Workshoping of emerging farmers			
				Implementation and monitoring of commonage land.	20house holds per town		2012-13

	agricultural extention programmes includingof agricultural produce				100 household per town.		2013- 16.
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PLANNING:

2.1 Service Delivery and Infrastructure Development

Status Quo	Objective	Indicator	Baseline	5 Year targets				
				Yr 1. 2012/13	Yr 2. 2013/14	Yr 3. 2014/15	Yr 4. 2015/ 16	Yr5. 2016/ 17.
1567 households do not have access to Electricity connections.	To extend the existing electricity to newly developed areas	Electrification of Households without electricity.	1567 backlogs	400	95	500	300	272
No street lights/ high mast lights in the newly developed areas	Installation of high mast lights per town	Appointment of service provider to conduct feasibility study and compile the technical report.	No higmast light in the newly developed areas	Appointment of service provider & submission of technical report	Registration of the projects	Implement ation of projects		
The landfill sites are not registered & do not meet the required	Registration of all landfills sites and rehabilitation	Registration and rehabilitation of Edenburg, Reddersburg, Fauresmith and Jagersfontein	Landfills sites not registered and do not meet the required standards	Registration of all landfill sites	Registrar the project with DEETEA for EIA	Implement ation of the project		

standards								
<ul style="list-style-type: none"> • 219 households without water & sanitation connections • Leaking & shortage of water meters • Water levels at the boreholes drying up <ul style="list-style-type: none"> • Aging infrastructure • 1418 formalised sites 	Provision of quality water to all House holds	<ul style="list-style-type: none"> • Purchase of water & sewer pipes and connectors • Purchase of water meters • Testing and refurbishment of boreholes • Upgrading of water and sewer network • Replacement of old asbestos and clay pipes • Prepare technical reports and business plans for the provision of water & 	<ul style="list-style-type: none"> • 219 households without water and sanitation connections. • Low water pressure • Water burst and leak ages • Sewer overflow and spill ages • 1418 form 	<ul style="list-style-type: none"> • Installation of household s water and sanitation connections • Installation s of water meters • Refurbishment of water treatment works in Gariep-Dam • Upgrading of waste water treatment works in gariep-Dam • Compiling & submission of the technical reports & business plans for the upgrading 	<ul style="list-style-type: none"> • Registrat ion of the project and impleme ntation 			

with out basi c infra strut ure.		<ul style="list-style-type: none"> sanitation • Acquire blue-drop certification • Acquire green-drop certification 	alise d site with out basi c infra struc ture	<ul style="list-style-type: none"> of water & sanitation networks for 9 towns • Compile the technical reports & business plans for the upgrading & installations of the sewer pumps and grids for the 9 towns 	<ul style="list-style-type: none"> • Registrat ion of the project and impleme ntation. 				
	Provi sion of water borne sanita tion to all hous ehold s								

SECTION D PROJECT PLANS

PROJECT FROM MUNICIPALITY

IDP REF: NO	MIG-Reference Nr	Project Description	EP WP. Y/N	Project Value.	MIG Value.	Planned MIG Expenditure for 2012/13	Status
KLM/PMU/00	PMU 15/4/3/1/2	2012/13	N	1,176.050.00	1,176,050.00	1,176.050.00	Operational.
KLM/ST/Sp/05	MIG/FS0241/R,St/06/06	Springfontein: Construction of paved access road 2.5 km.	Y	8 648.702.00	8,648,702.00	8 648.702.00	Retention.
KLM/ST/Be/03	MIG/FS0242/R,ST/06/06	Bethulie(lephoi)Constructions of paved access road 3.5Km-Phase3	Y	11,355.506.09	22,121,294.00	3,379.833.09	Construction.
KLM/OP/Ph/04	MIG/FS0415/S/07/09.	Phillipolis :oxidation ponds	N	3,274 007.00	3,274 007.00	379 927.62	Retention.
KLM/LF/Re/01	MIG/FS/0945/SW/12/14	Reddersburg :Rehabilitation of Land Fill site	N	4,781 876.00	4,781 876.00		Registered.
KLM/LF/Fa/07	MIG/FS/0946/SW/12/14	Faurismith: rehabilitation of Land fill site.	N	5,810 723.00	5,810 723.00		Registered.
KLM/LF/Ed/08	MIG/FS/0944/SW/12/14	Edenburg: Rehabilitation of land-fill site.	N	4,754 285.00	4,754 285.00		Registered.
KLM/WWTP/Gd/04	MIG/FS0948/S/12/13	Gariep-Dam: Upgrading of waste Treatment:	N	7,848,188.00	7,848,188.00	434, 156.25	Construction
KLM/TR/Tr/02	MIG/FS0928/CF (TR) 12/15	Trompsburg: Taxi Rank	N	4,137 185.00	4,137 185.00	-	Registered.
KLM/LF/Ja/06	MIG/FS/0947/SW/12/14	Jaggersfontein:Rehabilitation of Land-fill site	N	3 926 645.00	3 926 645.00		.Registered
KLM/MPC/Fa/07	MIG/FS/0902,CF/12/13	Faurismith:Multi-Purpose Centre	N	13,573,588.00	5,635 727.46	1,111 039.91	Design phase
KLM/ST/Ed/08	MIG/FS 0929/R,ST/12/15	Edenburg: 3km Paving	Y	20, 500,000	13 499,998	6,893,819.19	Construction
KLM/ST/Ph/04	MIG/FS 0903/R,ST/12/13	Phillipolis: 2KM Paving	Y	13 869 534.79	13 869 543.79	3,767,040.27	Construction

Project from other sector departments

DEPARTMENT	PROJECT NAME	TOWN	BUDGET AMOUNT	TARGET DATE (INCEPTION-COPLETED)
Department of Education	New (2) Laboratories, Media Centres	Jagersfontein, Boaromelo School	R 2 100 000	Feasibility study completed project will kick- start 2013/2014 financial year.
	Fencing of School	Phillipolis	R 800 000	2013/2014
	Renovations & Refurbishment	Springfontein Springfontein	R 2 000 000 R 2 100 000	2013/2014 2013/2014
Free State	Schools, Hostel Maintenance / Repairs	ALL Districts	R15 000 000	2013/2014
Sports, Arts & Culture	Maintenance of All Libraries buildings	All Towns	R 2 500 000	2013/2014
	Maintain collections of Library materials in Libraries	All Towns	R 4 000 000	2013/2014
	Establish toy library services in libraries	Trompsburg	R 200 000	2013/2014
	Maintain staff at public libraries	All Towns	R 25 140 000	2013/2014
	Maintain ICT Infrastructure & Internet	All Towns	R 10 800 000	2013/2014
	Present Spelling Bee competition	Various towns	R 300 000	2013/2014

Department of Agriculture	Xhariep Ostrich	Whole Xhariep District	R 1 250 000	2013/2014
II	Xhariep fish production Support	Gariep Dam	R 2 500 000	2013/2014
	Xhariep Fish processing plant	Gariep Dam	R 4 000 000	2013/2014
	Female Entrepreneur support	All Districts	R 2 000 000	2013/2014
	Rekgaba Ka Diratswana (Food Security)	All Districts	R 599 000	2013/2014
	Mechanisation & Production support	All Districts	R 6 900 000	2013/2014
	Veterinary Services project	All Districts	R 5 000 000	2013/2014

Water affairs	Bulk water Supply	Jagersfontein/ Fauresmith Phase 2	R 4 000 000	2012/2013	
	Bulk water Supply	Jagersfontein/ Fauresmith Phase 2	R28 000 000	2013/2014	
	Water Services plan	Whole Xhariep District	R 376 000	2013/2014	
	Refurbishment and M&O Plan	Kopanong	R 3 138 000	2013/2014	
Department Of Police, Road and Transport	Upgrades and Additions	Trompsburg –philippolis	2 000 000		
Human Settlements-Housing	Progress Payment Housing Project	Bethulie=39 allocated	2,808,000	23/03/2011	
II	II	Gariep Dam=66 allocated	4, 752, 000	19/10/2010	
II	II	Springfontein=250 allocated	18,000,000	20/08/2010	
II	II	Trompsburg= 300 allocated	21,600,000	12/10/2010	
II`	II	Philippolis= 37 allocated	2,664,000	14/10/2010	

II		Edenburg= 69 allocated	4,968,000	
II	IRDP-Site Development Phase	Bethulie	1,382,553	14/01/2011
II	II	Bethulie	102,600	17/01/2011
II	II	Philippolis	465,117	14/01/2011
II	II	Reddersburg	541,865	14/01/2011
Cooperative Governance and Traditional Affairs	Rates & TAXES	Kopanong	2,029	2012/04/01-2013/03/31

SECTION G FINANCIAL STRATEGY

MULTI –YEAR BUDGET OF KOPANONG.

FS162 Kopanong - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework
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R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
Governance and administration		21,542	18,863	24,148	26,429	26,429	26,429	33,761	31,139	33,894
Executive and council		4,134	4,888	5,444	6,050	6,050	6,050	7,552	6,929	7,613
Budget and treasury office		16,476	12,992	17,663	19,274	19,274	19,274	25,038	22,969	24,990
Corporate services		932	983	1,041	1,105	1,105	1,105	1,171	1,241	1,291
Community and public safety		3,882	5,055	6,423	6,987	6,987	6,987	7,750	8,304	8,936
Community and social services		3,143	4,135	5,291	5,762	5,762	5,762	6,420	6,881	7,413
Sport and recreation		83	88	93	98	98	98	82	87	90
Public safety		601	774	977	1,061	1,061	1,061	1,179	1,262	1,357
Housing		55	58	62	66	66	66	70	74	77
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		31	32	34	36	36	36	39	41	43
Planning and development		15	15	16	17	17	17	18	19	20
Road transport		16	17	18	19	19	19	21	22	23
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		80,091	106,436	116,660	131,601	131,601	131,601	143,626	153,804	163,270
Electricity		23,496	37,007	39,734	45,517	45,517	45,517	45,482	47,814	50,324
Water		29,431	37,164	41,714	47,799	47,799	47,799	56,215	60,507	64,508
Waste water management		16,029	19,085	20,961	22,779	22,779	22,779	24,958	27,365	29,155
Waste management		11,135	13,180	14,251	15,506	15,506	15,506	16,971	18,118	19,283
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	105,546	130,386	147,265	165,053	165,053	165,053	185,176	193,288	206,143
Expenditure - Standard	-									
Governance and administration		37,211	46,395	51,014	58,105	63,606	63,606	75,104	80,266	83,110
Executive and council		18,920	24,917	28,387	24,281	27,523	27,523	30,436	33,459	33,926
Budget and treasury office		14,499	17,290	16,640	28,207	29,753	29,753	38,118	39,771	41,775
Corporate services		3,792	4,188	5,987	5,617	6,329	6,329	6,551	7,035	7,408
Community and public safety		6,840	8,092	7,798	8,452	8,534	8,534	10,436	8,895	9,385
Community and social services		4,122	4,817	5,456	5,931	5,452	5,452	7,006	5,560	5,871
Sport and recreation		1,916	1,990	1,850	1,464	1,876	1,876	2,047	1,856	1,957
Public safety		441	673	304	464	502	502	633	675	706
Housing		361	612	188	593	704	704	750	805	851
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		10,246	9,755	8,733	9,583	8,603	8,603	9,122	9,810	10,356
Planning and development		786	927	1,271	1,437	1,092	1,092	1,193	1,281	1,349
Road transport		9,460	8,828	7,462	8,146	7,510	7,510	7,929	8,530	9,006
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		52,366	71,603	81,911	95,915	91,099	91,099	97,515	104,272	108,335
Electricity		18,074	29,485	32,961	39,334	39,334	39,334	39,334	41,714	43,383
Water		20,202	26,937	29,607	39,452	33,664	33,664	38,111	40,505	42,447

Waste water management		9,941	10,767	13,426	10,159	12,062	12,062	11,039	12,417	12,414
Waste management		4,149	4,414	5,917	6,970	6,039	6,039	9,030	9,636	10,092
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	106,663	135,845	149,456	172,055	171,842	171,842	192,177	203,243	211,185
Surplus/(Deficit) for the year		(1,117)	(5,459)	(2,191)	(7,002)	(6,789)	(6,789)	(7,000)	(9,956)	(5,042)

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote2 - FINANCE & ADMIN		–	–	–	–	–	–	–	–	–	–
Vote4 - COMMUNITY & SOCIAL		–	–	–	–	–	–	–	–	–	–
Vote9 - WASTE WATER MANAGEMENT		–	–	–	–	–	–	–	–	–	–
Vote4 - Example 4		–	–	–	–	–	–	–	–	–	–
Vote5 - Example 5		–	–	–	–	–	–	–	–	–	–
Vote6 - Example 6		–	–	–	–	–	–	–	–	–	–
Vote7 - Example 7		–	–	–	–	–	–	–	–	–	–
Vote8 - Example 8		–	–	–	–	–	–	–	–	–	–
Vote9 - Example 9		–	–	–	–	–	–	–	–	–	–
Vote10 - Example 10		–	–	–	–	–	–	–	–	–	–
Vote11 - Example 11		–	–	–	–	–	–	–	–	–	–
Vote12 - Example 12		–	–	–	–	–	–	–	–	–	–
Vote13 - Example 13		–	–	–	–	–	–	–	–	–	–
Vote14 - Example 14		–	–	–	–	–	–	–	–	–	–
Vote15 - Example 15		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated	2										
Vote2 - FINANCE & ADMIN		–	500	1,100	1,100	650	650	–	959	–	–
Vote4 - COMMUNITY & SOCIAL		765	765	1,000	1,000	500	500	–	750	–	–
Vote9 - WASTE WATER MANAGEMENT		–	–	–	–	–	–	–	600	–	–
Vote4 - Example 4		–	–	–	–	–	–	–	–	–	–
Vote5 - Example 5		–	–	–	–	–	–	–	–	–	–
Vote6 - Example 6		–	–	–	–	–	–	–	–	–	–
Vote7 - Example 7		–	–	–	–	–	–	–	–	–	–
Vote8 - Example 8		–	–	–	–	–	–	–	–	–	–
Vote9 - Example 9		–	–	–	–	–	–	–	–	–	–

Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		765	1,265	2,100	2,100	1,150	1,150	-	2,309	-	-
Total Capital Expenditure - Vote		765	1,265	2,100	2,100	1,150	1,150	-	2,309	-	-
Capital Expenditure - Standard											
Governance and administration		-	-	-	-	-	-	-	-	-	-
Executive and council											
Budget and treasury office											
Corporate services											
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		300	6,393	16,122	19,390	19,390	19,390	-	-	-	-
Planning and development		300	676								
Road transport		-	5,717	16,122	19,390	19,390	19,390	-	-	-	-
Environmental protection											
Trading services		29,513	26,146	15,000	30,000	30,000	30,000	-	49,500	-	-
Electricity		129									
Water		29,384	18,600	15,000	30,000	30,000	30,000		27,000		
Waste water management		-	7,546						8,000		
Waste management									14,500		
Other									1,021		
Total Capital Expenditure - Standard	3	29,813	32,539	31,122	49,390	49,390	49,390	-	50,521	-	-
Funded by:											
National Government		29,813	32,539	31,122	49,390	49,390	49,390		50,521		
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	29,813	32,539	31,122	49,390	49,390	49,390	-	50,521	-	-
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		765	1,265	2,100	2,100	1,150	1,150		2,309		
Total Capital Funding	7	30,578	33,804	33,222	51,490	50,540	50,540	-	52,830	-	-

References

1. *Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).*
2. *Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year*

SECTION H

Organizational Performances Framework



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1. Introduction

This framework is a policy document that Kopanong Local Municipality (“KLM”) has embarked on a comprehensive review, and is to serve as a formal Performance Management Framework. Although chapter six of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) provides no definition of Performance Management System (“PMS”), the Municipal Planning and Performance Management Regulations of 2001 define the *PMS as a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determination of roles of the different role-players.*

Furthermore, this policy-framework sets out the requirements that the Kopanong Municipality's PMS will fulfil, the principles that informed its development and subsequent implementation, the preferred performance model of the Municipality, the process by which the system will work and the delegation of responsibilities to different role-players in the process and an implementation plan for the system.

2. The legislative framework for performance management

KLM PMS framework is largely influenced by policy instruments such as Chapter 6 of Municipal Systems Act and Regulations 32 of 2000, and the Municipal Planning and Performance Regulations, 2001 provides that,

"Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased and public trust in the local government system enhanced"

The above-quoted White Paper is also supported by Batho Pele principles, which policies were given legal stature through the enactment of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000). The said Act requires all municipalities to:

- Develop a performance management system
- Set key performance indicators and performance targets for each of the development priorities and objectives as contained in Integrated Development Plan (IDP)

- monitor and review the performance of the Municipality against the key performance indicators and targets, as well as the performance management system itself;
- Publish an annual performance report on the performance of the Municipality as part of its annual report required by the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA);
- Incorporate and report on a set of national key performance indicators as prescribed by the Minister responsible for local government;
- Conduct, on a continuous basis, an internal audit of all performance measures;
- Have their annual performance report audited by the Auditor-General;
- Involve the community in setting indicators and targets and reviewing municipal performance.

The then Minister of Provincial and Local Government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for performance management. The Regulations also contain the general indicators prescribed by the Minister.

The (MFMA) contains various important provisions related to municipal performance management. It requires that a municipality must, together with its annual budget, approve measurable performance objectives for revenue from each revenue source and for each vote in the budget, taking into account the municipality's IDP. It further requires the mayor to ensure that she/he approves a service delivery and budget implementation plan (SDBIP) within 28 days after the council adopted its budget. An SDBIP must include service delivery targets and performance indicators for each quarter. In terms of section 72 of the MFMA, the municipal manager must not later than 25 January each year assess the performance of the municipality during the first half of the financial year and submit a report thereon to the mayor and the National and Provincial Treasuries. The mayor must submit the mid-year assessment

report to the council not later than 30 January. The Municipality must lastly compile an annual report, which must include the Municipality's performance report compiled in terms of the Municipal Systems Act.

3. KLM's approach to performance management

KLM's performance management approach must be part of a broader system of strategic management. This strategic management process must ensure that the Municipality is managed and directed through the integrated development planning, budgeting and performance management processes. The figure below shows how the performance management process both mirrors and integrates with the planning process.

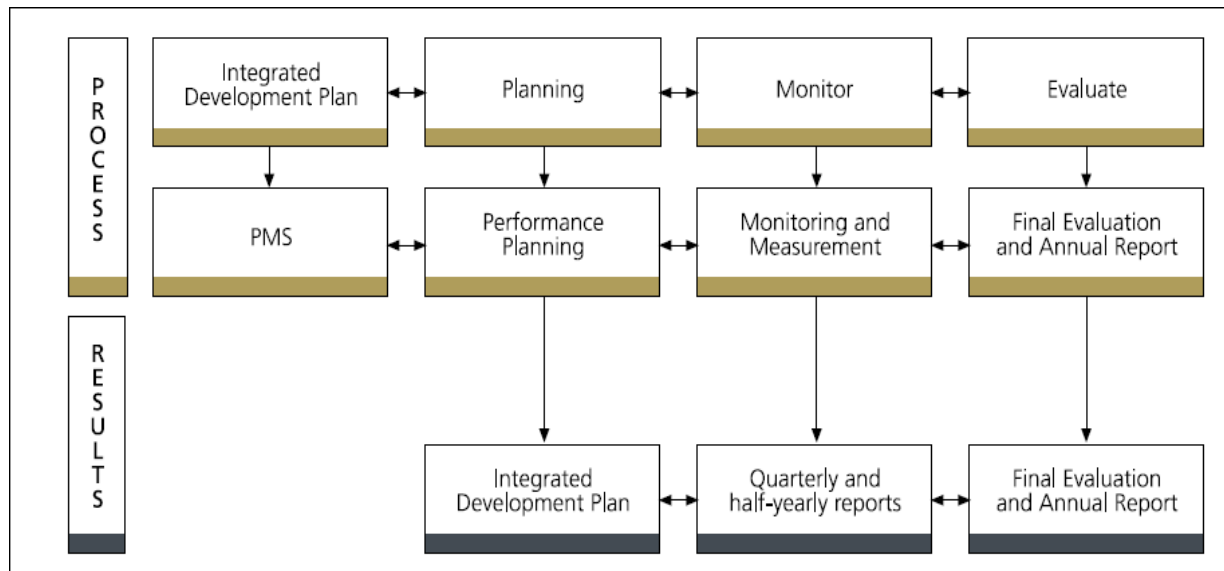


Figure 1: Relationship between the performance management and the planning process

The performance management process then unfolds at a number of different levels, each aligned to the next. Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in a municipality including strategic (sometimes also referred to as

organisational, institutional or corporate) level, operational (also referred to as services, departmental or section/team) level and lastly, individual level.

At strategic level, the five-year IDP of a municipality forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The IDP is a long-term plan and by its nature the performance measures associated with it will have a long-term focus, measuring whether a municipality is achieving its IDP objectives. The SDBIP (both for the municipality as a whole and that of a department) is more short-term in nature and the measures set in terms of the SDBIP, reviewing the progress made with implementing the current budget and achieving annual service delivery targets.

The key performance indicators and performance targets set for the Kopanong Municipality at strategic level are captured in organisational scorecard. The organisational scorecard has been divided into the following key performance areas:

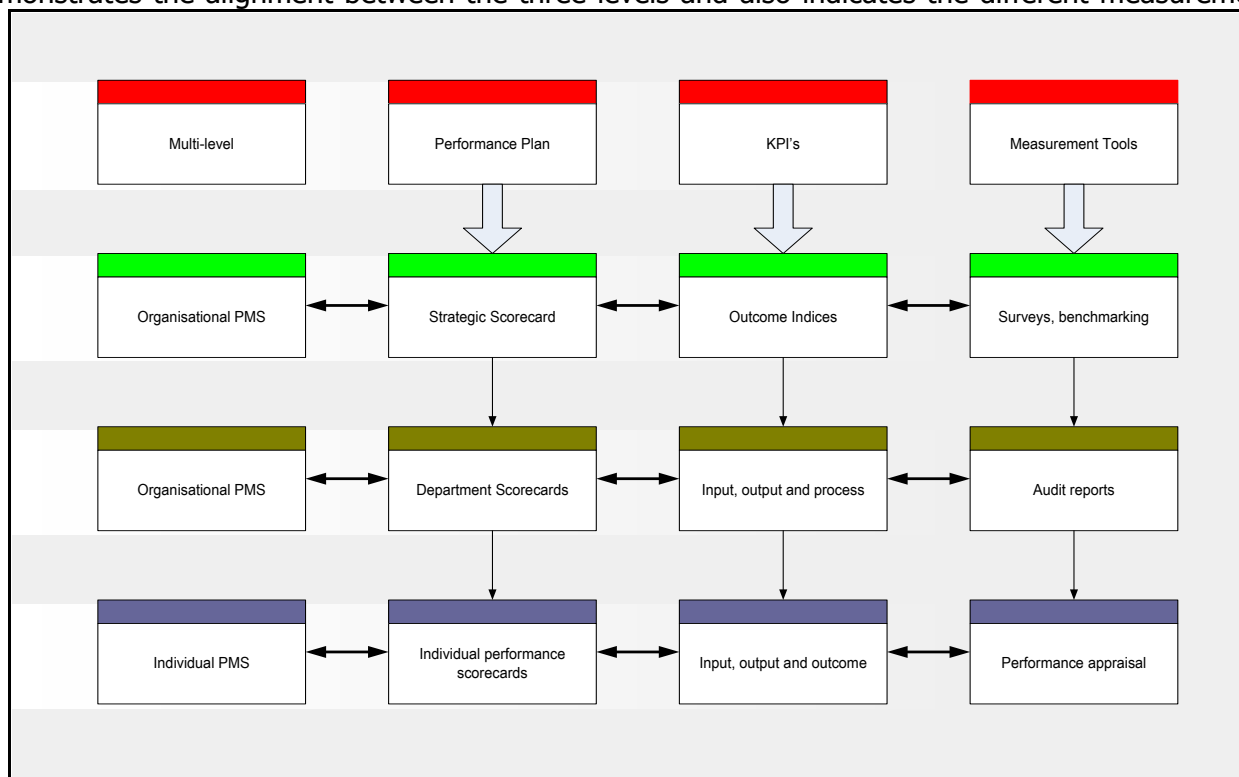
- Financial Viability and Management
- Democracy and Governance
- Infrastructure and Services
- Institutional Transformation & Development
- Social and Economic development

A separate scorecard was also developed for reporting on the general key performance indicators set by the Minister of Provincial and Local Government.

By cascading performance measures from strategic to operational level, both the IDP and the SDBIP, form the link to individual performance management. This ensures that performance management at the various levels relate to one another as required by the Municipal Planning and Performance Regulations. Once the municipality has finalised the SDBIP it should be integrated/included with the performance management system to ensure the cascading of performance measures into the performance agreements of the Municipal Manager and managers directly accountable to her.

The MFMA specifically requires that the annual performance agreements of senior managers must be linked to the SDBIP and the measurable performance objectives approved with the budget.

Figure 2 demonstrates the alignment between the three levels and also indicates the different measurement and the tools used in



each level.
performance management

Figure 2: Levels of

The Municipality's performance management system should be both dynamic and evolving. It is premised on principles of continuous need for improvement. In ensuring continuous improvement to the Municipality's performance management system, a number of initiatives should be undertaken to nurture and harness the system's capability at all three levels:

- Cascading of the performance management to individuals within the Municipality is the cornerstone of the system. The performance management system at the individual level is aimed at clearly identifying what it takes to achieve the strategic agenda and political priorities;
- Ensuring that management and staff understand what they are responsible for in achieving the Municipality's goals. The following initiatives should be undertaken to ensure that accountability for performance is constantly assigned and well understood:

- Managers and strategic support officials, once an appropriate and user-friendly system is adopted, need to be capacitated on the operationalisation and utilisation of the appropriate system to simplify performance management and performance reporting;
- Performance agreements of all section 57 employees must be concluded within one month after the beginning of the municipal financial year;
- New scorecards (2011/2012) must outline both the annual as well as quarterly targets to accommodate the performance tracking system as shall be developed by the Municipality;
- All employees must be encouraged to develop individual development plans in order to acquire competencies necessary to ensure higher levels of performance on their respective key performance areas.

4. Objectives of the Performance Management System

As indicated above the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP. The PMS should seek to achieve the following objectives:

Facilitate increased accountability

The PMS should provide a mechanism for ensuring increased accountability of employees to the Council and councillors to local communities and other external stakeholders

Facilitate learning and improvement

The PMS should facilitate learning in order to enable the Municipality to improve service delivery.

Provide early warning signals

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if and when necessary.

Facilitate decision-making

The PMS should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

5. Principles governing the PMS of the Municipality

The process of developing a PMS for the Municipality was guided by the planning framework, which includes the principles that informed the development of the Municipality's PMS. The said principles are the following:

- simplicity so as to facilitate implementation given any current capacity constraints,
- politically acceptable to all political role-players
- administratively managed in terms of its day-to-day implementation,
- implementable within any current resource constraints,
- transparency and accountability both in terms of developing and implementing the system,
- efficient and sustainable in terms of the on-going implementation and application of the system,
- public participation in terms of granting citizens their constitutional right to participate in the process,
- integration of the PMS with the other strategic management processes within the Municipality including the IDP,
- objectivity based on credible information and lastly,
- Reliability of the information provided on the progress in achieving the objectives as set out in its IDP.

6. Preferred performance management model

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organisation to manage and analyse its performance. As such a model provides a common framework for what aspects of performance are going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard, Performance Excellence Model and the Key Performance Area Model. KLM has chosen the Key Performance Area Model as its preferred model. In terms of the said model all indicators are grouped together into five key performance areas namely financial viability and management, institutional transformation and development, infrastructure and service delivery, social and economic development and democracy and governance, and all the Municipality's performance scorecards have been structured accordingly.

In terms of Regulation 10 of the Municipal Planning and Performance Management Regulations, 2001, all municipalities must report on general national KPIs by the end of the financial year. The reasons why it is important to incorporate the national KPIs into the municipality's set of measures is to:

- Ensure accountability.
- Direct municipalities to focus on national goals and priorities.
- Measure the impact of municipalities on national transformation, development and service delivery programmes.
- Enable benchmarking and create the basis for performance comparison across municipalities.
- Bring some uniformity in the system by ensuring that there is commonality of measures in performance evaluation across municipalities.

The seven (7) general KPIs are provided for in Regulation 10 of the 2001 Municipal Planning and Performance Regulations and are listed below:

- a. the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;

- b. the percentage of households earning less than R1100 per month with access to free basic services;
- c. the percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- d. the number of jobs created through the municipality's local, economic development initiatives including capital projects;
- e. the number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan;
- f. the percentage of the municipality's budget actually spent on implementing its workplace skills plan; and
- g. the municipality's financial viability as expressed by the ratios for debt coverage, outstanding service debtors to revenue and cost coverage.

Provide Baseline Information for each KPI

KLM will determine the baseline indicator for each set KPI. A baseline indicator is the value (or status quo) of the indicator prior to the period over which performance is to be monitored and reviewed. This process will be together with setting annual performance targets for each identified KPI. Performance targets will comply with the SMART principles (Specific, Measurable, Achievable, Realistic and Time related). It is important to guard against setting too many performance targets.

Target dates for the completion of actions should be set in conjunction with those Departments responsible for their achievement. It is important to be realistic in the setting of target. If realistic targets are not set the municipality will create false expectations and also set its employees up for failure. A need to align and develop risk management strategies to targets is necessary.

These targets will then be followed by unpacking of each of the annual targets and dividing them into quarterly targets. Provision must be made in the organizational scorecards for targets to be met in respect of the first, second, third or fourth quarter.

Allocating Responsibility

It is also necessary to decide who takes responsibility for what actions. In the case of the organisational scorecard responsibility would be allocated to a Department. With regards to departmental and other lower echelon scorecards a name must be placed alongside each action described above. This is also a way of cascading the responsibility from the strategic level down to the

operational level and from the organisational goals right down to individual employee performance. The allocation of responsibility should be consistent with the employees' duties and functions as identified on the incumbent's job description or profile. In this way individual employees can also see exactly what their roles are in achieving the strategic objectives.

7. The process of managing performance

The annual process of managing performance at organisational level in the Municipality involves the steps as set out in the diagram below:

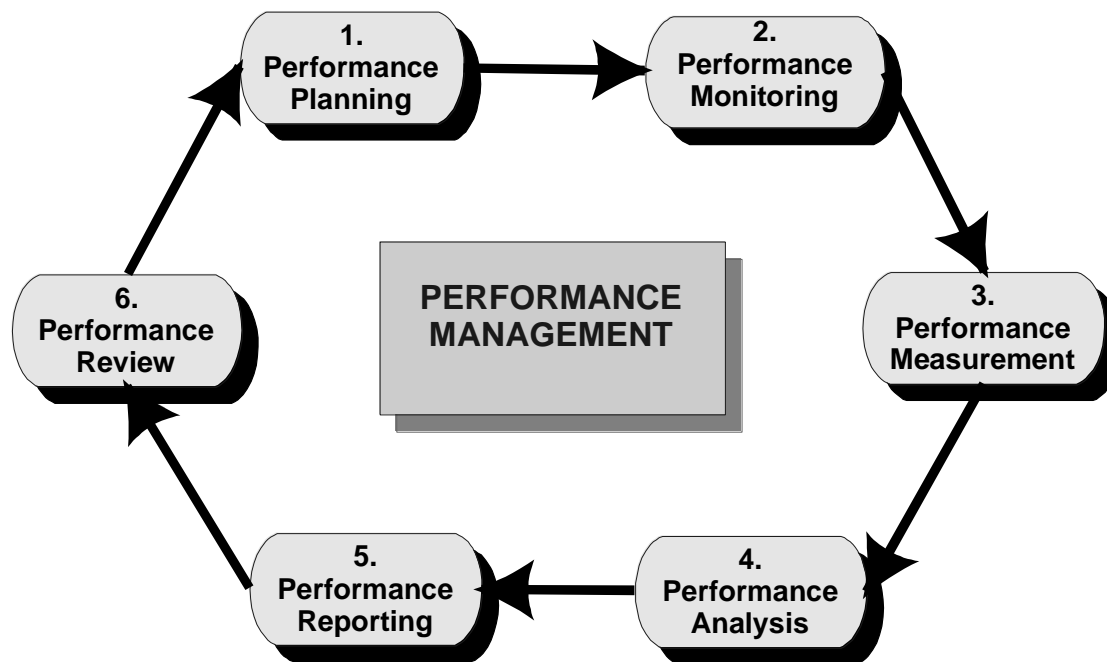


Figure 3: Performance management process

The following table spells out in more detail the role of all relevant role-players in each of the above steps:

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Citizens and Communities	<ul style="list-style-type: none"> Influence the choice of indicators and setting of targets 		Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	<ul style="list-style-type: none"> Adopt indicators and set targets 		Review municipal performance bi-annually
Executive Committee and the IDP Steering Committee	<ul style="list-style-type: none"> Recommend indicators and targets Communicate the plan to other stakeholders 		Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
Municipal Manager + HODs	Assist the Executive Committee in <ul style="list-style-type: none"> Identify and propose indicators and targets Communicate the plan to other stakeholders 	<ul style="list-style-type: none"> Regularly monitor the implementation of the IDP, identifying risks early Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organisation Intervene in performance problems on a daily operational basis 	<ul style="list-style-type: none"> Conduct regular reviews of performance Ensure the availability of information Propose response strategies to the Executive Committee
Directorate Managers	Develop service plans for integration with other sectors within the strategy of the organisation	<ul style="list-style-type: none"> Measure performance according to agreed indicators, analyse and report regularly Manage implementation and intervene where necessary Inform decision-makers of risks to service delivery timeously 	Conduct reviews of service performance against plan before other reviews
Internal Audit		Audit the reliability of	* Audit the functionality

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Section		performance reporting	of the performance management system × Initiate the annual review of the performance management system

Table 1: Role-players in the performance management process

The balance of this framework looks at each of the steps in more detail and how they will unfold in the process of managing performance in the Municipality. Although the steps and what follows relates mainly to performance management at strategic level, the principles and approaches as espoused could also be applied to performance management at operational level.

7.1 Performance Planning (March – June)

The performance of the Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof, forms an important component of the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality have under-performed.

7.2 Performance monitoring (In Year)

Performance monitoring is an ongoing process by which a manager accountable for a specific indicator as set out in the organisational scorecard (or a service delivery target contained in an annual SDBIP) continuously monitors current performance against set targets . The aim of the monitoring process is to take appropriate and timely corrective action if it is anticipated that a specific target will not be met by the time that the formal process of performance measurement, analysis, reporting and review is due.

In the instance of KLM, it is recommended that the organisational scorecard of the Municipality be reported on a six monthly basis to the Council.

Performance monitoring requires that between formal performance measurements appropriate action should be taken if it becomes evident that a specific performance target is unlikely to be met. It is therefore proposed that managers track performance trends

against targets for those indicators that lie within the area of accountability of their respective Departments at least on a monthly basis as a means of early identification of performance related problems and to take appropriate remedial action.

It is further recommended that each manager delegate to the direct line manager the responsibility to monitor the performance for his/her unit. Such line managers are, after all, best placed given their understanding of their unit to monitor on a regular basis whether targets are being met currently or will be met in future, what the contributing factors are to the level of performance and what interim remedial action needs to be undertaken.

7.3 Performance measurement (Quarterly)

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. Given the fact that initially at least the Municipality will have to rely on a manual process to manage its performance, provision has been made in the organisational scorecard for the name of an official responsible for reporting on each indicator (please note that this might not necessarily be the same official accountable for performance on an indicator).

The said official will, when performance measurement is due, have to collect and collate the necessary performance data and capture the result against the target for the period concerned on the organisational scorecard and report the result to his/her manager making use of the required reporting format after completing the next step (see performance analysis below). It should be noted at this stage that for each of the scorecards two formats exist, namely a planning format and a reporting format. The planning format is used to plan and capture the data relating to each performance target for each indicator every month whilst the reporting format is used to report actual performance quarterly against targets to the Executive Committee.

7.4 Performance analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous steps to determine whether targets have been met and exceeded and to predict whether future targets is likely to be met or not. Where targets have not been met, performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure Organisational learning.

In practice, the afore-mentioned entails that the manager responsible for each indicator will have to, after capturing the performance data against targets on the organisational scorecard, analyse the underlying reasons why a target has/has not been met and capture a summary of his/her findings on the performance report. The manager will thereafter have to compile a draft recommendation of the corrective action proposed in instances where a target has not been met and also capture this in the performance report. Provision has been made on the reporting format to capture both the reason for the performance status (in other words the results of the analysis undertaken) and the 'corrective action' proposed.

The completed Organisational scorecard must be submitted to a formal meeting of the senior management team for further analysis and consideration of the draft recommendations as captured by the relevant managers. This level of analysis should examine performance across the organisation in terms of all its priorities with the aim to reveal and capture whether any broader organisational factors are limiting the ability to meet any performance targets in addition to those aspects already captured by the relevant manager.

The analysis of the organisational scorecards by senior management should also ensure that quality performance reports are submitted to Councillors and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the Organisational scorecard, agreed to the analyses undertaken and captured therein and have reached consensus on any corrective action, can the organizational scorecards be submitted to the Executive Committee for consideration and review.

7.5 Performance reporting and review (Quarterly and Annually)

The next two steps in the process of performance management, namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for in-year versus annual reporting and reviews respectively and, lastly, a summary is provided of the various reporting requirements.

7.5.1 In-year performance reporting and review (Monthly, Quarterly, mid-Year, Annually)

The submission of the organizational scorecards to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to review the Municipality's performance and to make important political and management decisions on how to improve.

As indicated earlier it is recommended that the organisational scorecards be submitted to the Executive Committee for consideration and review on a six monthly basis. The reporting should therefore take place in January (for the period July to the end of December) and July (for the period January to the end of June).

The review in January will coincide with the mid-year performance assessment required by section 72 of the MFMA.

Performance review is the process where the leadership of an organisation, after the performance of the organisation has been measured and reported to it reviews the results and decides on appropriate action. In reviewing the organisational scorecards submitted to it on a six monthly basis, The Executive Committee will have to ensure that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons are provided by senior management and that the corrective action being proposed is sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed, these must be adopted as formal resolutions of Council.

7.5.2 Annual performance reporting and review

On an annual basis a comprehensive report on the performance of the Municipality must be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report;
- The annual report must be tabled in the council within seven months after the end of the financial year;
- The annual report must immediately after it has been tabled, be made public and the local community invited to submit representations thereon;
- The Council must consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report;
- The oversight report as adopted by the council must be made public;
- The annual report as tabled and the Council's oversight report must be forwarded to the Auditor-General, the Provincial Treasury and the Department of Cooperative Governance

- The annual report as tabled and the Council's oversight report must be submitted to the Provincial Legislature.

The oversight report provides the opportunity for the Council to review the performance of the Municipality. The requirement that the annual report once tabled, and the oversight report be made public, provides the mechanism for the general public to review the performance of the Municipality. It is however proposed that in an effort to assist the public in the process and subject to the availability of funding, a user-friendly citizens' report be produced for public consumption in addition to the formal annual report. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

It is also proposed that annually a public campaign be embarked upon to involve the citizens of KLM in the review of the Municipality's performance over and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media including radio, newspapers and billboards should be used to convey the annual report.
- The public should be invited to submit comments on the annual report via telephone, fax and email.
- Public hearings could be held in a variety of venues across the Municipality to obtain input on the annual report.
- Making use of existing structures such as ward committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and road shows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.
- Posting the annual report on the Municipality's website and inviting input.
- The public review process should be concluded by a formal review of the annual report by the IDP Representative Forum of the Municipality.

Lastly it should be mentioned that the performance report of a municipality is only one element of the annual report and to ensure that the outcome thereof timeously inform the next cycle of performance planning in terms of an IDP compilation/review

process, it is recommended that the annual performance report be compiled and completed as soon after the end of a financial year as possible but ideally not later than two months after financial-year end.



7.5.3 Summary of various performance reporting requirements

The following table, derived from both the statutory framework for performance management and this PMS framework, summarises for ease of reference and understanding, the various reporting deadlines as applied to the Municipality:

Report	Frequency	Submitted for consideration and/or review to	Remarks
1. Departmental SDBIPs	Continuous	Manager of Department	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Executive Mayor	See sections 71 and 54 of the MFMA
3. Organisational scorecards	Six monthly	Executive Committee	This PMS framework (see section 7.5.1 above)
4. Mid-year budget and performance assessment	Annually during January of each year	Executive Mayor	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act. Said report to form part of the annual report (see 7 below)
6. Annual report	Annually	Council	See chapter 12 of the MFMA

Table 2: PMS reporting requirements

REPORTING

Who Reports to Whom?

The reporting process will follow the lines of accountability as detailed in the performance monitoring, measurement and review phases above. Reports will be submitted to all different stakeholders using following internal processes as outlined above and through the different political and community stakeholders as required by the Municipal Systems Act, the Municipal Finance Management Act and the Performance Regulations. Reports will be submitted to the following stakeholders during the timelines outlined in the municipality's performance process plan as shown under the **Performance (Cycle) Management process** section: pg 11-17

- **KLM Council** reporting to Communities;
- **KLM Council** reporting to Ward Committees;
- Mayor reporting to Council;
- Municipal Manager reporting to the Mayor and the Mayoral Committee;
- Heads of Departments reporting to the Municipal Manager, through the Executive Management Team, and to Portfolio Committees;
- Section Managers reporting to Heads of Departments; and
- Employees reporting to their section managers and supervisors.

Tracking and Managing the Reporting Process

To ensure that the reporting processes runs smoothly and effectively, the PMS Unit in the Office of the Municipal Manager will co-ordinate all activities related to efficient reporting. The functions of the Unit in this instance include the following:

- Developing a process plan or timetable for all reporting processes for the year;
- Prepare logistics for reporting;
- Improve the reporting format, should there be a necessity to do so;
- Track and monitor reporting processes;
- Control the quality of reports going to reviews at political levels in terms of alignment with the adopted reporting format;
- Analyse departmental performance reports;
- Compile quarterly organisational performance reports and the annual report; and
- Review the reporting process and suggest improvements.

Publication of Performance Reports

The annual report is required by legislation to be availed to the public. KLM will, however, within its resources and capacity, keep the communities more frequently informed of performance information through: (these will depend on your communication strategy and budget)

- a. Publication of reports in the municipal website
- b. Press releases
- c. Press Briefings
- d. Publication of pamphlets or newsletters
- e. Local Radio programmes
- f. Ward Committee meetings.

Public Feedback Mechanisms

Public feedback on reported performance will be during IDP review processes, annual customer surveys and through ward committee meetings.

8. The auditing of performance measures

8.1 The role of internal audit in performance management

In order for the performance management system to enjoy credibility and legitimacy from the public and other stakeholders, performance reports, particularly the annual performance report, must be audited. Audits should ensure that reported performance information is accurate, valid and reliable.

The MFMA requires that the Municipality must establish an internal audit unit. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality's performance measures must be audited by the Municipality's internal auditors as part of the internal auditing process. The Auditor-General must annually audit the Municipality's performance measurement results.

The Municipal Planning and Performance Management Regulations stipulate that the internal auditors must on a continuous basis, audit the performance measurements of the Municipality and submit quarterly reports on their audits to the Municipal Manager and the Municipality's performance audit committee.

In terms of the provisions of the Municipal Systems Act and the Performance Regulations of 2001, the annual performance report must be audited internally, and before being tabled and made public, the annual performance report will also be audited by the Auditor-General. It is therefore important to allow sufficient time between completion of annual reports and the tabling of the annual report for auditing.

After being reviewed by the council, the annual report must then be submitted to the Auditor-General before 31 August of every year, for auditing and be submitted to the MEC for local government in the province for the MEC to complete an annual report of performance of all municipalities in the province, identifying poor performing municipalities and proposing remedial action and submit the provincial report to the national minister. The national minister will then present a consolidated report to parliament.

Internal performance auditing must include an assessment of the following:

- (i) The *functionality* of the municipality's performance management system.
- (ii) Whether the municipality's performance management system *complies* with the Act.
- (iii) The extent to which the municipality's performance measurements are *reliable* in measuring the performance of municipalities by making use of indicators.

Each of the aforementioned aspects will now be looked at briefly.

- **Functionality**
A system, process or mechanism functions properly if it operates as expected. Applied to the Municipality's PMS it means that the internal auditors must determine and give an opinion on whether the PMS and its various components operate as intended.
- **Compliance**
To comply means to act in the way as was commanded by the law-maker. Applied to the Municipality's PMS the requirements of the Municipal Systems Act, Municipal Planning and Performance Management Regulations and the MFMA must be met. This compliance check would require that the Municipality's internal auditors, at least on an annual basis, verify that the Municipality's PMS complies with the said legal requirements.
- **Reliability**
To be reliable means to be trustworthy or dependable. Reliability in the context of PMS refers to the extent to which any performance measures reported upon are reliable, i.e. factually correct and believable. Auditing the reliability of the Municipality's performance measurement results will entail the continuous verification of data supplied as performance results. This will require

that the Municipality establishes a proper information management system (electronically or otherwise) so that the internal auditors are able to access information regularly and to verify its correctness.

Internal Auditing of Performance Measurements

The Internal Audit Unit of KLM

In terms of Regulation 14 of the Planning and Performance Regulations of 2001, every municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. The functions of the internal audit unit include the assessment of the following:

- (i) the functionality of the municipality's performance management system;
- (ii) whether the municipality's performance management system complies with the provisions of the Municipal Systems Act; and
- (iii) the extent to which the municipality's performance measurements are reliable in measuring performance of municipalities on its own indicators and the national indicators

The Regulations further provides that the municipality's internal auditors must:

- (i) on a continuous basis audit the performance measurements of the municipality; and
- (ii) submit quarterly reports on their audits to the municipal manager and the performance audit committee.

KLM has established an Internal Audit unit whose functions are provided for by the 2001 Performance Regulations as indicated in the above extract. The Internal Audit Unit will be responsible for quality checks balances of all performance information submitted for measurement and review. Quality control is the central and key function of the Unit that will ensure achievement of effective and efficient performance by **KLM** the Municipal Manager and the Mayor will place reliance on the performance audit risk assessments and audit reports to make informed decisions and motivate for any reviews and improvements to the municipal council and communities.

8.2 Performance Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the Council establish a performance audit committee consisting of a minimum of three members, the majority of whom may not be employees of the municipality. No councillor may be a member of the performance audit committee.

The performance audit committee must:

- review the quarterly reports submitted to it by the internal auditors
- review the municipality's PMS and make recommendations in this regard to the Council
- at least twice during a financial year submit an audit report to the Council

8.3 Performance Investigations

The Performance Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, if the reported performance measurements are unreliable or on a random ad hoc basis. The performance investigations should assess:

- The reliability of reported information
- The variance between actual performance and set targets
- The reasons for any material variance
- Corrective action and improvement strategies

While the internal auditors may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be audited, should be used. The Council should set clear terms of reference for each such investigation.

[It is crucial that Organisational PMS be paired with Individual PMS](#)

EMPLOYEE PERFORMANCE MANAGEMENT

9.1 Legal Framework that Governs Employee Performance Management

In local government, municipal employees now fall into two broad categories: namely, the employees who are governed by Section 57 of the Municipal Systems Act (as amended, section 54A) and enter into time-specified employment contracts with the municipality, and those that are employed on permanent basis and are governed by the provisions of the Local Government Bargaining Council. In this policy framework, all the employees employed under Section 57 (as amended) will be referred to as “**Section 57 Managers**” and those under the Bargaining Council will be referred to as “**Permanent Employees**”.

The local government legislation has provided guidance on managing and rewarding performance of Section 57 Managers, i.e. the Municipal Manager and all Managers directly accountable to her. The Performance Management Regulations for Municipal Managers and Managers Directly Accountable of 2006 make special provisions for employment and managing performance of these employees. The pertinent provisions will be outlined briefly below. However a full copy of the Regulations will be attached as one of the appendices to this policy framework.

Section 57 managers must enter into employment contract with the municipality within sixty (60) days on assumption of duties and the regulations give a detailed guide on the elements of an employment contract;

Performance Agreements must be signed on each financial year or part thereof;

A new **performance agreement** must be concluded within **one month** after the commencement of the new financial year, i.e. by 31 July of every year;

A **personal development plan** must be documented at the end of the performance review and form part of the performance agreement;

The employee's performance must be assessed against two components:

Key Performance Areas (KPA's) at (80%) and Core Competency Requirements (CCR's) at (20%);

A 5 - point rating scale should be provided for each Key Performance Indicator in the employees scorecard;

The municipality must establish Evaluation Committees who must meet annually to evaluate the performance of the Municipal Manager and the managers directly accountable to the Municipal Manager;

The Municipal Manager's annual performance must be evaluated by the Mayor, Chairperson of the Performance Audit Committee, Member of the Mayoral Committee, Mayor and/or Municipal Manager from another municipality and Member of a Ward Committee nominated by the Mayor;

Managers directly accountable to the Municipal Manager must be rated by the Municipal Manager, Chairperson of the Performance Audit Committee, Member of the Mayoral Committee and a Municipal Manager from another municipality.

A performance bonus ranging from a minimum of 5% - 14% maximum of the all-inclusive remuneration package may be paid as follows:

A score of 130 - 149% is awarded a bonus from 5% - 9%

A score of 150% and above is awarded a bonus from 10% - 14%;

Guaranteed annual cost of living adjustment to salaries must be paid and this is not linked to performance;

Rewarding of Performance for Section 57 employees must be done after the tabling of the annual performance report and the financial audited statements in February annually.

As can be seen from the above provisions, the Section 57 employees in the **Kopanong Local Municipality** will align with the above regulations and their performance will be measured through their performance plans/scorecards. The same organizational scorecard will where applicable be cascaded to the employee scorecard and these will form part of their performance agreements.

It is the intention of this policy framework to formally incorporate the permanent employees into the overall performance management system of the municipality. This will translate into all employees of the **Kopanong Local Municipality** developing annual scorecards that are aligned to their functional areas of responsibility and thereafter entering into performance agreements with their respective supervisors. Just like in the Section 57 employee performance provisions, the performance agreements of the permanent employees will include a personal development plan.

The formats of all scorecards and reporting formats will be similar for all employees to create uniformity and consistency in monitoring performance on both employee and organizational KPIs and performance targets.

The phases of managing individual performance are outlined below.

9.2 Aligning Individual Performance to the Organizational

Performance Management System

The performance of an organisation is integrally linked to that of staff. If employees do not perform an organisation will fail. It is therefore important to manage both the organizational and individual performance at the same time. The relationship between organisational performance and employee performance starts from planning, implementation, monitoring and review. All the 5 phases in the organizational performance apply to the management of individual performance. The monitoring system using weekly, bi-monthly, monthly and quarterly reports is informed by individual activities at sectional and departmental levels. However, individual performance reviews differ from organizational reviews. Each phase will be discussed briefly below.

9.2.1 Phase 1: Planning for Employee Performance

The IDP yields a set of indicators and targets. These become an undertaking of the municipality to the community. The IDP informs the development of the SDBIP and the organizational scorecard. The components of the organizational scorecard will be cascaded to the municipal manager's performance scorecard and performance agreement as she is responsible for the implementation of the IDP. The municipal manager will then extract relevant indicators to inform scorecards of the different Departments. These indicators would then become the indicators and targets of the Heads of Departments to be incorporated in their performance scorecards and agreements. The Heads of Departments will in turn cascade the indicators and targets to lower levels in line with the scope of responsibilities at that level. Therefore, this policy framework establishes a system of individual performance management linked to the organizational performance through the scorecard model.

9.2.1.1 Effecting Weighting and Rating on Employee Scorecards

The KLM will adopt a weighting approach to show the relative importance of one indicator against another indicator. Every indicator in an employee's performance scorecard/plan will be assigned a weighting. The total of the weightings on the performance scorecard must add up to 100 points. An important indicator may, for example, be assigned a weighting of 50 out of the total of 100 whereas a less important KPI may be assigned a weighting of 15 out of 100. The purpose of the weightings is to show employees what the key focus areas are in their work.

The weighting of indicators in the scorecard of the Section 57 employees will follow the line of the provisions of the 2006 Performance Regulations. The weighting of 80% will be allocated to KPA-related indicators and 20% of the weighting will be allocated to CCR-related indicators.

The five-point rating scale will apply in evaluation process of all employee performance. The 2006 Performance Regulations sets out the rating as in **Table 1** below.

Table 1: The 5-Point Rating Scale for Employee Performance Appraisals

LEVEL	TERMINOLOGY	DESCRIPTION	RATING
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others	

3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

Local Government: Municipal Performance Regulations for Municipal Mangers and Managers directly accountable to MM, 2006.

The outcome of the planning phase in the individual performance management will result in all employees having signed performance agreements and scorecards at the beginning of every financial year. The provision for employees on probation should apply for employees joining the organisation well after the beginning of the financial year. An employee scorecard template is attached as **Appendix III**.

9.2.2 Phase 2: Implementation, Monitoring, Data Analysis and Measurement.

When projects and programmes are implemented, the monitoring system as proposed in the organizational performance phases will apply. All the reporting timelines and information management responsibilities will be carried out as detailed in these phases.

9.2.3 Phase 3: Coaching

Should an employee not be achieving the agreed indicators in his/her performance scorecard the manager/supervisor must assist the employee by managing his/her performance more closely. It is not appropriate that the first time an employee hears about his/her non-performance is at the formal performance review. Employees must be coached and given feedback at least quarterly before review.

9.2.4 Phase 4: Employee Performance Review

This phase involves jointly assessing actual performance against expectations at the end of the performance cycle so as to review and document planned vs. actual performance. The following guidelines will be applicable for conducting individual performance reviews:

A Manager/supervisor will prepare ratings of employee's performance against key performance indicators. The rating will be done by considering the year end actual cumulative as well, the evidence which was documented during the coaching cycle as well as any other relevant input.

The Manager/supervisor will request the employee to prepare for formal appraisal by assessing and rating him/herself against the agreed key performance indicators on their scorecards.

The Manager/supervisor and the employee meet to conduct a formal performance rating with a view to conclude a final rating. The employee may request time to consider the rating. A second meeting will then take place. In the event of a disagreement, the manager/supervisor has the final say with regard to the final rating that is given. The employee reserves his/her right to invoke the applicable grievance procedure should they be in disagreement with the rating awarded.

After the ratings have been agreed upon the scores are calculated.

The Manager/supervisor must make own notes during the formal review meeting. All the criteria that have been specified must be taken into consideration.

Only those KPIs relevant for the review period in question should be rated according to the five point scale as shown above.

After the year-end review the manager/supervisor and the employee prepare and agree on a personal development plan.

The total score is determined once all the indicators have been rated and scored. This is done with a view to establish if an employee is entitled to a notch increase or an accelerated salary progression or a non-financial award. Annual inflation related increments will not be affected by the implementation of the performance management system and cascading it down to all employees.

9.2.5 Phase 5: Rewarding Performance

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees.

The performance reward system applied to Section 57 Employees is different from the performance reward system applied to Permanent Employees who are not Section 57 Employees. Section 57 employees reward system is clearly spelt out in the 2006 Performance Regulations and these rewards are be allocated after the tabling of the receipt of the audit report and tabling of the annual report, i.e. in February of each year.

If an employee is a permanent employee of the .KLM and is thus covered by the conditions of service of the municipality, performance is not directly linked to pay. Currently permanent employees receive an annually bargained increase determined by the South African Local Government Bargaining Council (SALGBC). Permanent employees who perform outstandingly will receive non-cash rewards, until such time as a national remuneration policy dictates otherwise.

The non-cash rewards that will be awarded to permanent employees appear in **Table 2** below.

Table 2: Non-Cash Rewards that will be awarded to Permanent Employees

Performance levels	Examples of non-cash reward
Outstanding/above performance levels	<p>A. Employee is granted “free” leave days.</p> <p>B. Merit Awards</p> <p>C. Mayoral Excellence Awards</p> <p>D. Promotions</p>
Average performance	No specific reward
Below average performance	Compulsory performance counselling and monthly coaching sessions by manager/supervisor

The employer reserves the right to apply the non-cash rewards for its employees.

9.2.6 Critical Dates and Timelines

Over and above the different management processes that Kopanong Local Municipality will be using to implement its this Performance Management Policy Framework, it will also comply with critical dates and timelines that will make the management of performance align with corporate governance principles and enable other stakeholders to perform their roles and responsibilities efficiently and effectively. The critical dates and timelines are listed below in **Table 3: Critical Timelines**

PHASE	ORGANIZATIONAL ACTIVITIES	INDIVIDUAL ACTIVITIES	TIME FRAME	RESPONSIBILITY
PLANNING	Development and approval of the SDBIP and organizational scorecard		March – May	Council
		Signing performance Contracts/Plans with rest of staff	31 July	Mayor Section 57 Managers
		Signing performance Contracts/Plans with rest of staff	March – June	Municipal Manager All staff
	Monthly Monitoring	Monthly Monitoring	Monthly	Municipal Manager Senior Managers Section managers/ Supervisors

MONITOR, MEASURE & REVIEW	Quarterly Review/s	Quarterly Reviews	September December March	Municipal Manager Senior Managers Managers/ Supervisors
		Annual Performance Appraisal	June	Mayor Municipal Manager Senior Managers Managers Supervisors
		Reward and Recognition	June and February	Mayor Municipal Manager Senior Managers
REPORTING	Quarterly and Mid-Term Reports	Quarterly Reports	September December March	Management Team
	Annual reports	Annual Employee Performance Reports	31 August	Mayor Municipal Manager
		Departmental and Section Heads Reports	Monthly	Management Team Section managers

IMPROVEMENT	Performance Improvement Plans		June	Management & employees
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9. General issues relating to performance management

The following are some general issues relating to performance management that need to be taken into consideration in implementing the PMS of the Municipality:

9.1 Annual review of the Performance Management System: *REVIEW ANNUALLY*

One of the functions of the performance audit committee is to review the PMS at least annually alongside IDP. It is envisaged that after an annual review and reporting cycle is complete and the performance audit committee has met, the internal auditors will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this framework and whether the system complies with the Systems Act, the Municipal Planning and Performance Management Regulations and the MFMA. This report must be considered by the performance audit committee and any recommendations regarding amendments or improvements to the PMS, submitted to the Council for consideration.

The Municipal Systems Act requires that the Municipality must annually evaluate its PMS. The review undertaken by the performance audit committee and its recommendations must serve as input into the wider review of the PMS. It is proposed that after the full cycle of the annual review is complete, the Municipal Manager should initiate an evaluation report, taking into account the input provided by departments and the performance audit committee. The report will then be discussed by the Management Team and finally submitted to the Council for consideration.

It is of paramount importance that the municipality not only pay attention to poor performance but also good performance, and it is in this instance that a further recommendation is made for due acknowledgement of excellent performance both at organisational and individual level. It is therefore proposed that an Annual Mayoral Award for Excellence be introduced in order to reward excellent performance.

In order to stimulate and inculcate a culture of performance throughout KLM, an Employee Performance Appraisal System ("EPAS") is highly recommended and such will need to be developed and linked to the Municipality's Organisational Performance Management System. The proposed EPAS should be sufficiently supported by an Incentive Policy that will include appropriate incentive schemes such as municipal budget provision for tuition fees, and other ancillary costs at Institutions of Higher Learning. Such recognition for excellent performance can often motivate teams in the work-place to perform better and yield excellent results.

9.2 Amendments to key performance indicators and targets

The Municipality should adopt a policy on in-year amendments to indicators and targets. Ideally a KPI or performance target should not be changed until an annual performance cycle is completed. However, it is accepted that extra-ordinary circumstances may demand a change to any KPI or target. It is recommended that such amendments may be proposed but will be subject to the approval of the Executive Committee.

9.3 Institutional arrangements

Implementation of the PMS requires a fair amount of management time. It is recommended that the management of the PMS be assigned to a responsible manager in the municipal manager's office. The manager responsible for the PMS must ensure that key performance indicators and performance targets are set; the performance measurements are regularly carried out and reported on.

At the level of employee performance management the responsibility for co-ordination, administration and record keeping should be assigned to the manager responsible for human resource management.

