



**FIRST DRAFT
INTEGRATED
DEVELOPMENT PLAN**

2012/17

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ABBREVIATIONS

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AIDS: Acquired Immune Deficiency Syndrome
AQMP: Air Quality Management Plan
ASGISA: Accelerated Shared Growth Initiative of South Africa
ATTP: Assistance to the Poor
BATA: Border Alliance Taxi Association
BMS: Bridge Management System
CAPEX: Capital Expenditure
CBD: Central Business District
CBP: Community-Based Planning
CDWs: Community Development Workers
CITP: Comprehensive Integrated Transport Plan
CMTF: Consolidated Metropolitan Transport Fund
COSO: Committee of Sponsoring Organisation
CPI Consumer Price Index
CUP: Comprehensive Urban Plan
DOT: Department of Transport
DWAF: Department of Water Affairs & Forestry
ECDOH: Eastern Cape Department of Health
EDTA: Economic Development, Tourism and Agriculture
ELR: Environmental Legal Register
EMF: Environmental Management Framework
EPWP: Expanded Public Works Programme
ERM: Enterprise Risk Management
FIFA: Federation of International Football Association
GAMAP: Generally Accepted Municipal Accounting Principles
GDP: Gross Domestic Product
GDS: Growth and Development Strategy
GGP: Gross Geographical Product
GGVA: Geographical Growth Value Add
GIS: Geographical Information System
HH: Household
HIV: Human Immunodeficiency Virus
ICT: Information and Communication Technology
IDF: Interdepartmental Forum
IDP: Integrated Development Plan
IDP-RF: Integrated Development Planning Representative Forum
IDZ: Industrial Development Zone
ILIS: Integrated Land Information System
IMCI: Integrated Management of Childhood Illnesses

IPT: Integrated Public Transport
IT: Information Technology
ITP: Integrated Transport Plan
LED: Local Economic Development
LGMSA: Local Government: Municipal Systems Act
LUMS: Land Use Management System
M and E: Monitoring and Evaluation
MBDA: Mandela Bay Development Agency
MFMA: Municipal Finance Management Act
MIG: Municipal Infrastructure Grant
NASA: Nation State of Address
NATIS: National Traffic Information System
NERSA: National Energy Regulator of South Africa
NMT: Non-Motorised Transport
NSDP: National Spatial Development Perspective
NT: National Treasury
OPEX: Operating Expenditure
ORP: Orange River Project
PFMA: Public Finance Management Act
PGDP: Provincial Growth and Development Plan
PGDS: Provincial Growth and Development Strategy
PMS: Performance Management System
PPE: Property Plant and Equipment
PSA: Provincial State of Address
PWDs: People with Disabilities
REDS: Regional Electricity Distributors
RSMS: Road Signs Management System
SALGA: South African Local Government Association
SARCC: South African Road Commuter Corporation
SASCO: South African Student Congress
SCUs: Sustainable Community Units
SDBIP: Service Delivery and Budget Implementation Plan
SDF: Spatial Development Framework
SMS: Signs Management System
SPSP: Sector Policy Support Programme
SSIF: Strategic Spatial Implementation Framework
STP: Service Transformation Plan
SWH: Solar Water Heating
SWMP: Storm Water Master Plan
TA: Taxi Associations
WDMU: Water Demand Management Unit
WDS: Waste Disposal Sites
WMP: Water Master Plan
WP: Ward Plan

WPF: Ward Planning Facilitator

WSDP: Water Services Development Plan

POLITICAL OVERVIEW

In February 2011 Councillors and officials led by the Mayor undertook to visit communities to make an audit of challenges and also take stock of service delivery achievements. The visit clearly indicated that despite the progress made our people continue to leave in poverty with no access to basic services.

These challenges were further confirmed during election campaigns, door to door campaigns conducted and street sheet analysis. We owe it to our people in the poverty stricken areas to ensure that we develop a plan to revive both our Towns and Township areas unapologetic.

It is imperative in pursuing the agenda of the developmental state to revisit the original organizational structure and align it to the objectives and goals of the Municipality. In so doing it becomes important to review the gains that have been achieved and to strengthen our capacity through ensuring that our plans realise the election key objectives of the manifesto by:

- Building our local economy to create more employment and sustainable livelihoods,
- Improving our local public services and broadening access to them,
- Building a more united, non-racial, integrated and safer communities,
- Promoting more active participation in local government and
- Ensuring more effective, accountable and clean local government that works together with National and Provincial governments.

This five year IDP and Budget must be able to ensure that our plans are geared towards speeding up effective, efficient, and quality service delivery to the people. In addition, the IDP and Budget must be able to facilitate processes towards development and implementation of a framework to promote densification.

The municipality must be able to develop a five year financial plan and introduce effective internal systems and controls to improve our cash flow management and to enhance revenue and expenditure patterns. As both unemployment and inequality remains high in Tokologo our programs must promote economic growth and development through working with communities, private sector and labour. Job creation and sustainable livelihoods must be at the epic of all municipal programmes.

The municipality has to ensure that it complements other spheres of government in reaching the identified targets. The successful implementation of the IDP and Budget can be achieved only through a partnership with all spheres of government and communities.

The five year life cycle for adopted IDP had come to an end on 30 June 2011. The fundamental question that we should attempt to answer is, whether the five Editions of the approved IDP's by Council have achieved the broad objectives of the municipality in terms of priorities and needs of communities

The overall aim of the assessment is to measure the impact of the previous IDPs in changing the lives of all communities in Tokologo. The IDP has been reviewed on annual basis with little emphasis on

service delivery. It has become business as usual process of reviewing the IDP and budget without measuring, monitoring and evaluating the impact of the implementation of the same.

With this IDP which Council must adopted on the 31 March 2012, there must be a paradigm shift in how we do business as political deployees, appointed senior managers and employees of this Council. This IDP subscribes to the Election Manifesto of the ruling party with clear strategic theme, objectives and goals.

Working Together We Can Build Better Communities: Towards Vision 2030

**COUNCILLOR: MOKGOBO
MAYOR/SPEAKER**

PRE-PLANNING PHASE

INTRODUCTION AND BACKGROUND

This document signifies the start of the third Tokologo 5-year IDP cycle 2012 to 2017. The ultimate objective within each cycle remains the improved implementation of the said dispensation's five-year strategy, as well as ensuring improved responsiveness to community needs over time.

Planning for the five year cycle 2012-2017 was guided by a Council approved process plan. The aim of the new 5-Year IDP for Tokologo Local Municipality is to present a coherent plan to improve the quality of life for people living in the municipal area – also reflecting on issues of national and provincial importance. One of the key imperatives was to seek alignment with national and provincial priorities, policies and strategies.

IDP DOCUMENT: STRUCTURAL CHANGES

The structure of the Municipality's IDP document has emerged, inter alia, as a key priority issue to be addressed via a proposed restructuring of the document.

The document has subsequently been revised and through its revision, it is considered that Tokologo IDP 2012/2017 document will:

- Simplify the document, without prejudicing its strategic intent, in such a manner that it will be more clearly understood, by officials and the public, and also be more user-friendly.
- More closely align to the current Municipal Organizational Structure.
- Enable departments within the municipality to clearly place themselves within the context of the IDP Document and identify in which manner they contribute towards the proposed programmes, development Strategies and ultimately the vision for the municipality.
- Facilitate the setting of Departmental Key Performance Indicators.
- Facilitate easier integration with the Municipality's Budgeting processes.

THE PURPOSE OF THE IDP

The constitution and legality dictates that the Constitution of the Republic of South Africa puts into context the role that local government has to play within the broader spectrum of government, governance, democracy and development. Of particular importance are:

- Chapter 3: Co-operative Government
- Chapter 7: Local Government
- Chapter 10: Public Administration
- Chapter 12: Traditional Leaders
- Chapter 13: Finance
- Part B of Schedules 4 & 5

POLICY AND LEGISLATIVE CONTEXT

According to the **Constitution of the Republic of South Africa (Section 152 and 153)** local government is in charge of the development process in municipalities, including planning. The constitutional mandate to relate its management, budgeting and planning functions to its objectives gives a clear indication of the intended purpose of municipal integrated development planning. The constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across three spheres of government.

White Paper on Local Government gives municipalities responsibility to work with communities and groups within communities to find sustainable ways to their social, economic and material needs and improve the quality of their lives.

Municipal Systems Act 32 of 2000 (MSA) defines integrated development planning as one of the core functions of a municipality in the context of its developmental orientation. The Act requires the IDP to be strategic and inclusive in nature. The IDP should link, integrate and coordinate other plans, while taking development proposals into account. It should be aligned with the municipality's resources and capacity, while forming policy framework on which annual budgets are based. The integrated Development Plan must be compatible with national and provincial development plans and planning requirements.

On July 1, 2004 the **Municipal Finance Management Act (MFMA)** officially came into effect. This legislation provides for significant changes in the way municipalities in South Africa manage their financial affairs. The legislation not only deals with accounting and finance issues but also deals with general management and governance issues.

All municipalities are required to prepare an MFMA implementation plan that focuses on what the municipality intends to implement and achieve over the next few years. The plan should contain a list of activities together with target (and actual) dates, with provision to show ongoing (possibly monthly) progress with comments and a responsible councilor or official for each activity.

The accounting officer of the municipality (municipal manager) must take on the responsibilities assigned to the position under the MFMA. A full list of these responsibilities is provided in Chapter 8 of the MFMA and throughout the legislation.

The municipal manager is required to formally establish and maintain a top management team, to include all those senior managers who are responsible for a vote or the budget of a vote. Detail of top management is provided in section 77 of the MFMA. All councils should comply with the provisions of the Municipal Systems Act (as amended) and its regulations in relation to annual staff performance agreements.

Municipalities must establish controls over their bank accounts, cash management and investments. Further details of these requirements are provided in Chapter 3 of the MFMA. Municipal managers must ensure that they take the appropriate steps to implement effective systems of expenditure control, and meet their financial commitments to other parties promptly and in accordance with the Act.

While the IDP is not in direct conflict with development plans of any of its local municipalities or those of other spheres of government, we have nevertheless observed that the interaction between adjacent municipalities in the context of the IDP process continues to be very limited. In the context of the Free State Department of Cooperative Governance and Traditional Affairs commitment to a single window of co-ordination, it will be critical that we improve interaction between municipalities, with a view to enhancing the horizontal alignment and harmonization of our plans.

The development of this IDP is critical for a number of reasons, key among these being the Local Government Ten Point Plan adopted by the Free State government:

Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development (LED).

- Ensure the development and adoption of reliable and credible Integrated Development Plans (IDP's).
- Deepen democracy through a refined Ward Committee model.
- Build and strengthen the administrative, institutional and financial capabilities of municipalities.
- Create a single window of coordination for the support, monitoring and intervention in municipalities.
- Uproot fraud, corruption, nepotism and all forms of maladministration affecting local government.
- Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
- Develop and strengthen a politically and administratively stable system of municipalities, and restore the institutional integrity of municipalities

Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management

IDP FRAMEWORK

The IDP Framework is a summary of action programs focusing on district-wide activities that need to be undertaken by the District Municipality and Local Municipalities in a coordinated way. The framework serves as a guideline for alignment of the DM and LM IDP processes, as well as with plans and programs of different organs of state and other relevant role players. It essentially binds the DM and all LMs. However, each municipality is responsible for monitoring its own process plan to ensure that the framework is followed as agreed.

According to Section 27(2) of the Systems Act, the purpose of the framework is to:

- Identify the plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;
- Identify the matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;
- Specify the principles to be applied and co – ordinate the approach to be adopted in respect of those matters: and
- Determine procedures-

ELEMENTS OF THE IDP PROCESS

The proposed process for consultation between Tokologo municipality and the District during the five year planning process is as follows:

Phase 1: Situational Analysis

- Tokologo Local Municipality may perform analysis related to region – wide issues and co– ordinate and align key development priorities of all towns.

Phase 2: Strategies

- Tokologo should be invited to district strategic workshops to jointly discuss the most appropriate problem – solving strategies.
- Provincial and National specialists and competent resource persons from civil society could be invited to join this process, which will be facilitated by the district under Directorate: Planning & Development.

Phase 3: Projects

- Project and programme planning will require co–ordination and alignment between Tokologo and the District Municipality.

Phase 4: Integration

- During this phase Tokologo and the district municipality will ensure the integration of different processes and will consolidate the institutional restructuring and communication plan, in order to finalize their respective IDP's and programmes.

Phase 5: Approval

- The district will play an important role in horizontal (cross border issues) and vertical Co-ordination.
- Tokologo and the district level planning will therefore be parallel, rather than in a one sided,

IDP Framework and Timeframes

Phase	Alignment Activity	With whom	By when
1. Analysis (Situational)	a) Data collection from sector departments; b) Joint decision on localized strategies. Stakeholders meeting, sample survey and opinion polls c) IDP Forums and workshops	Affected municipal departments	October 2011
2. Strategies	Objectives and strategies (Municipal Strategic Workshop with the district municipality, sector departments, IDP Representative Forum	TLM,L DM, Province and other relevant stakeholders	November 2011
3. Projects	Technical inputs on projects & programme formulation. Technical sub-committee with few selected representatives of stakeholders organizations	All LM's within the LDM	January-March 2012
4. Integration	a) Sector alignment & integration under responsibility of provincial, national sector department and IDP representative forum	All LM's within the LDM	January-March 2012
5. Submission of IDP's	a) Submission of draft IDP and Spatial Development Framework b) IDP Summaries	All LM's within the LDM	March 2012
6. Analysis and	a) Analysis and engagement & review. (if any)	All stakeholders/	April - May 2012

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engagements	b) Compiling district level summary of local IDP's (Province) c) Public Participation		
7. Approval	Aligning budget with IDP / submission of final drafts and sign –off by the Premier Submission of the SDBIP by the Executive Mayor	Sector departments , TLM and Political principals	June 2012 June – July 2012
Monitoring and implementation	IDP Representative forum with the support of sector departments responsible for their projects	All stakeholders/individual departments	From July 2012 on wards

The framework gives methodological and practical guidance to the IDP process. The plan serves as a working document and is amended by the IDP Steering committee as and when deemed necessary.

However, the process encountered some difficulties, which include but not limited to:

- Lack of strategic guidance and direction from some provincial sector departments.
- Timeframes for certain critical events such as the IDP Representative Forums and setting objectives and strategies were not met. While there may be valid reasons for these delays, the implication to the process, particularly with regard to submission and adoption were significant.

Issues, mechanisms and procedure for alignment and consultation

It is proposed that the following persons and structures be involved in the alignment process between TLM and the District Municipality:

District Management and Co-ordinating Forum

- Municipal Managers
- IDP Managers
- Provincial IDP Co-coordinator
- Three (3) representatives from clusters according to the FSGDS

Between District/Local Municipalities and Provincial/ National Government:

TLM IDP Steering Committee

- Mayor
- TLM Municipal Manager / IDP Manager
- Provincial IDP Co-coordinator
- Senior Managers
- Provincial/National Senior Sector Department Officials; and
- Senior Officials of relevant service providers (Eskom, Water Board, Telkom. etc.)

The TLM IDP Steering Committee is responsible for:

- The establishment of the IDP Representative Forum
- Define the terms of reference and criteria for members of the IDP Rep forum
- Consider comments on inputs from sub-committees, study teams and consultants including comments from national and provincial sector departments.
- Processes, summaries all inputs.
- Facilitate and prepare all documents for meetings, and
- Establish sub-committees for specific activities which can include additional persons outside the Steering Committee

IDP Representative Forum

The structure will consist of the following:

- Municipal Manager
- IDP Manager
- IDP Steering Committee
- Ward Committee Members
- Community Development Workers (CDW's)
- Heads of Department and Senior Government Official
- Stakeholders representatives

Service Providers or State Owned Enterprises:

Regional and national service providers or representatives of the following primary services providers must be engaged if and when necessary:

- Eskom
- Telkom
- Transnet
- MTN
- Vodacom
- Cell-C
- SABC
- Land Bank
- Free State Development Co-operation (FDC)
- SEDA
- IDC
- DBSA
- ABSA
- FNB
- Other service providers relevant and important for the production of a credible IDP

Communication Mechanism

The alignment procedure and mechanisms will necessitate that communication links are set up between Tokologo Local Municipality and Lejweleputswa District Municipality, and other stakeholders and role players as well as within Tokologo's area of jurisdiction. The following communication mechanisms are hereby proposed;

- Fax and/or email,
- Telephone,
- Print and electronic media
- Imbizo's
- Meetings and workshops, as well as individual consultation etc.

Logistical arrangements

For purposes of ensuring a seamless, effective and timely completion of the IDP process, the following logistical arrangements are in place:

- All meetings and workshops will be held in various towns within TLM;
- IDP Manager is responsible for ensuring that timely notices are sent to all invitees and that preparations are in place;
- The IDP Manager/Municipal Manager will be responsible for the sending of invitations and other arrangements of meetings and workshops;
- Transport arrangements will have to be provided for civil society/participants or alternatively transport cost provided or transport cost paid;
- Food and refreshments should be provided in meetings and workshops;
- Advertisements will be placed in all local newspapers to ensure the kick-start of the process and to invite final comments on the draft document; and
- The draft reviewed IDP document will be sent to all provincial departments and service providers and applicable national government departments for comments before final approval by council.

Matters requiring alignment

Input and support from other spheres of government is required in the IDP process for different stages. The alignment will take place between municipalities and the district municipality to ensure that their planning processes and issues are coordinated and addressed jointly. The district has the responsibility to ensure that alignment between the local municipalities takes place.

Vertical and Horizontal alignments must take place. It is also important to align the provincial priorities and strategies like the National Spatial Development Perspective (NSDP) and Provincial Growth and Development Strategy (PGDS) with the district strategies and sectoral programmes as indicated in the IDP. The purpose of intergovernmental planning is to achieve a common goal

TLM IDP Manager with the Steering Committee will:

- Consider activities per phase and proposed time frames;
- Submit draft Action programme for TLM Framework workshop and this to be aligned with the District municipal process plans;
- Discuss and agree on the framework programme as basis for municipal programme (process plans);
- Adapt action programme to circumstances of all towns within Tokologo;
- TLM together with the Districtl municipality will finalise the action programme on alignment, community participation and required resources; and
- Make sure that all stakeholders stick to timeframes.

National legislation applicable to the functions of Local Government

National Legislation	Summary/Scope of Legislation
GENERAL MANAGEMENT	
Constitution of South Africa (Act 108 of 1996)	a) To introduce a new constitution for the Republic of South Africa and to provide matters incidental thereto.
<p>Local Government: Municipal Systems Act, 2000 as amended</p> <p>To be read with:</p> <p>Local Government: Municipal Planning and Performance Management Regulations, 2001</p>	<p>a) To give effect to “developmental Local Government</p> <p>b) To set principles, mechanisms and processes to promote social and economic development of communities and to ensure access to affordable services for all.</p> <p>c) To set a framework for planning, performance management, resource mobilization and organizational change and community participation.</p>
Local Government: Municipal Structures Act, 1998 as amended	<p>a) To provide for the establishment of municipalities in accordance with the requirements relating to the categories and types of municipalities, the division of powers and functions between municipalities and appropriate electoral systems.</p> <p>b) To regulate internal systems, structures and office-bearers.</p>
Consumer Affairs (Unfair Business Practices) Act, 1996	a) To provide for the investigation, prohibition and control of unfair business practices in the interest of consumers.
Local Government	a) To authorize the establishment of cross-boundary municipalities, to

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Cross-boundary Municipal Act, 2000	provide for the re-determination of the boundaries of such municipalities under certain circumstances and to provide for matters connected therewith.
Local Government: Municipal Demarcation Act, 1998	a) To provide for the demarcation of boundaries of municipalities for the establishment of new municipalities.
Local Government: Municipal Electoral Act, 2000	a) To regulate municipal elections. b) To amend certain laws and to provide for matters connected.
Organized Local Government, 1997	a) To provide for the recognition of national and provincial organizations representing the different categories of municipalities and the designation of representatives to participate in the National Council of Provinces.
Promotion of Local Government Affairs Act, 1983	a) To provide for the coordination of functions of general interest to local authorities and of those functions of local authorities which should in the national interest be coordinated.
Local Government: Transition Act, 1993 (Repealed except Section 10G, i.e. Financial provisions)	a) To provide for matters relating to municipalities in the interim phase, powers and functions of municipalities and actions of councilors and officials.
Occupational Health & Safety Act, 1993	a) To provide for occupational health and safety in the work place and the protection of persons outside the work place against hazards to health and safety arising from activities of persons at the work place.

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Promotion of Access to Information Act, 2000	a) To control and regulate the right of all persons to information.
Promotion of Fair Administrative Justice Act, 2000	a) To give effect to the right to administrative act that is lawful, reasonable and procedurally fair in terms of the Constitution of the Republic of South Africa.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	<p>a) To give effect to Section 9 to be read with Section 23(1) of Schedule 6 of the Constitution of the Republic of South Africa, 1996, to prevent and prohibit unfair discrimination and harassment.</p> <p>b) To promote equality and to eliminate unfair discrimination and prevent and prohibit hate speech and to provide for matters connected .</p>
<p>White Paper on Local Government, 1995</p> <p>To be read with:</p> <p>A Policy Paper on Integrated Development Planning, 2000</p>	<p>a) Spells out the framework and programme in terms of which the existing local government system will be transformed.</p> <p>b) Establishes the basis for a system of local government which is centrally concerned with working with citizens and communities to find sustainable ways to meet their needs and improve the quality of their lives.</p>
FINANCE	
Appropriation of Revenue Act, 2000	a) To provide for a fair division of revenue to be collected nationally between national, provincial and local government spheres for the 2000/2001 financial year and for matters connected therewith.

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Business Act, 1991	<p>a) To repeal certain laws regarding the licensing of businesses.</p> <p>b) To provide for the licensing and operation of certain businesses, shop hours and related matters.</p>
Debt Collection Act, 1998	a) To provide for controlled debt collection.
Income Tax Act, 1962	a) To provide for the payment of taxes on incomes of persons and taxes on donations.
Insolvency Act, 1936	a) To consolidate and amend the law relating to insolvent persons and their estates.
<p>Local Authorities Capital Development Fund Ordinance, 1978</p> <p>To be read with:</p> <p>Local Government Affairs Second Amendment Act, 1993</p>	a) To provide for the establishment and management of a Capital Development Fund and for matters incidental thereto.
Municipal Accountants Act, 1988	a) To provide for the establishment of a Board for Municipal Accountants and for the registration of Municipal Accountants and the control of their profession.
<p>Municipal Consolidated Loans Fund Ordinance, 1952</p> <p>To be read with:</p>	a) To provide for the establishment and management of a Consolidated Loans Fund as approved by the Premier.

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Local Government Affairs Second Amendment Act, 1993	
Local Government: Municipal Finance Management Act, 2003	a) To regulate financial management in the local sphere of government to require that all revenue, expenditure assets and liabilities of municipalities and municipal entities are managed efficiently and effectively to determine responsibilities of persons entrusted with local sphere financial management and to determine certain conditions and to provide for matters connected therewith.
Pension Benefits for Councillors of Local Authorities Act, 1987	a) To provide for pension benefits for councilors.
Public Finance Management Act, 1999	a) To regulate financial management in the national and provincial government and <i>interalia</i> , provincial public entities.
Prescribed Rate of Interest Act, 1975	a) To prescribe and regulate the levying of interest from debtors.
Value Added Tax Act, 1991	a) To provide for the taxation in respect of the supply of goods and services.
Reporting by Public Entities Act, 1992	a) To provide for the reporting to parliament by public entities.
Local Government : property Rates Act, 2004	a) To regulate general property valuation.
ADMINISTRATION/CORPORATE AND LEGAL SERVICES	
Electoral Act, 1998	a) To manage and regulate elections on national, provincial and local government level.
Expropriation Act,	a) To provide for the expropriation of land and other property for public and

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1975	certain other purposes and matters connected thereto.
Housing Arrangements Act, 1993	a) To provide for the establishment of a national and regional housing boards and the abolition of certain existing boards.
Rental Housing Act, 1999	a) To define the responsibility of government in respect of rental housing.
Residential Landlord and Tenant Act, 1997	a) To provide for the regulation of landlord-tenant relations in order to promote stability in the residential rental sector in the province
TOWN PLANNING AND SPATIAL DEVELOPMENT	
Provision of certain land for settlement, 1993	a) To provide for the designation of certain land and to regulate the subdivision of such land and settlement of persons thereto.
Black Communities Development Act, 1984 (Annexure F)	a) To control the land use rights within the former black areas.
Development Facilitation Act, 1995 (Chapter 1)	a) To provide for IDP, reflecting current planning and to institutionalize development tribunals for evaluating applications.
Physical Planning Act, 1991	a) To provide guidelines for the drafting of urban development plans.
Subdivision of Agricultural Land Act, 1970	a) To control the subdivision of farm land and agricultural holdings.
Town and Regional Planners Act, 1984	a) To provide for the training and registration of Professional Town Planner
ENVIRONMENT	
Environmental Conservation Act,	a) To provide for environmental impact assessments and exemption, noise control areas etc.

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1982	
National Environmental Management Act, 1998	a) To provide for co-operative environmental governance by establishing principles for decision making on matters affecting the environment and to provide matters connected thereto.
ENGINEERING/TECHNICAL SERVICES	
Advertising on Roads & Ribbon Development Act, 1940	a) To control advertising on national and regional roads.
Regulations on Advertisements on or Visible from National Roads, 1998	a) To control all advertising on national and regional roads.
National Building Regulations and Building Standards Act, 1977	a) To provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
National Water Act, 1998	a) To provide for fundamental reform of the laws relating to water resources.
Water Services Act, 1997	a) To provide for the rights of access to basic water supply and sanitation, national standards and norms for tariffs and services development plans.
SAFETY AND SECURITY	
Criminal procedure Act, 1977	a) To consolidate and regulate procedure and evidence in criminal proceedings.
Disaster Management Act, 2003	a) To provide for an integrated, coordinated and common approach to disaster management by all spheres of government and related matters.
Fire Brigade	a) To provide for the rendering of fire brigade services and certain conditions to

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Services Act, 1987	the rendering of services.
Gatherings and Demonstration Act, 1993	a) To control public gatherings and procession marches.
Hazardous Substances Act, 1973	a) To control matters relating to gas, petrol and liquids.
National Land Transport Transition Act, 2000 as amended	a) To Transform and to structure the Republic's land transport system. b) To give effect to the national policy concerning the first phases of the process. c) To achieve a smooth transition to the new system applicable nationally.
National Land Transport Interim Arrangements Act, 1998	a) To make arrangements relevant to transport planning and public road transport services.
Urban Transport Act, 1977, (as amended)	a) To promote planning and provision of adequate urban transport facilities.
National Road Traffic Act, 1996	a) To regulate traffic on public roads, the registration and licensing of motor vehicles and drivers including fitness requirements and incidental matters.
Road Traffic Management Corporation Act, 1999	a) To provide in the public interest for coordinated and cooperative strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters and to provide for matters connected therewith.
Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998	a) To provide for the eviction of unlawful occupants of land and the protection of the rights of such occupants under certain conditions.
Regulations on Gatherings Act,	a) To control public gatherings and procession of marches.

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1993	
South African Police Services Act, 1995	a) To provide, inter alia, for a municipal (city) police.
HEALTH AND WELFARE	
Hazardous Substances Act, 1973	a) To control matters relating to gas, petrol and liquids.
Health Act, 1977	a) To provide for the promotion of health of the inhabitants of the Republic, for the rendering of health services, to define duties, powers and responsibilities of certain authorities which render such services and for the coordination of services.
National Policy for Health Act, 1990	a) To provide for control measures to promote health of the inhabitants of the republic and for matters of connected thereto.
HUMAN RESOURCES	
Employment Equity Act, 1998	<p>a) To promote the constitutional rights of equality and the exercise of true democracy.</p> <p>b) To eliminate unfair discrimination in employment.</p> <p>c) To redress the effect of unfair discrimination in the work place to achieve a workforce representative of the population.</p>
Basic Conditions of Employment Act, 1997	<p>a) To give effect to the right to fair labour practice.</p> <p>b) To provide for the regulations of the basic condition of employment.</p>
Compensation of Occupational Injuries and Diseases Act, 1993	a) To regulate the categories of persons entitled to compensate for occupational injuries and diseases, and to determine the degree of disabled employees.
Labour Relations Act, 1995 (As amended)	a) To regulate the organizational rights of trade unions, the right to strike and lock-outs.

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	<p>b) To promote and facilities collective bargaining and employee participation in decision making.</p> <p>c) To provide simple procedure for labour disputes.</p>
Skills Development Act, 1998	a) To provide for the implementation of strategies to develop and improve the skills of the South Africa workshop, to provide for learnerships, the regulation of employment services and the financing of skills development.
South African Qualifications Authority Act, 1999	a) To provide for the establishment of a National Qualifications Framework and the registration of National Standards Bodies and Standards Generating Bodies and the financing thereof.
Unemployment Insurance Act, 1966	a) To provide for the payment of benefits to certain persons and the dependants of certain deceased persons and to provide for the combating of employment.
ELECTRICITY	
Electricity Act, 1987	a) To provide for and regulate the supply of electricity and matters connected thereto.

PURPOSE OF THIS IDP

The purpose of this IDP is to produce an effective, sustainable, long term integrated plan for Tokologo Local Municipality. An IDP which is also informed by the priorities emanating from community needs as reflected in ward based plans. Ensure that the IDP is responsive and gives expression to the ruling party's manifesto. Ensure that the national and provincial government priorities are integrated in the IDP of Tokologo Local Municipality.

Budget that is aligned to the IDP and presents a clear linkage between IDP, Five Year Financial Plan, Budget and SDBIP. A Five Year Financial Plan must ensure that the budget is cash-backed. Budget must comply with National Treasury regulations and relevant legislation. Evaluate the impact of the previous IDP implementation (2006 – 2011) on improving the lives of communities (see political overview in this IDP).

Take into cognisance of the strides and achievements undertaken by the Municipality to effectively utilise available data and information for future planning. Enhance a comprehensive stakeholder consultation to improve active public participation. Identify patterns of budget allocation in terms of priorities in the previous and current IDP under review. Position Tokologo Local Municipality as a National competitor in the global community.

OBJECTIVES OF THIS IDP

To ensure effective compliance with 80/20 budget principle for beneficiation of poor communities. To adopt an IDP that is responsive to other National and Provincial imperatives. To ensure that HIV and Aids is mainstreamed into this IDP and also is responsive to the alignment of programmes and projects for special sectors. To undertake organizational re-engineering in order to improve efficiency, effectiveness, economy and service delivery.

MUNICIPAL OBJECTIVES AS IDENTIFIED FROM THE PUBLIC PARTICIPATION ENGAGEMENTS & STEERING COMMITTEE MEETINGS (CONSOLIDATED)

Tokologo Local Municipality has approved the following municipal objectives that must be incorporated into the scorecards of Section 57 Managers and be cascaded to all levels in the Municipality:

Build local economies to create more employment, decent work and sustainable livelihoods
Maximise utilisation of Extended Public Works Programme Support of emerging businesses
Accessibility of opportunities to youth, women and people with disabilities. Poverty eradication.
Promote job creation and poverty eradication through local economic development. Improve local public services and broaden access to them Provision of amenities within 5km radius.
Construction of customer care service centres within 5km radius. Extending working hours for services rendered by the Municipality. Build good image of the Municipality through Communication and Customer Care. Universal access to quality basic services and infrastructure development. Provision and to access to a basket of municipal services, social infrastructure and amenities. Build more united, non-racial, integrated and safer communities Installation of a modern technology to eradicate criminal activities (e.g. roll-out of surveillance cameras in the previously neglected areas).
Rejuvenation of Townships Areas through progressive spatial planning. A comprehensive integrated planning approach for development of sustainable communities. Integrated and sustainable human settlements. Promote more active community participation in local governance. Re-establishment of a functional ward committee system.
Review of the public participation strategy. Effective use of existing community structures. Continuous reporting to communities by public representatives.
Empowering communities through effective

- **public participation. Institutional future planning.**
- **Communications.**
- **Special Sectors, youth and women development.**
- **Ensure more effective, accountable and clean governance.**
- **Eradication of corruption, fruitless and wasteful expenditure.**
- **Strengthening of internal control procedures.**
- **Continuous support of Municipal Public Accounts Committee.**

- **Management of a corrupt-free municipality.**
- **Legislative compliance.**
- **Monitoring, evaluation and reporting.**
- **Responsive, accountable, effective and clean government**
- **To improve the systems and the culture of the institution to plan and to operate in an integrated manner including other spheres of government.**
- **Strengthening of an Integrated Planning Approach within the Municipality.**
- **Strengthening of Intergovernmental and International Relations.**
- **Review of Intergovernmental Relations Forum.**
- **Integrated Human Resource Development.**
- **Information Communication Technology.**
- **Learning and growth oriented, people-driven and integrated Municipality.**

To ensure municipal viability and sound financial management for sustainable governance.

- **Enhance revenue collection.**
- **Identify investment opportunities.**
- **Five Year Financial Plan.**
- **Cash-backed budget.**
- **Consolidation of municipal reserves.**
- **Prudent financial discipline.**
- **Asset management.**
- **Sound financial management, viability and sustainability**

MUNICIPAL GOALS

Effective monitoring and evaluation of performance of all employees will be premised and measured on the basis of the IDP central theme. Municipal objectives as detailed above seek to achieve the following municipal goals:

- 1) Provision of sustainable and cost effective service delivery to all communities.
- 2) Improvement, rehabilitation and maintenance of existing and ailing infrastructure.
- 3) Creation of an anesthetic environment that is conducive for skills development, economic growth, job creation, and service delivery and investor friendly atmosphere.
- 4) Re-engineering of processes, systems and structures of the municipality in order to improve organizational efficiency.
- 5) Development and implementation of a Five Year Financial Plan to improve revenue base.
- 6) Improve internal controls to eliminate mismanagement, fraud and corruption as well as prevention of litigations against the municipality
- 7) Improvement of stakeholder consultation and engagement by introducing effective tools for public participation platforms

The central theme and focus of the IDP is **SKILLS DEVELOPMENT, ECONOMIC DEVELOPMENT, SERVICE DELIVERY AND JOB CREATION.**

All Directorates and employees of the Municipality are henceforth compelled to respond to this central theme. In addition the theme must be cascaded both vertically and horizontally in the Municipality and be incorporated into the performance scorecards of all Directors.

CURRENT VISION AND MISSION STATEMENT OF THE MUNICIPALITY

The following is a current vision of the Municipality:

Vision statement

A PROGRESSIVE MUNICIPALITY, WHICH THROUGH COOPERATIVE GOVERNANCE CREATES CONDITIONS FOR ECONOMIC GROWTH SOCIAL DEVELOPMENT AND MEET THE BASIC NEEDS OF THE COMMUNITY AND IMPROVE THE QUALITY OF LIFE OF ALL RESIDENTS

Mission statement

TOKOLOGO LOCAL MUNICIPALITY IS COMMITTED TO PROVIDE A BETTER LIFE FOR ALL RESIDENTS WITHIN ITS AREA OF JURISDICTION THROUGH:

- Creating conditions for economic growth and sustainability
- Improving access to basic services
- Promoting social upliftment through improved education, skills development and job opportunities
- Ensuring cooperative, transparent and democratic governance through community participation and involvement
- Create a healthy and safe environment and
- Improving sport and recreation facilities

Core values

Transparency	We practice good corporate governance, openness and strive to understand the needs of our community at all times.
Commitment	We are dedicated to the services we render to the community. We are committed to realize the objective of local government in South Africa
Accountability	We respect and value our people and ensure that we are accountable and responsible on all aspects of our work.
Integrity	We perform our work diligently with integrity and courage to ensure that our communities are able to trust and believe in us.
Democracy	We encourage the adherence to the constitution of the country, by allowing everybody to exercise their rights

EXECUTIVE SUMMARY

This document is therefore known as the Five Years-Reviewed Integrated Development Plan (IDP) for the Tokologo Local Municipality. This review followed an institutional assessment on municipal performance for the previous five years cycle of IDP's. This plan links, integrates and co-ordinates other institutional plans and takes into account proposals from various participants for the development of the municipality. This document, therefore serves as the principal strategic planning instrument which guides and informs all planning and development, budgeting, annual performance review, management and development, in the municipality.

The introduction of the Service Level Agreement (outcome 9) and the implementation report of the Municipal Turnaround Strategy of the Tokologo Local Municipality have further necessitated a thorough re-visit of previous performance. As a result of continuous engagements between the municipality with other role-players and stakeholders, it was realised that it is important to re-consider the core components of the IDP as espoused in the IDP Framework Guide issued by the Department of Corporative Governance & Traditional Affairs. One of the critical aims of the Integrated Development Plan Framework Guide is to provide clarification on the packaging and contents in preparation of the IDP. In our view, these guidelines are not meant to replace the contents of the IDP as contained in the Municipal Systems Act, 2000 and Performance Management Planning Regulations, 2001, but to intensify understanding and clarification of such contents accordingly. These core components are presented and briefly defined hereunder as follows:

Executive Summary;

This provides an overview of the municipality, its current situation, challenges, opportunities, priority strategies and targets to be achieved in order to improve the situation over the 5 year term of the IDP.

Situational Analysis;

Status Quo analysis of the municipal area Inputs from the Community, Community Organizations, Business, Non State Actors, Sector Departments, SOE's – State Owned Enterprises, and Spatial Analysis. SWOT analysis critical (environmental scan). This section to be concluded by Identification of

Priority issues such as the *Demographic, Economic, Infrastructure, and Environmental issues and Social Issues*

Development Strategies;

Includes the vision, mission, strategic objectives and strategies structured into the 5 KPA's of the 5 year Local Government Strategic Agenda.

Spatial Development Framework;

This presents a high level Spatial Development Framework which reflects the text and maps and is reviewed on a 5 yearly basis.

Sector Involvement;

Presents the extent of involvement of various sector departments as well as the private sector in general in term of developments in the locality and could be in the form of a Strategic Plan or Medium Term Expenditure Framework or Sector Plan information for that particular Integrated Development Plan period. This information should be current and as updated annually

Implementation Plan;

This is a schedule which envisages all projects over a period of 3 years and includes the responsible person and funding.

Projects;

This section provides comprehensive details of projects to be executed during the IDP duration; this section basically gives effect to the Implementation Plan.

Financial Plan and Service Delivery and Budget Implementation Plan; This presents the municipality's budget overview and 3 year Financial Plan, budget implementation plan setting out performance indicators and respective targets to be achieved, linked to identifiable IDP objectives.

Municipal Performance Management System;

This section presents the municipality's KPI's for each set objective and Annual Performance Report of the previous year.

Annexures;

The municipality's Spatial Development Framework and Disaster Management Plan that have to be included as part of the IDP.

Appendices;

A guideline of sector plans which are applicable to Tokologo Local Municipality. The sector plans need not be included as part of the IDP, however, they should be listed in table format. On such table the municipality would indicate if it has / does not have the sector plan. The relevant authority could then enquire for a copy of the plan if required.

As indicated under analysis of Section C above, for the duration of this Integrated Development Plan, the municipality has to consider the following 5 key performance areas for local government as determined by the National Government:

KPA1: Municipal Transformation and Institutional Development;

KPA2: Financial Viability and Financial Management;

KPA3: Basic Service Delivery and Infrastructure Investment;

KPA4: Local Economic Development and

KPA5: Good Governance and Community Participation

This Integrated Development Plan is compatible with the district, national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

PROCESS PLAN

In preparing an IDP of a municipality, a Process Plan needs to be adopted by the Council that will guide the formulation process. The process of compiling the Process Plan was done in consultation with the Steering Committee and IDP manager in consultation with the District Municipality. Tokologo Municipality adopted this Process Plan in order to guide the formulation process of its 3th reviewed IDP.

Municipal Council

As the ultimate political decision-making body of the municipality, the Municipal Council has to:

- Consider and adopt a Process Plan
- Appoint an IDP Steering Committee
- Consider and approve the IDP.

Municipal Manager

- Prepare the Process Plan
- Undertake the overall management and co-ordination of planning process
- Ensure that all relevant actors are appropriately involved
- Nominate person in charge of different roles
- Ensure that the planning process is participatory, strategic implementation oriented and is aligned with and satisfied sector planning requirements
- Respond to comments on the draft IDP from the public, horizontal alignment and other sphere of government to the satisfaction of the municipal council
- Ensure proper documentation of the results of the planning of the IDP documents
- Adjust the IDP in accordance with the MEC for Local Government's proposals.

Heads of Departments

As the person in charge of implementing IDP, the technical sectoral officer has to be fully involved in the planning process

- Provide relevant technical, sector and financial information for analysis for determining priority issues
- Contribute technical expertise in the consideration and finalization of strategies and identification of projects
- Provide departmental operational and capital budgetary information
- Be responsible for the preparation of project proposals, the integration of projects and sector programme

- Be responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for Local Government for alignment

IDP Unit

- Give support in any area within IDP that is needed
- Provide information that will assist in doing the IDP
- Create links between different stakeholders in IDP
- Draft terms of reference for different stakeholders
- Brief stakeholders on their role and responsibilities
- Monitor progress with IDP in each municipality
- Management support of implementation of IDP

IDP Steering Committee

Composition:

- Municipal Manager;
- IDP Manager;
- Chief Financial Officer;
- Corporate Services Director;
- Technical Services Director;
- LED Manager ;
- Youth Development Officer;
- PMS Manager
- Risk Management Officer
- Human Resource Manager

Terms of Reference:

- Provide terms of reference for various planning activities
- Commission research studies
- Consider and comments on input from committees/sector departments
- Process summaries and document output
- Makes content recommendations

Representative Forum

- All members of the Steering Committee
- Mayor and Ward Councilors
- Representatives from District Municipality
- NGO/ CBO and FBO (that are regionally based)
- Professional people when needed
- Representatives from various provincial government departments

Terms of reference:

- Represent interest of constituencies
- Provide organizational mechanism for discussion, negotiation and decision-making
- Ensure communication between the stakeholders representative
- Monitor the performance of planning and implementation process

Mechanism and procedure for participation

A key feature of the IDP is the active involvement of the community and stakeholder Organizations during the process. A two-pronged approach to the participation process of affected and interested parties was designed, twofold namely:

- ensuring that the IDP addresses the real issues experienced by the municipal citizens; and
- Institutionalizing the continued involvement of community organization in the implementation of strategies, aimed at those issues.

In terms of chapter 4 of the Municipal Systems Act, 2000, the above issues are underpinned by the following important principles:

A municipality must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance through:

- encouraging and creating conditions for the Tokologo community to participate in the affairs of the municipality,
- contributing to building capacity; and using its available resources (physical and financial) as may be appropriate for the purpose of participation

A municipality must communicate to its community information regarding:

- The available mechanisms, processes and procedures aimed at encouraging community participation;
- The matter on which participation is encouraged;
- The rights and duties of members of the district community; and
- Municipal governance, management and development.

The following participation principles must be applied in the formulation and adoption of the IDP:

- The elected councilors of the various wards are the ultimate decision making forum in terms of the IDP for Tokologo
- The role of the participatory democracy is to inform and negotiate with stakeholders and give the opportunity to provide input on decision taken by the council
- Appropriate conditions must be created to enable participation with all stakeholders
- Community structures such as Community Based Organizations (CBOs), Faith Based Organizations (FBOs) and Non-Government Organizations (NGOs) must be allowed to participate.
- A structured participation process will be followed
- Considering the geographical and demographical spread of the area, participation will be based on a principle of representation
- Existing public participation structures will be utilized
- Participation must be structured in such a way that it provides for the diversity of the area in terms of different cultures, gender, languages and education levels
- Participation cost must be kept at an acceptable level
- Participants will be made aware that it is in their own interest to be involved in the planning process and it is not a task they have to be paid for
- Participants are responsible to give report back to the structures they represent
- Appropriate forms of media will be utilized in order to reach as many people as possible
- Copies of the draft and final IDP documents will be accessible for all communities and stakeholders and adequate time provided for comment
- The council meeting regarding the approval of the IDP will be open to the public
- Ensure that elected community representatives will be able to represent all towns in the district
- In order to meet the legal requirements of the Municipal Systems Act, preference must be given to the elected members of ward committees in electing members for the steering committee.

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Timelines as adopted by council for 2012/13 formulation

MONTH	ACTIVITY	RESPONSIBILITY	MFMA/MSA REQUIREMENT
Inception Phase	<ul style="list-style-type: none"> Agree on project brief, attend project set-up with municipal manager and/or IDP Manager, prepare proposed work-plan for implementation & agree on scope of work-plan and align with adopted process plan; Information gathering session in which section 56 managers gave report and progress made on the implementation of the current IDP/ Preparations for public engagement sessions for IDP & Budget Review <hr/> <ul style="list-style-type: none"> Review Roles & Responsibilities of the Council, IDP Steering Committee, Representative Forum, other Key-Role-Players and Service Provider in line with Project Objectives, Activities and Outputs <hr/> <ul style="list-style-type: none"> Analysis of 2012 Credible IDP Assessment Framework, and Interpretation of Auditor-General's Report 		
Phase 1			
Nov/December 2011	Feed back to the Mayor on IDP projects	IDP Manager, feedback by Municipal Manager	MSA Sec 27
	Time schedule of key deadlines submitted to Council	Mayor, MM &	MFMA Sec

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	for approval	CFO	21(1)(b)
	Time schedule of key deadlines to be approved and sent to National treasury	Mayor, MM & CFO	MFMA Sec 21(1)(b)
	Preparation and analysis phase of IDP	MM & IDP Manager	MSA Sec 27
	Sector Departments objectives and strategies alignment session (2 &3 December 2010)	Cogta	
	Sector plans request from Departments.	IDP Manager	
	Establishment of all IDP and Budget steering committee		
Dec 10/January 2012	Commence with elements of the IDP Process (Phases)	MM,IDP Manager	
November 2011	IDP & Budget Framework to be adopted by Council	MM & CFO	
Phase 2			
January 2012	Sector plans to be completed and completed Housing, Waste, disaster, LED, HIV/AIDS Transport, Financial, Environmental, SDF, Commonage, Rural, public participation, Youth Development, Water services development plan, sports recreation plan, Comprehensive infrastructure plan (CIP), tourism plan.	Management	MSA Section 74(1)
Phase 3			

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January-12	IDP & Budget Forum to be Finalized	Mayor & MM	MFMA Circular 10 of 2004
	Revenue & Expenditure projections for the period to be ready for the Budget Forums	CFO	MFMA Section 21 (2)(b)
	Strategic Workshop on Budget Pressures	Mayor & MM	MFMA Circular 10 of 2004
	All budget related policies to be completed	CFO & BTO	MFMA Section 21 (1)(a)
	2nd Sitting of Budget Forum - first phase	Mayor	MFMA Circular 10 of 2004
February-12	IDP projects to be finalized and aligned with the Provincial Dep& Local Municipalities	MM, IDP Manager, CFO, Director: Technical & Corporate Services	MFMA Section 21 (2)(b)
	IDP, Budget and MTAS alignment session		
March-12	3 rd Sitting of Budget Forum – Final Sitting	Mayor	MFMA Circular 10 of 2004
	Draft Budget to be adopted by Council	Mayor	
	Draft Reviewed IDP to be adopted by Council	Mayor	
April-12	Budget to be submitted to all Stakeholders for comments	CFO	MFMA Section 21 (2) (d, e)
	Stakeholders comments on the submitted Budget	Mayor's Office	MFMA Section 23

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May-12	Final comments to be submitted by Stakeholders	Mayor's Office	MFMA Section 23
	Final/Last Budget Forum sittings	MM,CFO& Mayor's Office	MFMA Section 23
	Budget to be approved by Council	Council	MFMA Section 24
	IDP to be approved by Council	Council	MFMA Section 24
June-12	Mayor must begin with Service Delivery and Implementation Plan (SDBIP) and	Mayor's Office	MSA Section 57(2)
	Performance Agreements process.		MFMA Section 69
	Mayor to submit the Service Delivery and Budget Implementation Plan (SDBIP)	Mayor's Office	MFMA Section 69 (2)
	and Performance Agreements to Council		
End July 2012	Mayor to submit the Service Delivery and Budget Implementation Plan (SDBIP)	Mayor	MFMA Section 53(3)a
	and Performance Agreements to the MEC and other Stakeholders		
July 2012	Monitor the implementation of the IDP, Budget and MTAS in line with the Delivery agreement for outcome 9		

Meeting a credible Integrated Development Plan

Tokologo municipality acknowledges the fundamental task performed by all the participants during the assessment of Integrated Development Plan (under the auspices of Department of Cooperative Governance and Traditional Affairs). This assessment has assisted the municipality to re-engineer its efforts to meet the legislative requirements and to speed-up the process of service delivery to communities of Tokologo municipality. The municipality understood that an Integrated Development Plan must both comply with relevant legislations and convey the following:

1. Compliance and adherence to constitutional and policy mandate for developmental local government
2. Awareness by municipality of its role and place in the regional provincial and national context and economy. The Municipality must also show how it would contribute to the fight against poverty, the creation of jobs and improving the quality of lives of its citizens.
3. Awareness by municipality of its own intrinsic characteristics and criteria for success
4. Comprehensive description of the area – the environment and its spatial characteristics including backlogs
5. A clear strategy, based on local developmental needs on a ward-by-ward basis. The IDP must not be a ‘wish-list’ but subjected to the realities of what can be delivered by the budget over the three to five year horizons.
6. Insights into the trade-offs and commitments that are being made re: economic choices, integrated service delivery etc
7. The key deliverables for the next 5 years
8. Clear measurable budget and implementation plans aligned to the SDBIP
9. A monitoring system (OPMS)
10. Determines capacity of municipality

11. Communication, participatory and decision-making mechanisms
12. The degree of intergovernmental action and alignment to government wide priorities.
13. Reporting timeframes and the regulatory periods for reporting
14. Alignment with, and indication of, an aligned organogram
15. Alignment between the SDBIP and the performance contracts of section 57 managers.

Meaningful Public Participation Process

The importance of meaningful public participation has played a central role in the development of this Integrated Development Plan. Like other previous years, Tokologo municipality has conducted public participation in all Wards to determine the path for implementation. The Municipal Systems 2000 forms the plinth for community participation at local government. In chapter four, section 16 of this Act the emphasis is on community participation and mechanisms for development. Moreover, this legislation requires that all municipalities develop a culture of participatory governance by putting in place mechanisms and procedures that allow for public participation in the affairs of the municipality. Central to this is the need for community members to be well informed about the governance issues of the municipality at all times and to take part in the decision-making processes of the council.

As part of consultation process for the review of this IDP, the municipality embarked on an extensive community participation process in all Four wards between October and March 2011. The participation process was conducted on ward basis and in the form of public debate on what priority issues are and what appropriate ways and means are of dealing with these priority issues.

Ward councilors and ward committee members played a crucial role in convening community meetings and communicating with the community about various municipal governance issues. In general, the public participation process in all four wards within the municipality depended largely on the involvement of ward councillors.

The table hereunder, reflects a programme of action for public participation in all four wards within the municipality. This schedule was also tables to council for adoption as part of the process plan.

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Public Participation Schedule

Wards	Date	Time	Venue	Councilor
2	2011/11/23	17H30	Seretse Community Hall	Mayor
3&4	2012/01/11	17H00	Malebogo Community Hall	Mayor
1	2012/01/12	17H00	Tshwaraganang Community Hall	Mayor

The Lejweleputswa District Growth and Development Strategy

This section should clearly indicate the synchronized planning between the Lejweleputswa District Municipality and Tokologo Local Municipality. The Lejweleputswa District Growth and Development

Strategy aims to provide a framework for sustainable growth and economic development for the District. It is however the view of the municipality that for the purpose of having an updated information on the economic growth, it was important for not discussing the five growth and development strategies as contained in the 2004-2005 District Growth and Development Strategy. The main reason is that during the compilation of this integrated development plan, the district was busy with reviewing its growth and development strategy. The municipality will however consider newly developed and amended strategies during the development of five year integrated development plan and align its contents with the revised edition of the growth and development strategy.

The Free State Growth and Development Strategy (FSGDS)

Following the State of the Province Address on the, the Planning Commission has engaged the Human Science Research Council to facilitate the review of the Free State Growth and Development Strategy. The reviewed strategy is expected to chart the way for a comprehensive Free State Economic Development Plan. Through strengthening our planning and research capacity, Free State Provincial Government will sustain enhanced levels of planning and coordination between the different spheres of government.

The FSGDS aims to provide a framework for sustainable growth and economic development for the Province over a ten years period (2004 – 2014). The FSGDS will continue to establish the basis from where the Provincial Programme of Action is negotiated through consultations with both internal and external stakeholders. It further forms a yardstick from which progress and achievements are monitored and evaluated at the provincial level.

The FSGDS is guided by the National policy thrusts identified for the millennium (2004 – 2014). It seeks to achieve balanced development of economic sectors and spatial localities in accordance with the needs and aspirations of the people. It is also aimed at targeted investments in the province, with the

aim of offering opportunities to the people in skills development, employment and the improved quality of life.

Based on the social and economic development challenges of the province, the Free State province has identified the following as primary development objectives:

- a) Stimulate economic development
- b) Develop and enhance infrastructure for economic growth and social development.
- c) Reduce poverty through human and social development
- d) Stimulate economic development.
- e) Ensure a safe and secure environment for all people of the province
- f) Promote effective and efficient governance and administration

In order to give effect to these developmental objectives, the Province has identified the 11 areas that need to be addressed by 2014:

1. *To achieve an annual economic growth rate at least equal to the national average economic growth rate.*
2. *To reduce unemployment from 38,9% to 20%.*
3. *To reduce the number of households living in poverty by 5% per annum.*
4. *To improve the functional literacy rate from 69,2% to 85%.*
5. *To reduce infant mortality for children under five years to 65 per 1000 live births.*
6. *To reduce the obstetrical maternal mortality rate from 65,5% to 20,06% per 100 000 women in the reproductive age group.*
7. *To stabilize the prevalence rate of HIV and AIDS and reverse the spread thereof.*
8. *To provide shelter for all the people of the province.*
9. *To provide free basic services to all households.*
10. *To reduce crime rate by at least 7% per annum.*
11. *To provide adequate infrastructure for economic growth and development*

In order to achieve the above-mentioned targets, the province needs to focus on the following Key Priority Areas and Strategies:

i. Economic Growth, Development and Employment

The Free State aims to optimize and broaden the province's current economic profile by placing more emphasis on the key economic sectors such as tourism, agriculture and manufacturing. In our commitment to bridge the gap between the first and second economies the province will focus on developing and expanding the SMME sector, facilitating greater access to capital and creating opportunities for Broad Based Black Economic Empowerment.

ii. Social and Human Development

The Free State provincial government seeks to confront the challenges of poverty and under development. In order to meet the needs of the under-privileged and address the backlogs, the Free State province will embark on the improvement of the provision of social security, social infrastructure, free basic services, education, health care services, housing and participation in sport and cultural activities.

iii. Justice, Crime Prevention and Security

The Free State is largely a peaceful and stable province. However, there are safety and security challenges that still need to be addressed. The reduction of crime levels, the issue of social crime prevention and the creation of a safe and secure environment are amongst others fundamental to the provincial strategy. The province will embark on an integrated disaster management to safeguard against both natural and crime-related disasters. Road incident management is another area of focus given the geographical location of the province.

iv. Effective and Efficient Governance and Administration

In order to strengthen government's ability to deliver services for the people of the Free State, the province need to improve the effectiveness and efficiency of governance and administration. The Free State province will promote integrity within government by combating fraud and corruption and promoting ethical behaviour.

National Spatial Development Perspective (NSDP)

National Spatial Development Vision

The NSDP is to fundamentally reconfigure apartheid spatial relations and implement spatial priorities that meet the Constitutional imperative of providing basic services and alleviating poverty and inequality. It provides a set of principles and mechanisms for guiding infrastructure investment and development decisions. The NSDP serves as a tool for identifying key areas of tension and/or priority in achieving positive spatial outcomes (Lejweleputswa LED strategy: 2009).

The NSDP identified six categories of developmental potential which cover the spectrum of economic functions in a modern economy

- Innovation and experimentation
- Labour-intensive, mass-produced goods
- Retail and services
- High value, differentiated goods
- Public Services and Administration
- Tourism

The Government's National Spatial Development vision determine that: *"South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives"*

- ↳ By fostering development on the basis of local potential;
- ↳ By focusing economic growth and employment creation in areas where this is most effective and sustainable;
- ↳ By supporting restructuring where feasible to ensure greater competitiveness;
- ↳ By ensuring that development institutions are able to provide basic needs throughout the country.

Normative Principles

The NSDP proposes the following normative principles to be used as a guide by all spheres of government when making decisions on infrastructure investment and development spending:

- ↳ Government spending on fixed investment, beyond constitutional obligations to provide basic services to all citizens, should be focused on localities of economic growth and/or potential for sustainable economic development in order to attract private sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities. In these areas government's objective of both promoting economic growth and alleviating poverty will best be achieved.
- ↳ In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities.

In localities with low development potential, government spending beyond basic services should focus social investment, such as human resource development, labour market intelligence and social transfers, so as to give people in these areas better information and opportunities. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities. The further concentration of people in need in areas of low potential should therefore not be encouraged.

Based on the above development potential, towns are classified as having a High Combined Development Potential, Above Average Combined Development Potential, Below Average Combined Development Potential and Limited Combined Development Potential. This table depicts the Municipality's growth potential, capacity and constraints

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Municipality Growth Potential

CATEGORY	DESCRIPTION OF THE CATEGORY	MUNICIPALITY'S STATUS QUO
Innovation & Experimentation	Research & Development and application of technology to production processes	There is an existing Research & Development to explore utilization of the salt pans as the means for income-base generation for the municipality
Production: High value Differentiated Goods	All production focusing on local & global niche markets (agricultural, manufacturing or natural resources based)	The Agriculture especially production of meat have a comparative advantage in District Municipality. However, the sector that contributes the most to the District GDP is mining (36.5%). This shows heavy reliance in this sector, therefore more resources should be allocated to develop other sectors
Production: Labour-Intensive Mass-produced Goods	Highly depended on proximity to good and cheap transport linkages and large unskilled and semi-skilled labour pool.	A low-rating in terms of labour-intensive and mass produced goods.
Public Services & Administration	Business & public management required to organise processes of production, consumption and circulation.	A high number of professionals is been employed by the Municipality since it is the biggest employer in the region
Retail and Services	Retail, catering & personal	In Tokologo Local Municipality,

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	services large employer of semi-skilled workers willing & able to pay for goods and services.	the bulk of household expenditure is towards Services, 47%. This is the highest in all the Local Municipalities around the District area.
Tourism	Eco-scenary, cultural heritage, entertainment, high-quality restaurants & accommodation.	An -average tourism potential due to game farming.

Source: Lejweleputswa LED Strategy DTI: Project Khulis'Umnotho 2009

DEVELOPMENT STRATEGIES

TOKOLOGO LOCAL MUNICIPALITY'S STRATEGIES AND OBJECTIVES

In line with its developmental mandate, Tokologo Local Municipality understands its service delivery objectives as set out in the constitution being:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote a safe and healthy environment
- To promote social and economic development
- To encourage the involvement of communities and community organizations in the matters of local government.

Therefore, the developmental strategies as espoused in this IDP, are directly linked to a specific developmental needs and objectives which are measured in the organizational Performance Management System (PMS), and give effect to Service Delivery and Budget Implementation Plan (SDBIP) targets/ goals.

Where appropriate, municipal service delivery targets are aligned with the national and provincial service delivery targets in order to ensure good cooperative governance and accountability.

The following IDP Objectives and Strategies are presented in terms of the 5 Key Performance Areas for Local Government as follows:

Table: 6 Basic Service Delivery and Infrastructure Investment

Project No.	Project	Objective s	Strategies
	Fencing of Cemetery in Boshof	Addressing the backlog in line with MIG guidelines	To implement the project through normal process of appointing a contractor and a consultant.
	Drilling and Developing of Boreholes in Hertzogville	Addressing the water backlog as part of the CIP.	To implement the project as a turnkey project.
	Drilling and Developing of Boreholes in Boshoff		To implement the projects through normal process of appointing a contractor and a consultant.
	Upgrading of Water Network Dealesville (Phase 2)		
	Paving of roads – 2 km in Boshof	Addressing roads infrastructure backlog as part of the CIP	To implement the projects through normal process appointing a consultant and using labour intensive methods .
	Providing clean water and managing waste water in all wards	Addressing the water backlog as part of the CIP.	
	Upgrading of Roads -Phase1	Addressing roads infrastructure backlog	

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	(3 km) in Seretse	as part of the CIP	
	Regional Bulk Infrastructure in Hetzogville – Phase 1	Addressing the water backlog as part of the CIP.	
	Regional Bulk Infrastructure Boshof & Dealeville - Phase 2		
	250 Electrical House Connections for 250 households in Boshof	Addressing backlog to ensure universal access to electricity.	
	Electrical House Connections		
	Paving of Roads – (5 km provincial road)	Addressing roads infrastructure backlog as part of the CIP	
	Paving of Roads – (6 km internal roads)		
	Water network in Smanga Park & New extension	Addressing the water backlog as part of the CIP.	To implement the project through normal process of appointing a contractor and a consultant.
	Development of new residential sites (township establishment)	Addressing housing needs and tenure rights	Work in collaboration with the responsible Sector Departments on a continuous basis.
	Infrastructure Master Plan	To ensure integrated planning approach.	

Financial Viability and Management

Project No.	Project	Objectives	Strategies
	Revaluation of infrastructure assets	<p>To be compliant with the provisions of GRAP in relation to infrastructure assets</p> <p>To ensure that the municipality's assets are properly quantified and valued.</p>	To develop and implementation plan with key dates, targets and deliverables.
	Review of Valuation Roll	To ensure accurate billing for property rates.	To update the existing valuation roll by to ensure that it incorporates all ratable properties within the municipality at their market related values.2012/2013
	Clearing Audit Queries	To ensure compliance and improving the audit opinion from Disclaimer to Unqualified audit Report by 2014.	To target all the qualification matters in the 2009/10 audit report as the basis and ensure gradual improvement towards 2014.
	Operation Clean Audit 2014		

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	Identification of investment properties	To enhance revenue base of the municipality.	To develop and sign lease agreements with all private occupants of municipality's properties.
	Full implementation of integrated creditors system	To ensure gradual implementation of SEBATA financial system and to eliminate manual data processing.	To develop internal capacity and ensure full implementation of creditors module.
	Revenue data purification	To improve the integrity of debtors information and enhance revenue.	To identify services that are provided to every consumer within the municipality and ensure accurate billed.
	Review of finance related policies	To ensure legislative compliance	To review the affected policies in line with the budget process plan for 2012/13.
	Developing an inventory costing model (water & electricity)	To determine distribution losses for water and electricity	To ensure that the model is implemented by throughout the financial year and that identified causes of losses are ring-fenced.
	Compilation of GRAP compliant fixed asset register	To ensure legislative compliance and adherence to the established norms and	To use the provisions of National Treasury's norms and standards to ensure compliant register.

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	Perform and impairment exercise for debtors	standards.	To review every debtor's record to determine and assess probabilities of non-collection of debtors and recommend the impairment provision to council.
	Reconciling the Valuation Roll to the billing systems, GIS and the Deeds Register.		To ensure accurate billing in line with market related values for ratable properties.
	Compilation of the Annual Financial Statement 2011/12 and review of the Budget for 2012/13	To ensure compliance with MFMA.	To compile compliant Annual Financial Statements and submit for audit purposes.

Municipal Transformation and Institutional Development

Project No.	Project	Objective s	Strategies
	Implementation of Performance Management System to the lower levels of the organizational structure.	To enhance performance capacity and instill accountability to all levels of the organization	To review the institutional organogram, develop job descriptions and work plans for all employees by the end of July 2012.
	Development and implementation of an automated filing system.	To safeguard municipal data and ensure legislative compliance	To procure a fully automated system by end of December 2012.
	Development of Human Resources Strategy	To develop a performance oriented culture.	Source an external support
	Implementation and monitoring of Human Resources related policies	Ensure realization of strategic objectives of the institution.	Ensure compliance of SDBIP targets and KPIs quarterly.
	Review of Skills Development Plan and Employment Equity Plan and monitor and report on the implementation.	Ensure parity and institutional capacity building	Source an external support
	Implementation of reviewed		To produce quarterly progress

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	organizational structure.		reports
	Review of Institutional Delegations of Powers.	Ensure clear segregation of duties in a manner that will promote accountability	Source an external support
	Compilation of the Annual Report	To report on organizational performance in line with Legislative requirements.	Source an external support
	Review of the Spatial Development Framework	To ensure legislative compliance	Source an external support by end of August 2011
	Management of beneficiary lists and allocations.	To ensure updated working data of beneficiaries	Ensure efficient management of the beneficiary lists on a month to month basis.
	Review of the Housing Chapter	To ensure legislative compliance	Source an external support by end of August 2011

Local Economic Development

Project No.	Project	Objective s	Strategies
	Establish a prickly pear jam factory	Respond to the LED Strategy by Creating jobs	Engage with the community to establish a corporate.
	Upgrading salt pans in Dealesville	Respond to the LED Strategy by Creating jobs	Engage with the community to establish a corporate and identify indigent beneficiaries end of Sep 2011
	Upgrading of game farms in Hetzogville and Boshof	Respond to the LED Strategy by Creating jobs & revenue enhancement Attract tourists to Tokologo	Implement the recommendation from the feasibility study end of Sep 2011
	Expansion of olive oil project in Dealesville	Respond to the LED Strategy by Creating jobs	Engage with the community to establish a corporate.
	Establishment of SMME hub in Dealesville	Provide business support to SMME, and respond to job creation	Identify emerging business and co-operatives and ensure full functionality of the Hub
	Facilitation for resuscitation of gypsum and diamond	Respond to the LED Strategy by Creating	Implement the recommendation from the

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	mines in Tokologo	jobs	feasibility study.
	Facilitation of glass manufacturing factory in Dealesville	Respond to the LED Strategy by Creating jobs	Engage with the community to establish and revive corporative
	Upgrading of Caravan Park in Boshof		Use in house capacity and capacity allocated from National Dept of Tourism
	Facilitation for funding of all existing community projects in Tokologo		Engage prospective investors
	Facilitate acquisition of farms for emerging farmers	Ensure implementation of the Provincial Land Reform Strategy	Engage Sector Department
	Review of LED Strategy	Respond to the Legislative Compliance	Roll it out in line with the IDP planning process

Good Governance and Public Participation

Project No.	Project	Objective s	Strategies
	Review annually the 5 year Integrated Development Plan (IDP)	Respond to the Legislative Compliance	Internally.
	Local Community survey	Collect resend and updated data for better planning	Engage STATS Sa to train the data collector, use CDW's and Ward committees
	Develop an Internal Audit Plan	Respond to the Legislative Compliance and ensure good governance.	To engage and consult with all the relevant stakeholders to ensure development of a comprehensive audit plan.

ENVIRONMENTALMANAGEMENT OBJECTIVES AND STRATEGIES

The following are suggested environmental objectives and strategies which have to be incorporated into the IDP

Objective s	Development Strategies
Protection of the existing natural environment.	<ul style="list-style-type: none"> • The Municipality to engage in and annually budget for campaigns against littering. • To protect (through relevant by-laws all the sensitive areas within the municipality against large- scale development with destructive consequences). • To introduce all the principles of the National Environmental Management Act (NEMA) into all Local Municipality's planning activities (e.g. Environmental Impact Assessment). • To establish a local garbage recycling centre for paper, tin and glazing material

<p>To identify and develop new environmental areas or reserves</p>	<ul style="list-style-type: none"> • To identify environmental sensitive areas to be conserved. • To develop the identified conservation areas with community participation to be tourism orientated for example horse riding, fishing, hiking, etc. • To develop an open space system/green belts in all town areas to ensure effective urban greening by means of tree planting, landscaping etc. to be maintained as open spaces in future. • To prepare a comprehensive Integrated Environmental Programme for Tokologo LM including an environmental analyses of the area and the developmental issues, the formulation of solutions to address the issues as identified by the cop 17 and to ensure that envisaged projects have no negative impacts on the natural environment. • To determine and identify sites of heritage and cultural value
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<p>To ensure legal compliance by all (council, employees, contractors) for all its activities, products and services.</p>	<ul style="list-style-type: none"> • By frequently monitoring the legal compliance of the municipality to external legislation and regulations • By centrally monitoring the municipal compliance to EIA Regulations. • By enforcement of standards and by-laws to ensure clean environment • By lobbying for devolution to municipality of provincial powers as well as relevant funding in terms of identified listed activities • By constantly monitoring and collecting new environmental policies, regulations and legislation. • By ensuring that all employees have access to environmental information, policies, by-laws and regulations. • By identifying and monitoring all areas where Hazardous Chemical Substances are stored, handled, transported and disposed of. • By monitoring permits for storage, handling, transporting and disposal of Hazardous Chemical Substances. • By ensuring sufficient regional Hazmat response measures. • By ensuring that personnel and the general public understands the dangers associated with Hazardous Chemical
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	<p>Substances</p> <ul style="list-style-type: none">• By identifying and monitoring all areas where asbestos are stored, handled, transported and disposed of.• By systematically eradicating asbestos from municipal facilities and buildings.• By ensuring that personnel and the general public understand the dangers associated with the long-term exposure to asbestos.• By identifying and monitoring all areas where pesticides are stored, handled, transported and disposed.
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SPATIAL DEVELOPMENT FRAMEWORK

The Municipal Systems Act provides that an integrated development plan must contain the Spatial Development Framework to assist during the spatial planning and utilization of “space” appropriately. The outcomes of the Integrated Development Planning Analysis as conducted at the FS Provincial Corporative Governance & Traditional Affairs has indicated amongst other that:

- The Spatial Development Framework of some of the municipalities (with no exception to Tokologo municipality) is outdated and incomplete with oftentimes only a new front page. These has been raised as a serious concerns as the SDF is a dynamic planning document that has to change with time and development taking place in municipalities.
- Although the legislative obligations have not been negated and disregarded in the process of compiling the Tokologo SDF, the concern was that most of the SDF disregarded the legislative obligations.
- The municipality understands that planning must take place in an orderly manner and the SDF is the only document that can ensure this, as it indicates the areas that are suitable and available for development.

Tokologo local municipality is been regarded as the low capacity local municipalities that is predominantly rural in nature. Following this, the municipality falls within the category of those municipalities whom their revised 2012/2013 SDF will indicate the following components:

- Guidelines for land use management that inform the LUMS
- Capital expenditure framework showing where the Local Municipality intends spending its capital budget (mapping the projects (capital and maintenance) included in the budget)
- Strategic environmental assessment for the areas impacted by a key anchor project located in the municipality
- An indication of the interventions that will be implemented and detailed design parameters that private sector and government must comply with in municipality.

The review of the spatial development framework for the five year integrated development plan with assistance from the Department of Rural Development has started in February 2012. Following the above, it came to the conclusion by the municipality that the high level Spatial Development Framework which reflects the text and maps will not be included in this document but in the next review.

Nodes

These are areas where development (facilities, services and economic opportunities) tends to concentrate. Different types of nodes can be distinguished such as urban nodes, development nodes, social nodes, rural nodes (villages) and transportation distribution hubs.

Corridors

Development corridors are characterized by higher order ribbon-like development along routes that would otherwise be classified as movement corridors. These occur on various levels, from local development corridors along the main streets of the towns or even along rivers to regional and provincial corridors. Different types of corridors can be distinguished such as development corridors, movement corridors and activity corridors.

Districts

Districts are areas with common identifying characteristics and usually have a homogeneous land use associated with it. Different kinds of districts have been identified for the purpose of the SDF, namely: Mixed land use districts, neighborhood districts, industrial districts, agricultural districts, institutional districts, corporate districts and historical Precinct District.

Open Spaces

A rationalized network of interconnected open spaces providing the urban environment with variety, character, a sense of visual relief, open space enjoyment, recreation and general amenity. In some case there will be “no-go areas” where development is not encouraged due to its particular and intrinsic natural-, ecological-, aesthetical-, cultural-, sport- or historical value and may also include areas that serve as discerning landmarks.

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SECTOR INVOLVEMENT: PROVINCIAL DEPARTMENTS

Department of Agriculture & Rural Development

Town	Project Name	Locality/Ward	Budgeted Amount	Targeted Date (Inception and Completion)
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Department of Co-operative Governance, Traditional Affairs and Human Settlement

Town	Project Name	Locality/Ward	Budgeted amount	Targeted Date (Inception and Completion)	Name of Municipality
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Department of Energy

Town	Project	Project location	Budget amount	Year/s of implementation
Dealesville	New Electrical Connections			

Department of Water Affairs

Town	Project	Project location	Budget amount	Year/s of implementation

Department of Public Works

Town	Project	Project location	Budget amount	Year/s of implementation

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Department: Premier's Office

Town	Project	Project location	Budget amount	Year/s of implementation

Department of Environmental Affairs

Town	Project	Project location	Budget amount	Year/s of implementation

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Department of Education

Town	Project	Project location	Budget amount	Year/s of implementation
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Department of Science & Technology

Town	Project	Project location	Budget amount	Year/s of implementation
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Department of Land Affairs

Town	Project	Project location	Budget amount	Year/s of implementation
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Department of Tourism & Economic Affairs

Town	Project	Project location	Budget amount	Year/s of implementation
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IMPLEMENTATION PLAN & PROJECTS

SERVICE DELIVERY

The implementation plan of the municipality for delivery of services is primarily informed by community needs. The community needs are identified continuously during the planning process through public consultations. These needs are largely informed by the following keys aspects which also inform our developmental objectives and path as an institution; viz:

- population growth;
- and historical service delivery backlogs.

The implementation plan framework as outlined herein takes into account the following aspects to ensure coherent and sustainable service delivery:

- Regular and continuous maintenance of existing infrastructure;
- New Capital Works and other ward-based projects

As a small municipality with a narrow revenue base, our major infrastructure projects and other service delivery needs are funded from the Municipal Infrastructure Grant (MIG), thus the MIG is our major source for funding of capital projects and infrastructure maintenance.

For this reason, our implementation plan for capital projects is aligned with the National MIG management and procedures in the following framework.

The vision of the MIG programme

The vision of the MIG programme is to provide all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor.

Key Principles

The MIG complements the equitable share grant for local government, however, it is provided conditionally to municipalities. The key principles underpinning the design of the MIG are outlined below:

- a) **Focus on infrastructure required for a basic level of service:** The MIG programme is aimed at providing only basic infrastructure.
- b) **Targeting the poor:** The programme is aimed at providing services to the poor and funds will therefore be targeted to reach them.
- c) **Maximizing economic benefits:** The programme will be managed to ensure that the local economic spin-offs through providing infrastructure are maximized. This includes employment creation and the development of enterprises.
- d) **Equity in the allocation and use of funds:** The mechanism for distributing funds must provide for equitable access to such funds by the poor in order to make uniform progress in closing the infrastructure gap.
- e) **Decentralization of spending authority within national standards:** Decisions relating to the prioritization of municipal infrastructure spending, such as the identification, selection and approval of projects, are taken through the IDP and budgeting processes with the following provisions:
 - The operating finance and management arrangements must be in place;
 - A degree of national and provincial influence over capital spending, expressed through clear norms, standards and spending conditions must be retained; and
 - Unintended consequences should be limited: the grant must promote sound management practices, not the reverse.

- f) **Efficient use of funds:** Funding must be used to provide the greatest possible improvement in access to basic services at the lowest possible cost. This implies the following:
- There should be an appropriate selection of service levels.
 - Incentives and conditions must ensure that other funds are mixed with grant funds to minimize leakage to non-eligible households and service levels.
 - The mechanism to disburse funds should be simple and easy to monitor, and the outcomes of municipal spending should be easy to evaluate.
- g) **Reinforcing local, provincial and national development objectives:** This implies the following:
- The funding mechanism must be consistent with the planning processes of local, provincial and national government.
 - Nodal municipalities associated with the Urban Renewal Strategy and the Integrated Sustainable Rural Development Programme must receive proportionally greater allocations of funding.
 - Spatial integration must be promoted.
 - The emphasis placed on the selection of appropriate service levels.
 - The formula should promote appropriate municipal performance relative to policy objectives.
- h) **Predictability and transparency:** Funds should be provided to individual municipalities on a three-year basis, consistent with medium term budgeting practice, with minimal in-year changes and with year to year changes based only on clearly defined conditions. It is also essential for municipalities and other stakeholders to easily understand how the funds are distributed.

How MIG Funds are integrated into Tokologo Local Municipality Budget

All MIG funds allocated to projects are contained in the annual capital budget of the municipality. This implies that the process for funding a MIG project is as follows:

- The project is identified in the IDP.
- A three year capital plan based on project business plans (or feasibility studies) is prepared.

- A MIG project registration form is completed
- Funds (including MIG funds) are then allocated to the project in the municipal budget.

Implementation framework of MIG

How MIG is linked to the IDP

All MIG projects are identified in the IDP, taking into account the MIG conditions which require to be met. This implies that:

- For the first three years of the five year infrastructure plan in the IDP, the total amount of capital grant funds provided for in the IDP must equal the medium term allocation of MIG funds (and other capital grants) to the municipality given in the annual Division of Revenue Act (DORA).
- Each project to be funded with MIG funds, as part of the current year's budget, must appear in the IDP, which is typically updated in the previous year.
- The IDP must contain details of the level of service to be applied for all infrastructure and the rate at which the overall backlog in providing infrastructure is to be reduced.
- The IDP must include an assessment of the operating expenditure of all infrastructure under the control of the municipality, with an assessment of the operating revenue which will be raised to cover this expenditure.

Funding Projects where non-poor residents and Businesses benefit

MIG funds are mainly used to fund basic infrastructure to the poor. Yet almost all projects provide infrastructure which also serves those who are non-poor, including businesses. This means will have to raise capital from other sources (excluding MIG and other capital grants from government) to finance the part of the infrastructure which does not serve the poor. The municipality will source the additional funds from the following sources of revenue to the extent that these funds are not already committed for other purposes:

- Internal capital funds;
- Capital contributions by non-poor consumers;

- Private sector funding;
- Equities; and
- Loans.

Operation and maintenance of infrastructure

It is essential for infrastructure which is provided under the MIG programme to be properly operated and maintained. Therefore one of the conditions of MIG funds is that the municipality must prove that it has the capacity to manage the infrastructure.

This requires a sound viability assessment of the planned infrastructure investment programme. This assessment must be linked to the IDP and sector plans.

The role of national departments in the MIG Programme

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Nine national departments participate in the MIG programme. Their responsibilities are summarized below:

Department	Policy	Support	Regulation
Cooperative Governance and Traditional Affairs	Responsible for implementing MIG policy on behalf of all departments.	Establishes MIG administrative structures; administers transfers of funds; provides support to PMUs	Monitors performance of overall MIG programme.
National Treasury	Overall allocation of funds, through DORA.		Establishes specific MIG conditions
Water Affairs	Sets norms and standards for water services infrastructure.	Planning oversight.	Monitors conditions specific to water services.
Public Works	Establishes criteria relating to poverty alleviation.	Provides advice on labour based construction and procurement.	Monitors poverty alleviation conditions.
Minerals and Energy	Only becomes active once electricity funding is incorporated into MIG		
Roads & Transport	Policy relating to municipal roads and transport.		Monitors performance relating to specific roads and transport conditions.
Human Settlement	Co-ordination of housing and infrastructure policy;		

	synchronization of housing and infrastructure funding.	
Sport and Recreation	Policy relating to sport and recreation.	Monitors performance relating to specific sport and recreation conditions.
Environmental Affairs and Tourism	Policy relating to municipal solid waste (refuse) services.	Monitors environmental performance.

DEALING WITH GROWTH AND HISTORICAL BACKLOGS

One of the major service delivery challenges that the municipality is faced with is to maintain a sound balance between provision of basic services in line with the population growth trends and dealing with the historical backlogs. However, our main objective is to eradicate the current service delivery backlog over a period of 3 years, which will enable us to primarily focus on meeting new service delivery demands.

Comprehensive studies have been undertaken to quantify the institutional backlogs. Based on the findings, a substantial portion of the Capital Budget should be directed to service delivery backlogs.

The extent of the current service delivery backlog is summarized as follows:

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Basic Service	Estimated Backlog per Area		
	Dealesville	Boshof	Hertzogville
Water Supply	773 houses	72 houses	2226 houses
Water Treatment works	1998 (year last refurbished)	1998 (year last refurbished)	1998 (year last refurbished)
Sanitation reticulation	773 houses	233 houses	2226 houses
Roads	?? kilometers	?? kilometers	?? kilometers
Electricity Supply	30 houses	165 houses	?? houses
Refuse Removal	0 houses	0 houses	0 houses
RDP Houses	250 houses	300 houses	350 houses

Source: Tokologo Local Municipality: Comprehensive Infrastructure Plan, 2008

THE MUNICIPALITY'S COMPREHENSIVE INFRASTRUCTURE PLAN (CIP)

Objectives

The Tokologo Local Municipality's Comprehensive Infrastructure Plan is aimed at achieving the following goals:

- Creating an integrated framework for sustainable service delivery, aligning developmental, financial and institutional aspects
- Defining action plans per sector to accelerate towards achieving the set targets
- Ensure that funding is available and accessible to achieve targets through life cycle costing, financing and access to grants
- Ensure that an M&E framework to monitor delivery is available

HOW IS THE CIP ALIGNED TO THE IDP

Inputs from the IDP to the CIP

Municipal planning is legally governed by the framework prescribed for the IDP: it has created a planning regime that ensures that all projects initiated in a municipality contribute to the medium and long term vision for the municipality. The CIP build on the foundation laid in the IDP to formulate a model for growth and development in the municipality. In particular, it should accommodate the following inputs from the IDP:

- Land Use Management
- Regional & Town Planning
- Human Settlement patterns
- Socio-economic modelling.
- Local Economic Development Strategies
- Regional, Provincial & National growth strategies
- Financial modelling in terms of MIAM, MIIF, and IIP over the MTEF budgeting cycles.
- Sectoral planning and modelling

All of these should provide inputs into the CIP and serve as sources for more detailed level information to give effect to programmatic development rather than project based planning.

Inputs form the CIP to the IDP

The CIP provides a prioritised list of initiatives to implement the visions of the IDP. Thus, by using the inputs to shape a more comprehensive IDP, the outputs from the IDP process will be more defined and will generate the base for ongoing monitoring and evaluation towards a programmatic approach for infrastructure management. The key advantage of the CIP is to ensure that the various sector plans and operational implementation plans are coordinated to improve service delivery that is both sustainable and viable throughout the development cycle of the human habitation.

This methodology has the benefit of advancing the:-

- Phased implementation to address short and medium term goals addressing the differentiated needs per municipality

- Capacity building, stakeholder involvement & mobilisation, coordination and acceleration of government programmes focused on service delivery.

- Capacitating institutional structures and personnel development and core competencies within infrastructure management and service delivery sustainability.

- Aligning these interventions with support and funding programmes initiated by national departments.

Implementation Methodology

To ensure that both programmatic and project specific sustainability is developed and maintained the model for CIP will achieve the following:-

- Ensure that projects are identified, registered, budgeted for, and initiated to eradicate all backlogs in infrastructure in all communities within Tokologo Local Municipality by 2014, taking into consideration the future development needs of the area to ensure growth and local economic development

- Support the municipality in providing the necessary institutional capacity to provide the different services. This might also include options such as creating regional service delivery teams

Develop the means to fund the capital and operating budgets for service delivery

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Implementation Challenges

The following are details of implementation challenges which invariably affect the implementation of MIG related projects and thus delays or poor service delivery.

Main Cat	Main Category	Sub Category	Nature of Problems
1	Institutional functions impacting on project implementation	Policy issues	Unclear policies with regard to levels of service resulting in inappropriate designs and lack of affordability
		Administrative issues with approvals	Late submission of registration forms and time taken by the department to approve the projects procurement processes
			Late approvals of projects
			Legal and administrative challenges
		Administrative issues with payment, lacking financial skills	Municipal Supply Chain Management processes not engaged efficiently
			Late funding approvals received from other spheres of government
			Late submission of claims
			Administrative problems: financial sections are failing to process claims by consultants/contractors

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		Late delivery of municipal budgets	The delay in the approval of the municipal capital budgets has prevented municipalities from implementing MIG projects.
		Administrative issues with procurement	Procurement and BEE issues
			Time taken for approval by council
	Institutional functions impacting on project implementation	Land & EIA approval	EIA approval
			Land issues not concluded
			Technical Reports and EIA reports
		Technical issues	IDP under revision
			Lack of coordinated planning of infrastructure
			Inappropriate technical solutions for the specific situation in a municipality
			Lack of technical reports and baseline information
			Lack of technical skills and capacity
			Lack of bulk supplies

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			Insufficient allowance or consideration of geotechnical conditions on site.
		Operation & Maintenance capacity	Limited maintenance and operations budget prevents further infrastructure development
2	MIG implementation	Poor project management	Limited Project Management and planning capacity
			PMU not having adequate capacity
3	Contractors & consultants	Project management of contractors	Capacity of consulting engineer not sufficient
			Lack of materials due to supplier shortages
			Contractors are not monitored to ensure that projects are completed
			Fluid labour market
			Problems with empowerment joint ventures
			Delay getting emerging contractors on site
4	Other government functionaries	CoGTA	Waiting period for CoGTA to register projects
			Late approval of projects by the dplg

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		DWA	Delays in approval of the technical report from DWA
5	External parties	Community involvement	Community preventing some of the registered projects from being implemented

OPERATIONAL PLANS FOR 2012/17

The projects as contained in this IDP, were compiled to address the priority needs and represent the possible future scenario.

The Operational Plan plans in this section provides details of one year (2012/13) project plans, which will be translating into SDBIP, and ensures that the municipality successfully implement its programme of action and is able to monitoring plans by getting the responsible departments to:

- Use resources efficiently, to help allocate scarce resources to the most critical gaps and needs.
- Clearly define their capacity gaps and most critical resource requirements.
- Reduce risks where possible, and prepare contingency plans where necessary.
- Think about the long term future of the project, including how they will ensure sustainability of projects' targets and impacts.

Hereunder follows detailed operational plans for 2012/13 financial year, segmented by various departments and administrative units within the municipality.

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OFFICE OF THE MUNICIPAL MANAGER

IDP Objective	To ensure sufficient administrative capacity in a manner that responds to the institutional needs				
KPA:	Municipal Transformation and Institutional Development & Local Economic Development				
Project Details					
Project No.	Project Description	Location	Estimated Budget	Project Period	Funding Source
	Establish a prickly pear jam factory	Boshof	R 2 000 000	2011/12	• Dept Agric
	Upgrading salt pans in Dealesville	Dealesville	R 1 500 000	2012/13	• IDC/SEDA
	Upgrading of game farms in Hetzogville and Boshof	Hetzogville and Boshof	R 6 000 000	2012/13	• Dept Agric & Tourism
	Establishment of SMME hub in Dealesville	Dealesville	R 2 000 000	2012/13	• Own Revenue
	Poverty Alleviation Project (MyStore)	All Towns	R450 000	2011/12	• Social Development
	Facilitation for reactivation of gypsum and diamond mines in Tokologo	Tokologo	R 200 000	2013/14	• Own Revenue
	Facilitation of glass manufacturing factory in Dealesville	Dealesville	R 200 000	2013/14	• Unfunded

TOKOLOGO LOCAL MUNICIPALITY

	Upgrading of Caravan Park in Boshof	Boshof	R 4 750 000	2012/13	• National dept of Tourism
	Facilitation for funding of all existing community projects in Tokologo	All	R 50 000	2012/13	• Own Revenue
	Create a conducive environment for emerging farmers	All	R 50 000	2012/13	• Own Revenue
	Review of LED Strategy	In house	R 250 000	2012/13	• Own Revenue
	Review of the IDP 2012/2013	In house	R 250 000	2012/13	• Own Revenue
	Local Community survey	In house	R 100 000	2012/13	• Own Revenue
	Develop an Internal Audit Plan	In house	000	2012/13	• N/A

TOKOLOGO LOCAL MUNICIPALITY

FINANCE DEPARTMENT

IDP Objective	To ensure sound financial management practices				
KPA:	Financial Viability and Management				
Project Details					
Project No.	Project Description	Location	Estimated Budget	Project Period	Funding Source
	Revaluation of infrastructure assets	In house	R 000	2011/12	• Own Revenue
	Review of Valuation Roll	In house	R 2 000 000	2011/12	• Own Revenue
	Clearing Audit Queries	In house	R	2011/12	• FMG
	Operation Clean Audit 2014	In house	000	2011/12	• Own Revenue
	Identification of investment properties	In house	000	2012/13	• Own Revenue
	Full implementation of integrated creditors system	In house	R 350 000	2012/13	• Own Revenue
	Revenue data purification	In house	R 500 000	2012/13	• MSIG
	Review of finance related policies	In house	000	2012/13	• MSIG
	Developing an inventory costing model (water & electricity)	In house	R 500 000	2012/13	• Own Revenue
	Compilation of GRAP compliant fixed asset register	In house	R 1 000 000	2012/13	• Own Revenue

TOKOLOGO LOCAL MUNICIPALITY

	Perform and impairment exercise for debtors	In house	R 500 000	2012/13	• Own Revenue
	Reconciling the Valuation Roll to the billing systems, GIS and the Deeds Register.	In house	R 600 000	2012/13	• Own Revenue
	Compilation of the Annual Financial Statement 2010/11 and review of the Budget for 2012/13	In house	000	2012/13	• Own Revenue

TOKOLOGO LOCAL MUNICIPALITY

TECHNICAL DEPARTMENT

IDP Objective	To ensure sustainable service delivery in a manner that responds to the needs of the community				
KPA:	Basic Service Delivery and Infrastructure Investment				
Project Details					
Project No.	Project Description	Location	Estimated Budget	Project Period	Funding Source
	Tshwaraganang:Installation of 2000 water meters	Dealesville/Tshwara ganang	R 49 987.58	2012/13	• MIG
	Seretse/Boshof :Installation of 3000 water meters	Boshof /Seretse	R 14 981.38	2012/2013	• MIG
	Dealesville water reticulation: Replacement of existing asbestos pipeline	Dealesville	R100 000	2012/2013	• MIG
	Upgrading of Water Network	Dealeville Phase 2 (multi year - total budget R 5 mil)	R 2 800 000		• MIG
	Provision of 2km paved roads phase 2	Boshof	R 3785 559.55	2012/13	• MIG
	Dealesville/Tshwaraganang :Installation of water network	Dealesville/Tshwara ganang	R 2316 771.28	2012/13	• MIG
	Upgrading of Stadium	Seretse	R 7260 302.59	2012/13	MIG

TOKOLOGO LOCAL MUNICIPALITY

	Upgrading of oxidation ponds	Dealeville/Tshwarag anang	R 5532 563.70	2011/12	• MIG
	Electrical House Connections	Boshof (250 households)	R 3 000 000	2012/13	• Unfund ed
	Procurement of New Yellow Fleet	All Towns	R 1. 200 000	2012/13	• Own Revenu e
	Electrical House Connections	Dealeville (188)-60 households)	R 800 000	2012/13	• Own Revenu e
	Paving of Roads – (5 km provincial road)	Dealeville	R 27 000 000	2012/13	• Unfund ed
	Paving of Roads – (6 km internal roads)	Dealeville	R 18 000 000	2012/13	• Unfund ed
	Water network	Smanga Park & New extension	R 8 000 000	2012/13	• Unfund ed
	Infrastructure Master Plan	In house	R 3 000 000	2012/13	• Own Revenu e & DBSA
	Upgrading of landfill sites	Boshof,Dealesville and Hertzogville	R1563 384.54	2012/13	• MIG • PLANN ED

TOKOLOGO LOCAL MUNICIPALITY

CORPORATE SUPPORT SERVICES DEPARTMENT - (Administration)

Objective(s)	To provide administrative support				
KPA:	Municipal Transformation and Institutional Development				
Project Details					
Project No.	Project Description	Location	Estimated Budget	Project Period	Funding Source
	Implementation of Performance Management System to the lower levels of the organizational structure.	In house	R 300 000	2012/13	• Own Revenue
	Development and implementation of an automated HR filing system.	In house	R 700 000	2012/13	• Own Revenue
	Development of Human Resources Strategy	In house	R 200 000	2012/13	• Own Revenue
	Implementation and monitoring of Human Resources related policies	In house	000	2012/13	• N/A
	Review of Skills Development Plan and Employment Equity Plan and monitor and report on the implementation.	In house	R 400 000	2012/13	• Own Revenue
	Implementation of reviewed organizational structure.	In house	000	2011/12	• Unfunded

TOKOLOGO LOCAL MUNICIPALITY

	Review of Institutional Delegations of Powers.	In house		2012/13	• Own Revenue
	Compilation of the Annual Report.	In house	R 250 000	2012/13	• Own Revenue
	Compiling of list of asset disposed but ownership not yet changed.			2012/2013	• Own Revenue

CORPORATE SUPPORT SERVICES DEPARTMENT – *(Human Settlement)*

Objective(s)	To facilitate the provision of integrated human settlement to the local community				
KPA:	Service Delivery and Infrastructure Development				
Project Details					
Project No.	Project Description	Location	Estimated Budget	Project Period	Funding Source
	Review of the Spatial Development Framework	In house	R 600 000	2012/13	• CoGTA
	Development of new residential sites (township establishment)	All wards	R 750 000	2012/13	• CoGTA
	Management of beneficiary lists and allocations.	In house	000	2012/13	• N/A
	Review of the Housing Chapter	In house	000	2012/13	• CoGTA

FINANCIAL PLAN AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

BUDGET PROCESS OVERVIEW

MFMA, Chapter 4, as well as Circular 48 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are: the manner in which the strategic planning process is integrated; the input of policy directions; and consultation with the community and other stakeholders.

The 2009/10 budget preparation and IDP review process were conducted mainly in line with the legislative and regulatory frameworks prescribed by the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and National Treasury Guidelines. The format and contents of this budget document are in accordance with the Municipal Budgeting and Reporting Regulations of 2008.

The draft budget will be tabled in Council on 29th March 2012 after which an extensive community consultation and public participation process was conducted in all three towns within the municipality. Key issues raised during these public meetings have been considered where possible.

The ***strategic alignment*** between national, provincial and district service delivery priorities was also a critical factor during the IDP review and budget preparation process. Alignment between the Free State Growth and Development Strategy (PGDS), 2007-2014 and the Lejweleputswa District Municipality were important considerations and inputs during the process.

TOKOLOGO LOCAL MUNICIPALITY

Operating and Capital Budget

The operating and capital budget as presented hereunder was developed in line with the requirements of Municipal Financial Management Act and Municipal Budgeting and Reporting Regulations, 2008

Both the MFMA and regulations provide for uniform norms and standards for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process within the municipality.

However, the Budget Steering Committee was not established as required by regulations. The regulations obliges the mayor to establish a budget Steering Committee which will be responsible for providing technical support to the mayor in discharging the responsibilities outlined in section 53 of MFMA.

A summary of the operating and capital budget proposals over the medium-term, is provided in the table below.

Summary Operating Budget and Capital Budget

TOKOLOGO LOCAL MUNICIPALITY

FS182 Tokologo - Table A4 Budgeted Financial Performance (revenue and expenditure)

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	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
<u>Revenue By Source</u>										
Property rates	2	1,275	1,272	1,701	1,624	2,350	–	2,871	3,370	3,535
Property rates - penalties & collection charges					125	125				
Service charges - electricity revenue	2	5,168	7,201	9,169	9,900	10,002	–	11,105	12,330	13,690
Service charges - water revenue	2	1,559	275	460	450	1,125	–	1,191	1,255	1,316
Service charges - sanitation revenue	2	2,557	2,507	2,884	885	3,031	–	3,209	3,380	3,545
Service charges - refuse revenue	2	1,644	1,576	1,845	525	1,960	–	2,076	2,186	2,293
Service charges - other										
Rental of facilities and equipment		68	78	215	94	214		251	264	277
Interest earned - external investments		6,640	2,540	1,165	3,070	500		424	455	501
Interest earned - outstanding debtors		415	471	509				100	105	110
Dividends received				2				3	3	3
Fines		79	88	116	81	75		80	84	88
Licences and permits										
Agency services										
Transfers recognised - operational		21,669	29,768	39,975	49,042	41,292		48,385	50,240	53,536
Other revenue	2	116	681	397	668	443	–	434	457	480
Gains on disposal of PPE			42	1						
Total Revenue (excluding capital transfers and contributions)		41,189	46,500	58,439	66,464	61,116	–	70,129	74,128	79,374
<u>Expenditure By Type</u>										
-	-									
Employee related costs	2	15,126	17,379	20,329	22,948	23,854	–	24,006	25,279	26,517
Remuneration of councillors		1,674	1,626	1,497	1,981	1,981		1,991	2,097	2,199

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Debt impairment	3	–	162	24,645	1,200	1,300		3,144	3,311	3,473
Depreciation & asset impairment	2	255	849	1,382	532	532	–	4,147	7,353	10,712
Finance charges		101	92	99	200	200		150	158	166
Bulk purchases	2	8,079	9,596	10,849	10,700	11,000	–	12,485	14,170	16,083
Other materials	8				300	300				
Contracted services		2,148	3,736	4,781	16,100	–	–	12,062	12,539	13,154
Transfers and grants		–	116	1,346	–	840	–	810	853	895
Other expenditure	4, 5	16,511	9,838	15,242	12,504	21,110	–	11,664	12,282	12,884
Loss on disposal of PPE				233						
Total Expenditure		43,895	43,395	80,402	66,464	61,116	–	70,459	78,041	86,083
Surplus/(Deficit)		(2,705)	3,105	(21,963)	0	(0)	–	(330)	(3,913)	(6,708)
Transfers recognised - capital			37,885	45,020	67,391	69,987		57,575	61,705	67,960
Contributions recognised - capital	6	–	–	–	2,000	–	–	–	–	–
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		(2,705)	40,991	23,057	69,391	69,987	–	57,245	57,792	61,251
Taxation										
Surplus/(Deficit) after taxation		(2,705)	40,991	23,057	69,391	69,987	–	57,245	57,792	61,251
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(2,705)	40,991	23,057	69,391	69,987	–	57,245	57,792	61,251
Share of surplus/ (deficit) of associate	7									
Surplus/(Deficit) for the year		(2,705)	40,991	23,057	69,391	69,987	–	57,245	57,792	61,251

TOKOLOGO LOCAL MUNICIPALITY

FS182 Tokologo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	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
<u>Capital expenditure - Vote</u>											
<u>Multi-year expenditure to be appropriated</u>	2										
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - ASSESSMENT RATES		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES		-	-	-	-	-	-	-	2,834	5,983	-
Vote 8 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER		-	25,035	30,175	-	-	-	-	37,000	40,000	45,000
Vote 10 - WASTE WATER MANAGEMENT		-	2,500	-	-	-	-	-	4,079	3,536	-
Vote 11 - SOLID WASTE MANAGEMENT		-	-	-	-	-	-	-	2,323	12,684	-
Capital multi-year expenditure sub-total	7	-	27,535	30,175	-	-	-	-	46,236	62,203	45,000
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - COUNCIL GENERAL		5,074	33	134	890	890	-	-	26	500	-
Vote 2 - MUNICIPAL MANAGER		-	85	61	-	-	-	-	21	-	3,500
Vote 3 - FINANCIAL SERVICES		104	67	208	-	-	-	-	13	-	-
Vote 4 - ASSESSMENT RATES		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		-	42	49	-	-	-	-	16	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	753	753	-	-	180	-	500
Vote 7 - TECHNICAL SERVICES		-	596	91	9,762	12,358	-	-	10,901	-	-
Vote 8 - ELECTRICITY		-	1,959	-	-	-	-	-	-	499	1,565
Vote 9 - WATER		8,178	7,795	14,845	53,623	53,623	-	-	2,382	665	-
Vote 10 - WASTE WATER MANAGEMENT		19,352	-	1,362	2,363	2,363	-	-	-	-	22,960
Vote 11 - SOLID WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		32,708	10,578	16,749	67,391	69,987	-	-	13,537	1,664	28,525
Total Capital Expenditure - Vote		32,708	38,114	46,924	67,391	69,987	-	-	59,774	63,867	73,525

TOKOLOGO LOCAL MUNICIPALITY

[illegible]

TOKOLOGO LOCAL MUNICIPALITY

Internally generated funds		431	228	1,904					2,198	2,163	5,565
Total Capital Funding	7	32,708	38,114	46,924	67,391	69,987	–	–	59,774	63,867	73,525

FS182 Tokologo - Table A9 Asset Management[illegible]

TOKOLOGO LOCAL MUNICIPALITY

Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4									
<i>Infrastructure - Road transport</i>		-	-	-	9,762	12,358	-	10,901	-	-
<i>Infrastructure - Electricity</i>		-	1,959	-	-	-	-	-	-	1,565
<i>Infrastructure - Water</i>		8,178	31,584	45,020	50,943	50,943	-	39,382	40,000	45,000
<i>Infrastructure - Sanitation</i>		19,352	2,500	1,362	2,959	2,959	-	2,944	3,204	22,960
<i>Infrastructure - Other</i>		-	-	-	2,974	2,974	-	1,515	12,518	-
Infrastructure		27,530	36,044	46,382	66,638	69,234	-	54,741	55,721	69,525
Community		3,461	-	-	753	753	-	2,834	5,983	4,000
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		1,717	2,070	542	-	-	-	2,198	2,163	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	32,708	38,114	46,924	67,391	69,987	-	59,774	63,867	73,525

FS182 Tokologo - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	
R thousand	1						
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>							
-							
<u>Infrastructure</u>		27,530	36,044	46,382	66,638	69,234	

TOKOLOGO LOCAL MUNICIPALITY

Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>						
<i>Storm water</i>						
Infrastructure - Electricity						
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>						
Infrastructure - Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure - Sanitation						
<i>Reticulation</i>						
<i>Sewerage purification</i>						
Infrastructure - Other						
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
<i>Other</i>						
Community						
Parks & gardens						
Sportsfields & stadia						
Swimming pools						
Community halls						
Libraries						
Recreational facilities						
Fire, safety & emergency						
Security and policing						
Buses						
Clinics						
Museums & Art Galleries						

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Cemeteries	8				753	753	
Social rental housing		3,461					
Other							
Heritage assets	9	-	-	-	-	-	
Buildings							
Other							
		-	-	-	-	-	
Investment properties							
Housing development							
Other							
		1,717	2,070	542	-	-	
Other assets	10	327					
General vehicles		-	-	-	-	-	
Specialised vehicles				91			
Plant & equipment							
Computers - hardware/equipment		104	228	451			
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings		1,286	596				
Other Buildings							
Other Land			1,246				
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets		-	-	-	-	-	
List sub-class							
Biological assets		-	-	-	-	-	
List sub-class							

TOKOLOGO LOCAL MUNICIPALITY

<u>Intangibles</u>		-	-	-	-	-	
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	1	32,708	38,114	46,924	67,391	69,987	
<u>Specialised vehicles</u>		-	-	-	-	-	
Refuse							
Fire							
Conservancy							
Ambulances							

TOKOLOGO LOCAL MUNICIPALITY

FS182 Tokologo - Supporting Table SA36 Detailed capital budget[illegible]

TOKOLOGO LOCAL MUNICIPALITY

[illegible]

Budget Related Policies: Review and Amendments

The following budget related policies will not be changed for 2011/12 financial year:

Name of Policy	Strategic Focus of the Policy
Budget Policy	Budget development and implementation
Property Rates policy	Property rates billing
Tariff Policy	Billing (services and other)
Investment and Banking Policy	Cash management

The following budget related policies will be reviewed in this 2011/12 financial year:

Name of Policy	Strategic Focus of the Policy
Credit Control and Debt Collection Policy	Revenue collection
Supply Chain Management Policy	Procurement
Financial Delegation of Powers Policy	Sound Financial Administration

Indigent Subsidy

The indigent subsidy is provided by the municipality to qualifying households as a measure to provide free access to basic services. The following are the main benefits offered to registered indigents for which a threshold of a monthly household income of R 1 200 has been set. The cost of provision of Indigent Subsidy is covered through Equitable Share allocation from the National Treasury.

- Free electricity of 50kWh per household
- 6 kiloliters of free basic water
- Free sanitation
- Free refuse removal

Tariff Overview

The municipality has succeeded in most of the services to maintain tariff increases within the growth limits set by National Treasury in line with the inflation target band of the Reserve Bank of between 3 and 6 per cent. However, the average increases include an allowance for growth in consumption levels and corrections in certain tariffs. The average tariff increases are for the 2012/13 is reflected in the table below.

Service	% tariff increase
Property rates	6%
Electricity	16%
Water	6%
Sanitation	6%
Refuse removal	6%

Proposed Tariff Increases

The summary below indicates the proposed tariff increases for the main consumer services and sundry services for the 2012/13 financial year.

a) Assessment Rates

All agricultural land has been phased-in in the past 3 years, and the last phasing in was in the 2009/10 financial year as per regulations issued in December 2007 by CoGtA.

b) Electricity

Approval must be obtained from NER for the 21% increase in fees/tariff to finance the ring fencing of the service. An allocation of 50KwH of electricity is provided to the indigent households per month.

c) Water

Free basic water of water 6kl will be given to all indigent households. This will be financed from the Equitable Share.

d) Sanitation Service

A tariff increase of 6% is proposed for the 2011/12.

COMPLIANCE AND IMPLEMENTATION OF MFMA

Disclosure on Implementation of MFMA

This section provides disclosure regarding progress in implementing various related legislation including the MFMA and how this affects the budget and budget process.

MFMA Implementation and Monitoring Checklist

The municipality is generally complying for the majority of the implementation priorities as per the National Treasury implementation and monitoring checklist. This checklist is updated quarterly and submitted to National Treasury.

Below is a summary of progress against the plan.

No.	Implementation priority as per NT template	Progress
1	Preparing an implementation plan	Yes
2	Allocating appropriate responsibilities under the MFMA to Accounting Officer	Yes
3	Establishing a top (senior) management team	Yes
4	Implementing appropriate controls over municipal bank accounts and cash management	Yes
5	Meeting of financial commitments	Yes
6	Reporting revenue and expenditure	Yes
7	Supply chain management	Yes
8	Implementing reforms in relation to municipal entities and long-term contracts	Yes
9	Completing financial statements and advising National Treasury	Yes
10	Completing and tabling annual report	Yes
11	Complying with provisions for tender committees, boards of municipal entities and in relation to forbidden activities	Yes
12	Complying with provisions for internal audit and audit committees	Yes
13	Complying with provisions for budgets	Yes
14	Information to be placed on website	No

TOKOLOGO LOCAL MUNICIPALITY

MFMA and DoRA Returns

All MFMA and DORA returns are submitted by the municipality as required monthly, quarterly and annually.

Name of Return	Submitted to National and Provincial Treasury (Yes/No)
MONTHLY	
Financial Management Grant	Yes
Age Analysis Debtors (AD) and Creditors (AC), Cash Flow, Operating Statement Actual (OSB)	Yes
Section 71 Budget Statements	Yes
Supply Chain Management	Yes
MIG returns	Yes
Equitable Share	Yes
QUARTERLY	
MFMA Implementation and monitoring checklist	Yes
Municipal entities	Not applicable
Public Private Partnerships	Not applicable
Long-term contracts	Yes
Borrowing	Not applicable
ANNUALLY	
Appendix A	Yes

Operating Statement Budget (OSB)	Yes
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Audit units and audit committee

The internal audit unit is not fully capacitated. At this stage, only the Internal Auditor is appointed and there are plans to gradually capacitate the unit with human and other resources.

The Audit Committee is in place. Members of the audit committee were appointed effective from 31 January 2011.

Risk management

The municipality has appointed the risk officer and an updated risk management strategy and plan is in place.

Implementation of Supply Chain Management

The new supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in July 2008 and will be reviewed. All bid committees as required by the SCM regulations are in place, however the composition of the committees.

Tabling of section 71 reports

Section 71 reports are submitted to the mayor and also forwarded to provincial treasury on a monthly basis. Further the reports are forward to the Municipal Manager and the Finance Committee.

Delegations

A System of Delegations and sub-delegations are concluded and council will be setting to consider and approve them on the 29 March 2012 as per the requirements of the MFMA. A policy of financial delegations and sub-delegations will be reviewed and implemented in the 2012/13.

Implementation of GRAP

The key challenges for implementation of GRAP/GAMAP requirements are the following:

All the GRAP requirements have been met except for the fixed assets. The GRAP provisions in relation to fixed assets will be phased in line with the guidelines provided by the National Treasury.

Accounting policies

Several accounting policies have been developed to ensure the requirements of Circular 36 are complied with.

The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.

Asset register

There are plans to revalue all the infrastructure assets. Subsequent to that, a comprehensive and GRAP compliant asset register will be developed and implemented before the end of 2012.

MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System (PMS) has been introduced as one of the instruments to be used in ensuring that municipalities are developmental-oriented in orientation and practice. PMS should be seamlessly integrated to other complementing municipal core processes – *IDP and budget*.

It is envisaged in the Municipal System Act (2000 as amended in 2002) that the municipality shall establish and develop PMS that commensurate with its resource capacity, suited to its unique circumstances, lays a solid foundation for accountability to Council and critical stakeholders and contribute towards economical, effective, efficient management of municipal affairs.

Critically, the Act obligates municipalities to implement the following PMS core components as integral part of municipal planning and budget processes. These are:

- Setting appropriate key performance indicators as yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its IDP. In addition, these should also be informed by the general key performance indicators as prescribed by the Minister responsible for provincial and local government;
- Setting measurable performance targets with regard to each of those development priorities and objectives. Importantly, these should articulate with service delivery targets millennium development goals set by the South African government;
- Monitoring performance;
- Measuring and reviewing performance;
- Taking steps to improve performance; and
- Establishing a process for regular reports and complying with reporting requirements as prescribed in the Municipal Finance Management Act (2003)

PMS lays a solid foundation for embedding and developing service delivery budget implementation plans (SDBIPs) which are essentially operational plans for the implementation of the budget and IDP's.

Tokoloko Local Municipality has developed service plans / SDBIP for each of the directorate as an integral part of the IDP processes. These service plans will be used in the development of reviewed performance agreements for the municipal manager and section 56 employees for the 2011/2012 financial year as provided for in the recently enacted regulation on *Local Government: Municipal Performance Regulation for Municipal Managers and Managers directly accountable to municipal managers* that came into operation on 01 August 2006.

T6okoloko Local Municipality's PMS has been developed and encapsulated in this reviewed IDP.

The PMS framework for Tokologo entails the following:

- Developed strategies with corresponding measurable performance targets;
- Developed service plans (SDBIP) with corresponding measurable performance targets;
- Reviewed performance agreements for the municipal manager and section 56 employees for 2011/2012 financial year;
- Regular reporting - developed and council endorsed monthly budget statements; quarterly progress reports; mid-year budget and performance assessment report and annual reports

Introduction

The Municipal Planning and Performance Management Regulations stipulate that a municipality's performance management system (PMS) must entail 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, organized and managed, including determining the roles of the different role-players.

This Performance Management Framework is a proposed policy and procedure document for the Tokologo Local Municipality that sets out the following:

- The policy and legislative context for Performance Management
- Objectives and principles of Performance Management in local government
- Requirements and mechanisms for the development and implementation of a Performance Management System
- Guidelines for capacity building and institutional arrangements for Performance Management

The framework focuses primarily on an organizational performance management as opposed to an employee performance management system. It details the parameters within which performance management processes will happen and deals with the following aspect, amongst others:

- the components of the system;
- lines of accountability in managing performance;
- aspects of performance that will be managed;
- performance monitoring, measurement and review approaches;
- approaches to respond to good and poor performance.

The framework is meant to assist the TLM in its development and implementation of a performance management system that is aligned to the Integrated Development Plan (IDP), is suited to their circumstances and is within their resource constraints.

The framework is intended to be adopted by the municipal council as the basis of their performance management system.

The legislative framework for performance management

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the so called Batho Pele principles contained in the White Paper on the Transformation of Public Service-delivery, which policies were given legal stature through the adoption of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000).

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 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 general (sometimes also referred to as national) indicators 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.

To provide further guidance on the requirements of the Act, the different sections of Chapter 6 of the MSA is summarised hereunder:

- **Section 38:** Requires municipalities to establish a Performance Management System, promote a performance management culture and administer its affairs in an economical, effective, efficient and accountable manner.
- **Section 39:** Gives EXCO the responsibility for managing the development of a Performance Management System, as well as powers of delegation of responsibilities and the responsibility of submitting the PMS to Council.
- **Section 40:** Places responsibility on the municipality for the monitoring and review of its PMS.
- **Section 41:** Outlines the core components to be included in the PMS of the municipality, and refers to KPI's, targets, measurement mechanisms, steps for improvement and the reporting processes.
- **Section 42:** Requires the municipality to establish mechanisms and procedures for community involvement in the process, in terms of Chapter 4 of the MSA.
- **Section 43:** Allows the minister to establish general KPI's which must be included in the KPI's of municipalities, to the extent that these general KPI's are relevant to the municipality.
- **Section 44:** Requires the municipality to notify stakeholders internally and the general public of its KPI's and targets.
- **Section 45:** Requires the municipality to conduct an internal audit of its performance as well as an audit by the auditor general.
- **Section 46:** Requires the municipality to prepare an annual performance report.
- **Section 47:** Requires MEC to compile an annual performance report for the municipalities within the province
- **Section 48:** The Minister has to compile an annual report and submit it to parliament, in terms of the performance of the municipalities in relation to general KPI's
- **Section 49:** Allows the Minister to make regulations or issue guidelines for the purpose of Chapter 6 of the MSA

2.3 The Municipal Planning and Performance Management Regulations (2001)

The 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.

2.4 Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006)

The above regulations were published on 1 August 2006 and came into effect on that date (see reg 39(1)). The regulations (as far as performance is concerned) deal with two distinct aspects, namely –

- the content of performance agreements and assessment issues; and
- the ability of the manager concerned to occupy her/his position with reasonable prospect of success, in other words, the extent to which the manager concerned has the core competencies required to perform the functions and discharge the duties of her/his job effectively and efficiently.

Meeting core competency requirements

Regulation 26(8) provides for “core competency requirements” (CCRs) for each managerial position. The regulations basically provide a master list of CCRs from which a selection must be made in view of the content of each managerial position – it should be noted that the Municipality and the incumbent must agree on the CCRs. Once the selection is made and agreed upon, the Municipality must, in terms of regulation 39(4), “...ensure that such employee is assessed in order to identify competency gaps and to develop such employee”.

Regulation 39(4) requires such an assessment to be made of current managers, regardless of whether a performance agreement exists – it is apparently additional to the performance agreement. The regulations do not prescribe a procedure for assessing the competency of managers – one would assume, however, that this is not a task to be approached in a haphazard manner. For example, whilst some of the listed CCRs appear to be clear, it would be necessary for the Municipality and each of the managers to agree on a definition or the content of a CCR. Applying the different CCRs to a specific manager would have to include supervisor involvement, the manager her-/himself and analysis of the manager’s qualifications and prior work experience.

Annual performance agreement

The regulations supplement the existing provisions of the Systems Act and the MFMA with regard to annual performance agreements – obviously the regulations cannot change the primary legislation. The main difference between the annual performance agreements for the previous financial year and those required under the regulations, is that in addition to specific objectives (deriving ultimately from the IDP) that must be met, each managers' performance in respect of the agreed CCRs for her/his position must also be assessed. The regulations also set a new standard for deciding whether to pay a performance bonus and the quantum of such bonus, if payable.

The Local Government: Municipal Finance Management Act, No. 56 of 2003.

The Local Government: Municipal Finance Management Act (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. A 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.

The Municipality's approach to performance management

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

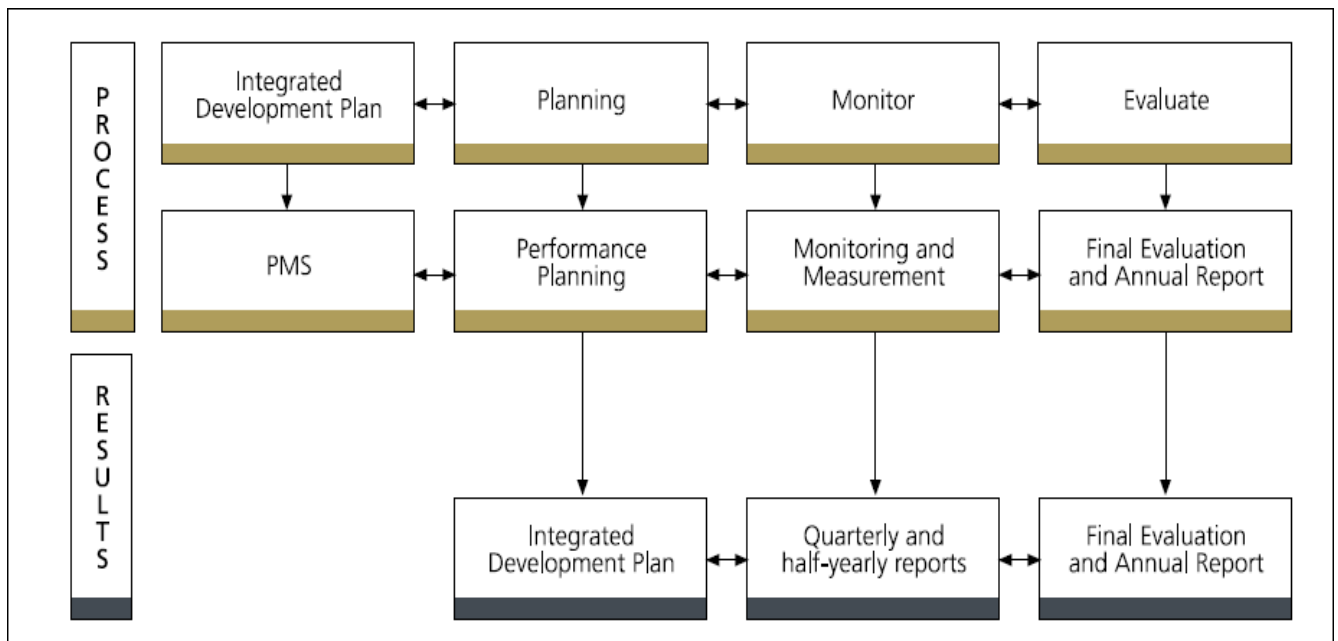


Figure 1: Relationship between the performance management and the planning process

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 organization. The legislative framework as set out above provides for performance management at various levels in a municipality including strategic (sometimes also referred to as municipal, organizational, 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. A 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.

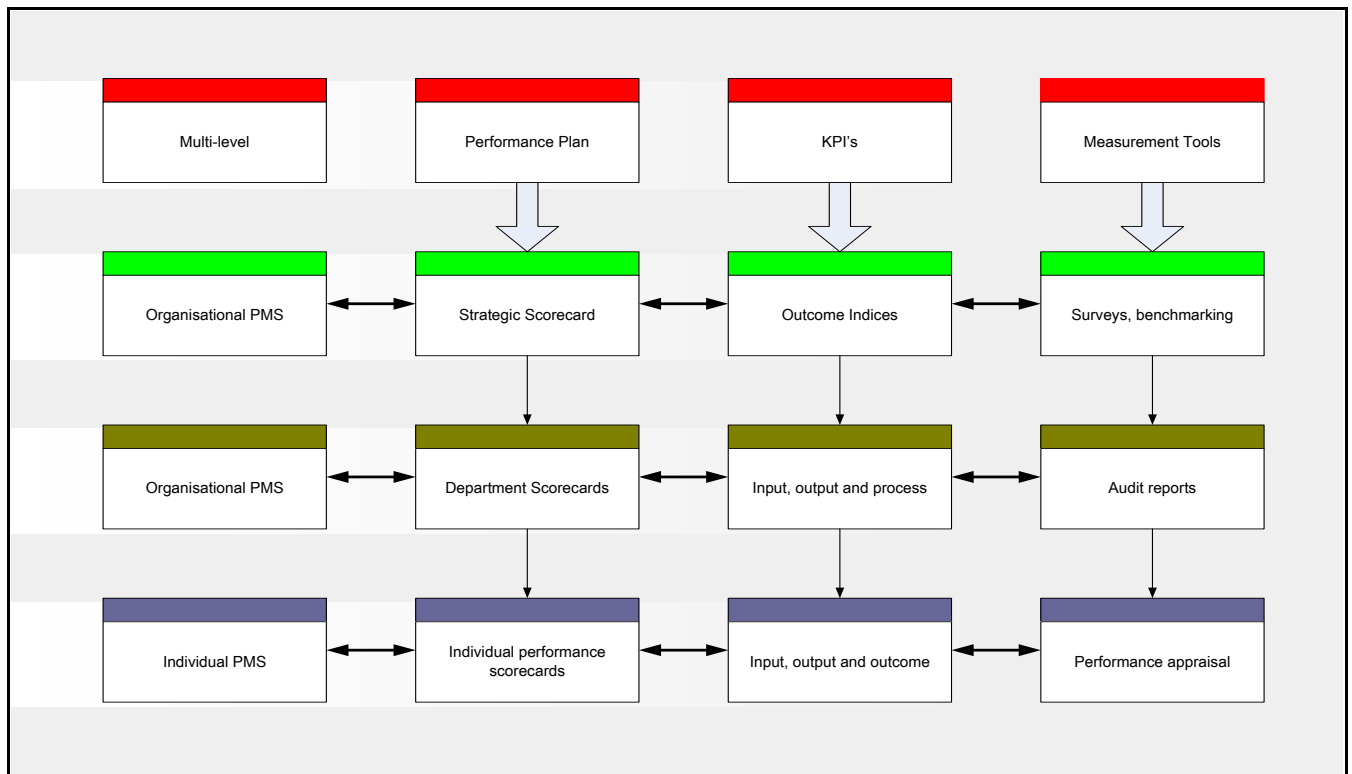
The key performance indicators and performance targets set for TLM are captured in the organizational scorecard containing the national key performance indicators set by the Minister for Local Government and Housing.

Scorecards for each department contain the performance indicators and targets set for each departments based on the objectives set in the IDP.

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 finalized the SDBIP it should be integrated 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 him.

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

The figure below demonstrates the alignment between the three levels and also indicates the different measurement and the tools used in each level.



Levels of performance management

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 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 official's needs to be capacitated on the utilization of the automated 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;
 - Scorecards must outline both the annual as well as quarterly targets to accommodate the automated performance tracking system 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 key performance areas.

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 in addition 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 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 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.

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 ongoing 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 management processes within the Municipality,
- **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.

Preferred performance management model

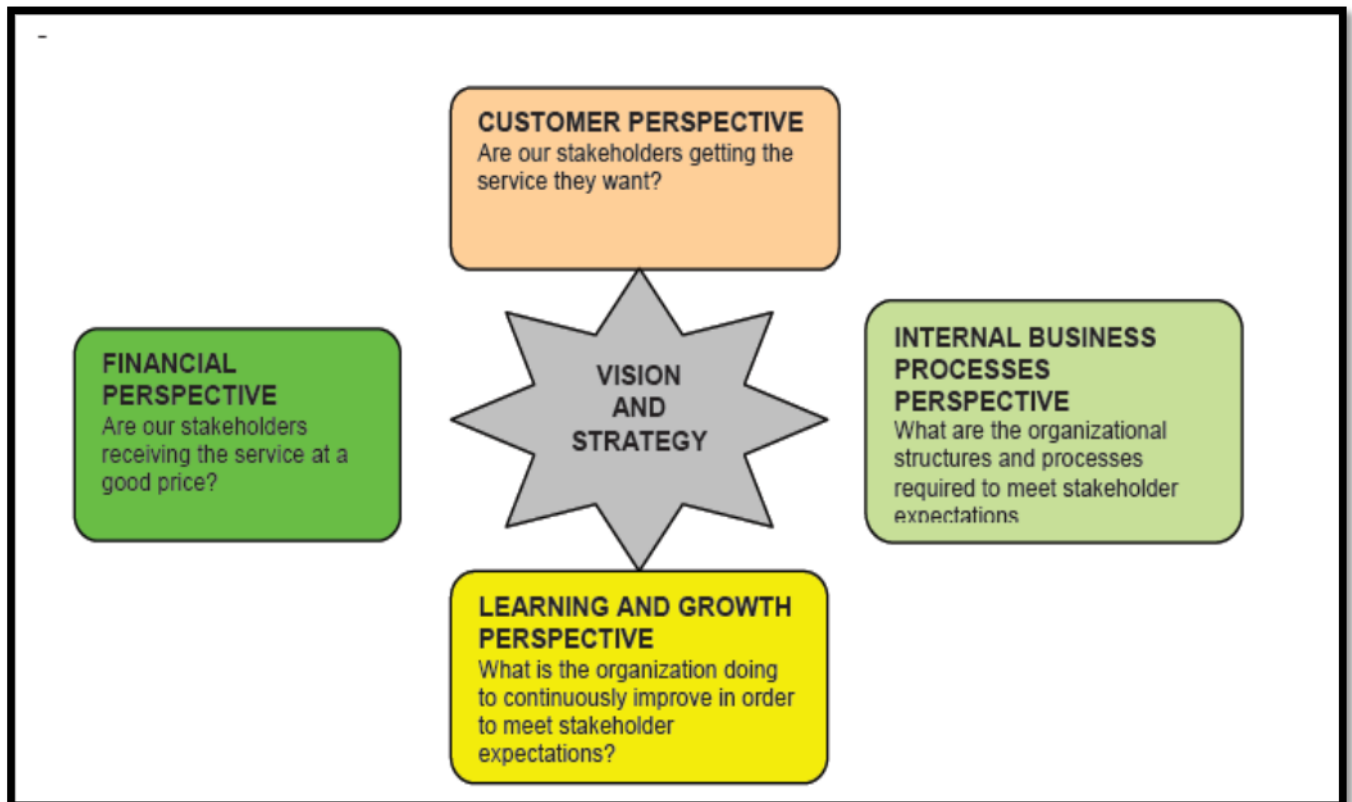
A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyze its performance. As such a model provides a common framework for what aspects of performance is 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 organization.

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.

The Balanced Scorecard framework was developed by Norton and Kaplan. It is the performance measurement model used within the TLM performance management system.

In the Balanced Scorecard approach, the dimensions of effective performance suggested are translated into critical perspectives on performance: Customer, internal processes, learning and growth and finance. Each perspective is regarded as essential for translating the Vision and Strategy into performance. Each dimension is given a weighting at the planning stage that indicates what level of priority it represents for the organization. This enables the organization to assess how well it is doing on that dimension. These perspectives finally enable a review of the strategy.

The balanced Scorecard stresses the importance of being able to assess the organization from all four perspectives at the same time.



Balanced Scorecard perspectives

Linking strategy to action through the Balanced Scorecard

The balanced scorecard is used to achieve the following:

- Clarify and translate vision and strategy
- Communicate and link strategic objectives and measures throughout the organization
- Plan, set targets, and align strategic initiatives
- Enhance strategic feedback and learning
- Align departmental and personal goals to the strategy
- Link strategic objectives to long-term targets and annual budgets and ensuring that the strategy is continuous
- Identify and align strategic initiatives
- Perform periodic and systematic strategic reviews and
- Provide feedback to learn about and improve strategy

Ensure that every employee:

- understands the relevant parts of the organization's strategy,
- aligns own activities with organization's goals and

- is continuously aware of reaching organization's goals and own goals
- spends more time on important activities
- is rewarded based on contribution to organization's goals

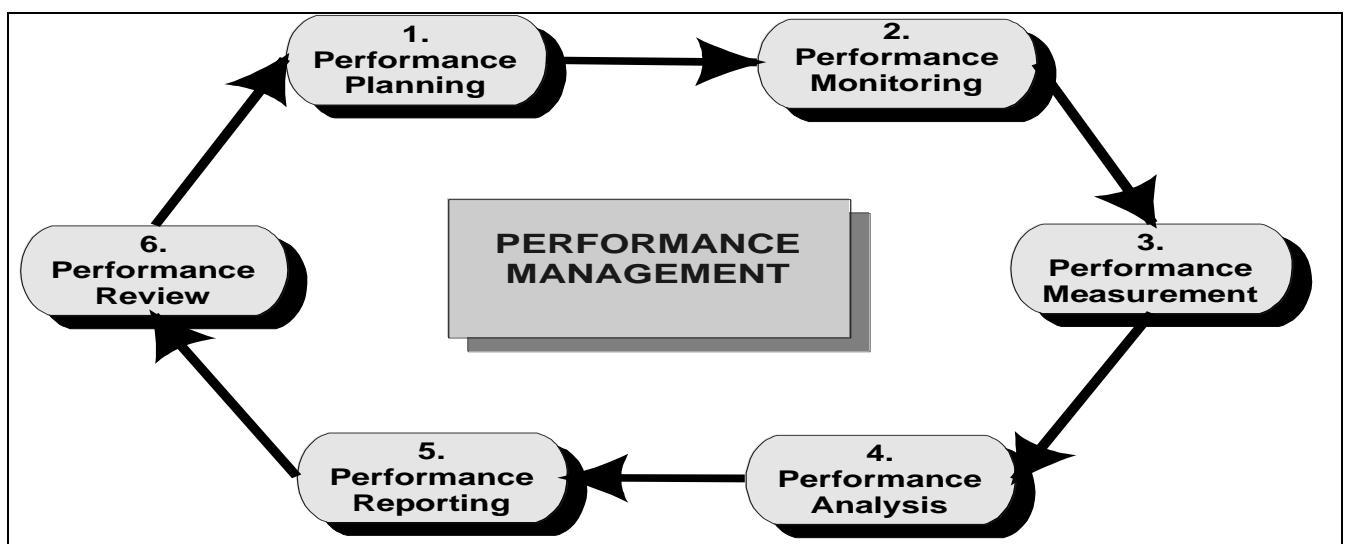
Ensure that the whole organization:

- cascades the scorecards from corporate to team level
- has a systematic performance review policy supporting generation and follow-up of action plans
- is able to communicate and implement the changes in strategy fast
- is able to develop new winning strategies fast.

The commonly adopted process flow on the development of a Local Scorecard is to cascade the Local priorities, within the four balance scorecard perspectives, (Annexure A) into local wide key performance areas, with key performance indicators and targets (Annexure B). This is then cascaded downwards into Departmental scorecards. The Departmental scorecards are found in the SDBIP.

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:



Performance management process

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

TOKOLOGO LOCAL MUNICIPALITY

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Citizens and Communities	Influence the choice of indicators and setting of targets		Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	Adopt indicators and set targets		Review municipal performance bi-annually
Performance Management 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	<ul style="list-style-type: none"> ➔ Assist the PMS Committee in ➔ 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 PMS Committee
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 	Conduct reviews of service performance against plan before other reviews

Stakeholders	Performance Planning	Measurement and Analysis	Performance and Reviews	Reporting &
		service delivery timeously		
Internal Audit Section		Audit the reliability of performance reporting	→ Audit the functionality of the performance management system → Initiate the annual review of the performance management system	

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.

Performance Planning

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 therefore 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.

Performance monitoring

Performance monitoring is an on-going process by which a manager accountable for a specific indicator as set out in the organizational scorecard (or a service delivery target contained in an annual SDBIP) continuously monitors current performance against targets set. 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.

The monitoring system clarifies-

(a) **What will be monitored, in terms of key performance areas, indicators and targets:**

The municipality will continuously monitor its performance in all the key

performance areas and in respect of all the performance dimensions in respect of which KPIs and performance targets had been set.

(b) The institutional framework in terms of roles of different role-players in the monitoring process:

- (i) The council will receive performance reports from the PMS committee at least twice during a financial year.
- (ii) The PMS Committee is responsible for ensuring that the municipal manager and other managers of the municipality gather relevant information throughout every reporting period in order to submit a draft progress and variance report at the end of each quarter and must determine the format of the report.
- (iii) The municipal manager and other managers must ensure that the KPIs and performance targets set are met. This requires proper work planning and scheduling, appropriate resourcing of activities and continuous supervision. The management must also identify likely underperformance and take corrective action where necessary in time to ensure that performance targets will be met. Monthly assessment will be done by management.
- (iv) The internal auditing function must audit and assess-
 - the accuracy of performance reports,
 - the functionality of the PMS,
 - whether the PMS complies with the Act,
 - the extent to which the municipality's performance measurements are reliable in measuring performance,
 - continuously audit the performance measurements of the municipality and
 - submit quarterly reports on their audits to the municipal manager and the performance audit committee.
- (v) The performance audit committee must-
 - review the quarterly reports submitted to it,

- review the PMS focusing on economy, efficiency, effectiveness and impact in so far as the KPIs and performance targets set by XDM are concerned and make recommendations in this regard to the council via the PMS Committee,
 - at least twice during a financial year submit an audit report to the municipal council via the PMS committee.
- (c) **The duties involved in continuous data gathering and reporting and who would be responsible for it:** The municipal manager must designate one manager directly accountable to him as project manager for PM monitoring and data gathering. The municipal manager and other managers must install a supervisory and reporting system that would ensure that relevant data is continuously gathered. This system may include focus group research, surveys and like techniques.
- (d) **The mechanisms that must be used to gather, store, analyse, report and verify data:** The mechanisms that may be used, include appropriate information technology, project site reports, research, focus group research, surveys and internal progress and variance reporting;
- (e) **Interventions that may take place to rectify any shortcoming, likely under-performance, or unintended or undesirable outcome detected:** The municipal manager and other managers must implement appropriate actions to rectify and prevent likely under-performance.

Performance measurement

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 organizational 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 organizational 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 PMS Committee.

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 step 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 organizational learning.

In practice the aforementioned entails that the manager responsible for each indicator will have to, after capturing the performance data against targets on the organizational scorecard, analyze 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 achieved 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 organizational 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 organization in terms of all its priorities with the aim to reveal and capture whether any broader organizational 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 organizational scorecards by senior management should also ensure that quality performance reports are submitted to Councilors and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the organizational 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 PMS Committee for consideration and review.

Performance reporting and review

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.

The manual “Guidelines for Performance Reporting” contains a detailed analysis of the reporting requirements as well as proposed formats for reporting to the various stakeholders.

In-year performance reporting and review

The submission of the organizational scorecards to the PMS 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 organizational scorecards be submitted to the PMS Committee for consideration and review on a quarterly basis. The reporting should therefore take place in:

- October, (for the period July, August and September)
- January (for the period October to the end of December)
- April (for the period January, February and March)
- July (for the period April 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 organization, after the performance of the organization have been measured and reported to it, reviews the results and decides on appropriate action. The PMS Committee in reviewing the organizational scorecards submitted to it on a quarterly basis will have to ensure that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons have been 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.

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 Local Government and Housing
- 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 Tokologo 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.

Summary of various performance reporting requirements

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

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

PMS reporting requirements

The auditing of performance measures

No measurement or review process will be successful without proper auditing procedures whereby the accuracy and reliability of the information can be validated.

Auditing performance measurements is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate reported performance. With auditing of performance measures, the auditor is more concerned with the extent to which the municipality was able to achieve the reported performance measures and targets that it set for itself and also to assess the extent of its compliance with the legislation in respect of the development and implementation of the PMS. This is different to performance auditing. The distinguishing difference between the two concepts is that with performance auditing, the auditor must assess through the performance of audit procedures, whether the municipality has used its resources in the most efficient, effective and economic manner. The aim of performance auditing is to evaluate the measures implemented to ensure that resources are procured economically and utilized efficiently and effectively. The following table reflects some of the most obvious differences between performance auditing and auditing performance measures:

Performance Auditing

⇒ Establishes whether resources are being used effectively, efficiently and economically.

⇒ Evaluates measures implemented to ensure resources are procured in an effective, efficient and economical manner.

⇒ Includes elements of compliance auditing.

⇒ Establishes whether the "right things" are being done.

⇒ Compares targeted and actual

Auditing performance measures

⇒ Ensures measurement mechanisms are accurate.

⇒ Ensures that proper procedures are followed in evaluating reported performance.

⇒ Measures achievement of reported performance and targets.

⇒ Audits the procedure followed in the development and implementation of the PMS.

⇒ Assesses whether the performance indicators are sufficient to measure performance

performance.

⇒ Checks on value for money services.

⇒ Audits the organisation as a whole
in terms of the Vision and Mission.

Differentiation between auditing measures

The role of internal audit in performance management

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. Internal performance auditing must include an assessment of the following:

- The **functionality** of the municipality's performance management system.
- Whether the municipality's performance management system **complies** with the Act.
- 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 operates as intended.

⇒ **Compliance**

To comply means to act in the way as was commanded or wished. 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 is

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.

Performance Audit Committee

Audit committees play an important independent oversight role in any organization's governance arrangements. While the primary responsibilities of any audit committee are to review the audited financial statements and make recommendations on their approval, oversee the relationship between external and internal auditors and review internal controls, in recent years, this responsibility has expanded to include a range of governance issues that focuses on monitoring how an organization reports externally and in a responsible and transparent manner. These roles and responsibilities are no different in a municipal environment and in the context of performance management, would include monitoring the reporting of organizational performance information.

While DPLG recommends that a separate performance management audit committee be established, where there is insufficient capacity, the municipality could utilize the established audit committee as the performance management audit committee. In this instance, the audit committee would need to assume as an additional responsibility the terms of reference of the performance management audit committee. In addition, the audit committee would need to reconsider its composition when taking decisions on issues of organizational performance.

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 who may not be employees of the municipality. No councilor may be a member of the performance audit committee.

The key roles and functions of the Committee are to:

- Review quarterly performance reports submitted to it by Internal Audit.
- Review the PMS and make recommendations in this regard to Council.
- Submit a performance audit report to Council at least twice a year.
- Assess whether the performance indicators are sufficient.

- Assess the reliability of performance information reported.
- Commission in-depth performance investigations where there is continued poor performance.
- Review the PMS in the context of economy, efficiency, effectiveness and impact of the municipality's key performance indicators and performance targets.
- Council must provide secretarial services to the Committee.

A draft set of rules and orders for the municipal performance audit committee was also developed for the municipality and is attached in a separate report.

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.

General issues relating to performance management

The following is some general issues related to performance management that needs to be taken into consideration in implementing the PMS of the Municipality:

Annual review of the Performance Management System

One of the functions of the performance audit committee is to review the PMS at least annually. 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.

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 PMS Committee.

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 the manager responsible for the IDP. The manager responsible for the IDP 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.

The Municipality also needs to ensure that its internal auditors have the capacity to discharge the additional responsibilities conferred on them effectively and efficiently.

Employee performance appraisal

The employee performance appraisal system while part of the Human Resources framework for the municipality, must integrate well into the municipality's PM system. These two systems are co-dependent and will need to survive and develop of each other. The employee performance appraisal system should have elements similar to that of the organizational system.

Performance appraisal is the systematic process of:

- planning work and setting expectations
- continually monitoring performance
- developing the capacity to perform
- periodically rating performance in a summary fashion / rewarding good performance

Section 38 of the Municipal Systems Act establishes that the performance management system of a municipality must be extended to ensure that a culture of performance is promoted also amongst the staff of the municipality. This will only be possible once performance of employees is also assessed and linked to the organizational performance management system of the municipality.

Section 67 of the Municipal Systems Act, 2000 places an obligation on all municipalities to develop in accordance with the Employment Equity Act, 1998 appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the monitoring, measuring and evaluating of performance of staff.

