PIXLEY KA SEME DISTRICT MUNICIPALITY

STRATEGIC PLANNING SESSION
9-10 OCTOBER 2018

CONTENTS

PROGRAMME

Time	Activity	Presenter
Day 1: 9 October		
09:00 – 09:15	Introduction of Attendees, programme and arrangements, etc	Facilitator
09:15 – 09:30	Welcome by the Speaker	Speaker
09:30 – 09:45	Political Overview by the Executive Mayor	Mayor
09:45 – 10:00	Strategic Planning Objectives, Annual performance process, Audit outcomes	Facilitator
10:00 – 10:45	Presentation on Highlights and Challenge of the past year: Office of the MM, Office of the Executive Mayor and Municipality as a whole	MM
10:45 -- 11:15	Comfort Break	
11:15 – 12:00	Presentation on Highlights and Challenge of the past year: Infrastructure, Housing, Planning and Development	Snr. Manager
12:00 – 12:45	Presentation on Highlights and Challenge of the past year: Corporate Services	Snr. Manager
12:45 – 13:30	Presentation on Highlights and Challenge of the past year: Finance	CFO
13:30 – 14:30	Lunch	
14:30 – 15:15	Presentation on Highlights and Challenge of the past year: Internal Audit	CAE
15:15 – 15:30	SWOT Analysis	Facilitator
15:30 – 16:00	Confirmation of Vision/Mission/Strategic Objective development	Facilitator
16:00	Closure	
Day 2: 10 October		
09:00 – 09:30	Introduction to action planning for 19/20 and beyond	Facilitator
09:30 – 10:30	Plenary session: Comparison of actions original IDP to currently: Achieved, not yet achieved & what still remains to do	Facilitator
10:30 – 11:30	Group sessions: Formulation of additional actions as determined from presentations & confirmation of existing KPI's already identified in plenary session	Groups
11:30 – 12:00	Way Forward	Facilitator
12:00	Closure Strategic session/Lunch	

ATTENDEES

Name	Capacity
MT Kibi	Executive Mayor
NI Hermans	Speaker
UR Itumeleng	Member Mayoral Committee
GI Nkumbi	Member Mayoral Committee
AT Sintu	Member Mayoral Committee
P McKlein	Representative Siyancuma
L Billie	Representative Emthanjeni
E Humphries	Representative Umsobomvu
J Grobbelaar	Proportional
H Marais	Proportional
J Hoffman	Proportional
NJ Batties	Representative Umsobomvu
MA Matebus	Proportional
R Pieterse	Municipal Manager
BF James	Chief Financial Officer
TA Loko	Snr Man Corporate Services
H Greeff	Snr Man Infrastructure, Development, Housing and Planning
R Sors	Manager Internal Audit
M Zwiegers	Snr Support Services Officer
MK Mfazwe	Manager in the Office of the Executive Mayor
P Present	Official
E Dreyer	Facilitator
H Vermeulen	Facilitator

Day 1: 9 October 2018

Introduction of Attendees, programme and arrangements, etc

Key points:

- Welcomed everybody
- Ice breaker
- Confirmed the programme

Welcome by the Speaker

Key Points:

- Review of where the Municipality is with implementing its goals
- The Municipality must execute what they plan

Political Overview by the Executive Mayor

Key Points:

- 3rd strategic planning session as a Council together
- The Municipality must cross the small and big "mountains" by strategizing and planning

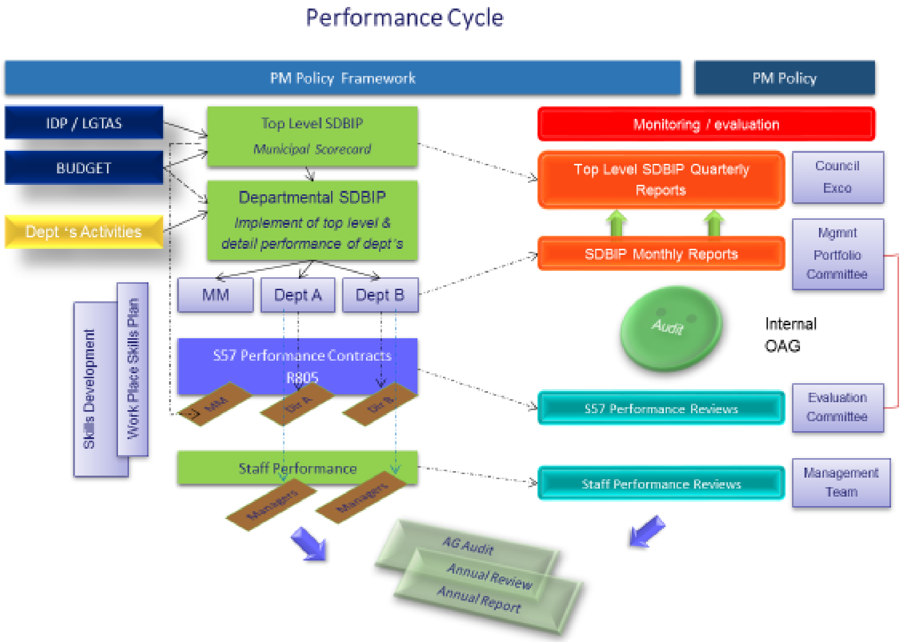
Strategic Planning Objectives, Annual Performance Process, Audit Outcomes

Purpose of strategic planning 3rd year

Objectives:

- Reflect on highlights of the past year
- What worked and what did not work?
- What are the challenges that remain?
- Confirm/adjust the vision & mission statements
- Confirm/adjust the strategic goals
- Determine short and long actions ito goals for 3rd year
- Confirm commitment

Annual Performance Cycle:



Annual Cycle – Auditor-General:

Presentation on Current Status: Office of the Municipal Manager

Successes:

- PkS DM achieved 94% of its set KPI's, across all departments
- Only 2% of set KPI's not met, 4% almost met
- Indication of a well-managed institution
- Implementation of WSP
- Management of budget
- Shared Services performance, eg Internal Audit, Legal Service and Labour Relations
- RRAMS

Challenges:

- Grant-dependency resulting in budgetary constraints and going-concern finding by AG
- Resignation of key officials, eg BTO
- Late payment for shared services by some local municipalities
- Ageing and limited vehicle fleet impacting negatively on operations
- Inadequate budget for employee assistance programmes
- Lack of adequately trained presiding officers for hearings
- Unexpected postponement of Audit Comm meetings
- Lack of IT skills and need for training on forensic auditing

Recommendations:

- Adoption of Municipal Health Services By-Law
- Upgrade of access control at main building
- To continue 'fight' for improved DORA-allocation
- To continue 'fight' for increased functions for DM's
- To improve LED-performance in district

Please refer to the full presentation as attached for more details

Presentation on Current Status: Infrastructure, Housing, Planning and Development

Highlights:

Highlights	Description
Processing of application for building permits	72 building applications were received of which 0 is still under consideration, 36 were approved and 36 were not approved due to incompliance with Municipal Scheme Regulations and National Building Regulation and Building Standards Act
District Municipal Planning Tribunal was established in terms of Spatial Planning and Land Use Management Act (SPLUMA) to assess and decide on land use applications	The DMPT met six times during the 2017/18 (6 July 2017, 14 September 2017, 14 November 2017, 24 January 2018, 7 March 2018 and 7 June 2018) financial year, considering 47 applications in total.
Improved IDP Stakeholder and community engagements	Five meetings were conducted during the financial year in reviewing the IDP. These includes IDP Steering committee meetings 23 November 2017 and 15 February 2018, IDP Representative Forums – 27 November 2017 and 22 February 2018, and community meeting 12 February 2018 in Richmond.
IDP Review support to Municipalities through IDP working group sessions	Emthanjeni, Umsobomvu, Siyancuma, Siyathemba, Kareeberg, Renosterberg, Ubuntu and Themebelihle.
Adoption of the draft and final IDP's	Pixley ka Seme DM (28/05/2018), Emthanjeni, Umsobomvu, Siyancuma, Siyathemba, Kareeberg, Renosterberg, Ubuntu & Themebelihle
Job Opportunities	The district able to create 98 temporary job opportunities with projects implemented in the district.
Tourism function	A feasibility report was compiled and submitted to council 31 March 2018 for adoption. It was recommended that a tourism officer be appointed under the EPWP in the new financial year.
SKA Social Impact Report	The Council for Scientific and Industrial Research (CSIR) investigated and assessed the socio-economic impacts SKA Phase 1 development. The report obtained summarized and submitted to council in December 2017
Review of the District LED Strategy	A MOA was signed with the DED whereby assistance will be rendered in reviewing the District LED Strategy during the 2018/19 financial year.

Challenges:

Challenges	Description
Inadequate capacity building, training and skills development at local municipal level	Spatial Planning and Land Use Management related training and skills development is necessary at local municipal level in order to improve on the quality of applications submitted to DMPT and district municipality.
Illegal erection of buildings	Support to local municipalities
Lack of Spatial Development Frameworks at Local Municipal level	Majority of municipalities in the district does not have SDF's and all land development applications should be approved in alignment with the SDF of the municipality.
Road design capacity at district level	Computer hardware need to be upgraded and the relevant design software should be purchased and installed in order to do drainage and geometric designs in house.

Challenges	Description
The withdrawal of the Developer Function form Municipalities, by Coghsta	Numerous attempts were made to correct the situation, but no success is attained. SALGA is also following a process to address this aspect
The appointment of the PMU by Coghsta	This aspect was also escalated to different levels at no success
Geographical concentration of lower income communities	Historical circumstances largely, creates particular challenges for promoting spatial integration and the stated policy of Council to promote greater mixing of income groups in residential communities
Municipal and development process concerns	Challenges of under capacitated technical departments within local municipalities and the need to strengthen the housing function in particular are noted

Please refer to the full presentation as attached for more details

Presentation on Current Status: Corporate Services

Successes:

- Human Resources Management and Development
  - Implementation of Exit Strategy for Learners and Interns
    - Civil engineering Graduate appointed by the municipality as a building Inspector
    - One Financial Intern appointed as an Accountant Supply Chain Management
    - Three work integrated learners (WIL) were appointed on a contractual basis in the Corporate Services and Infrastructure Housing and Planning Departments.
    - All Senior Managers meet the minimum competency levels
    - Succession Planning
  - Training and development
    - The municipality through the partnership with LGSETA managed to access the discretionary grant and trained employees from different local municipality in the district on disaster risk management (18) and all participants received certificates of competency.
    - The value of the grant was R180 000,00
    - Number of officials acquiring additional/improving their qualifications

- Archives and Registry
  - The municipality is gradually implementation the electronic registry system through the IMIS.
  - Implementation will be finalized during the 2018/19 financial year.
  - Municipality to consider the Intranet System after system is fully operational
  - Review organisational structure so as to respond to new need – retraining and upskilling Civil engineering Graduate appointed by the municipality as a building Inspector

- Admin Support to Council and other Departments

  - Introduction of an electronic distribution of Council Agendas and Minutes to Councillors

- ICT

  - Implementation of the IMIS (Integrated Management Information System)
  - System sends out alerts to expected participants of event/meeting (calendar)

- Performance Management

  - Development and Introduction of credible Performance Management Systems in the municipality.
  - Assist with the development and implementation of PMS governance framework in LM were it did not exist.
  - Improve structural arrangements and municipal alignment with IDP, Budget, SDBIP processes

- Legal Unit

  - Shared Service Agreements
    - Six out of the eight local municipalities signed the Shared Service
    - Agreement and was assisted by the unit
  - Various matters dealt with:
    - Emthanjeni Municipality
      - ✓ Absenteeism
      - ✓ Abscondment
      - ✓ Financial Misconduct
      - ✓ Rude and Abusive Conduct
    - Thembelihle Municipality
      - ✓ Termination of fixed term contracts
      - ✓ Arbitration: Unfair Dismissal –Settled
      - ✓ Arbitration: Unfair dismissal- ruled in favor of Municipality
      - ✓ Arbitration: provision of Benefits- Settle without cost implications
      - ✓ Theft of Employers property – resignation
    - Siyathemba Municipality
      - ✓ Legal Advice
      - ✓ Grievance
      - ✓ Disciplinary Matters: - Dismissal
      - ✓ Suspension: Murder
      - ✓ Insubordination
      - ✓ Absenteeism
    - Umsobomvu Municipality
      - ✓ Financial Misconduct – Dismissal
      - ✓ Arbitration: Unfair dismissal – Ruled in favor of municipality
      - ✓ Absenteeism

- ✓ Drunk on duty
- ✓ Abscondmend
- ✓ Suspensions - Murder and Fraud Traffic Department

➢ Kareeberg Municipality

- ✓ Arbitration: Unfair Labour Practice- Settled
- ✓ Rude and Abusive conduct
- ✓ Legal Opinion: Long Service Bonus

➢ Pixley Ka Seme DM

- ✓ Service Level Agreements- Various
- ✓ Civil Matter – Pending

Disaster Management

- Awareness campaigns on domestic fires conducted in Renosterberg and Ubuntu municipalities (Informal Settlements)
- 20 volunteers were trained in Firefighting in De Aar.
- Disaster management officials from different municipalities in the district successfully completed training in disaster risk reduction (9)
- District Disaster management forum is active, and meetings are held regularly, albeit not all municipalities attending

Municipal Health Services

- Training/capacity building
  - ➢ EHPs trained as Environmental Management Inspectors. Currently waiting for the designation from MEC Management Act 107 of 1998. (New KPI 19/20)
  - ➢ Air Quality Monitoring (New KPI)
- Municipal health services audit
  - ➢ National Department of Health audited Municipal Health Services. Audit outcome improved from 54% - 87% with matters to address.
- Awards
  - ➢ SALGA Awarded the district for best performing district on provision of MHS within the Northern Cape & is in the top ten Nationally
- Academics
  - ➢ Mr Erasmus graduated Btech Environmental Health & Ms Mukoma Honours Public Administration
- MHS SOP
  - ➢ Municipal Health Services Standard Operational Plan developed and approved by council.
- Back to school program
  - ➢ Sanitary towels handed to 150 School Learners at Visisani, Petrusville Primary & Petrusville High. With 20 receiving school uniforms

Challenges:

- Human Resources Management and Development
  - No sufficient budget for Employee Assistance Programme relies on hand outs and this is not a tenable situation. (KPI)
  - Training budget not ring-fenced for trainings and study assistance programme (KPI)
  - LGSETA turn-around time on processing discretionary grants to the municipality is too long

- Admin Support
  - The condition of the municipal white fleet ranges from good to poor
    - We have alienated 3 of the very old stock
    - The condition of the 12 remaining vehicles ranges from very good to fair
    - The municipality is in the process of acquiring 4 additional new vehicles
  - White Fleet not meeting the demand of operations
  - Consider acquiring additional vehicles

- ICT
  - Usage of outdated technology leading to compatibility issues
  - Adequate training and capacity development initiatives for IT personnel
  - Shortage of IT personnel
  - Replacement of the current server (20yrs)

- Performance Management
  - No policy framework in place for cascading PMS to all levels within the municipality.
  - No SOP and system descriptions currently in place
  - No clear guidelines/policy for skills transfer in SLA.
  - No accredited training and capacity building programmes for PMS

- Legal Unit
  - Obtaining presiding officers
  - The most prevalent forms of misconduct that municipalities face relates to alcohol abuse and absenteeism

- Disaster Management
  - Insufficient funds to train volunteers in the district
  - A fully equipped control room with upgraded radio communication system is needed

- Municipal Health Services

  - Shortage of staff with current national ratio of 1ehp per 10 000 population
    - Appointment of additional EHP's to comply with the national norm – phased approach
  - Unable to comply with routine inspections as recommended by national norm due to high number of premises with few officials
    - to comply with inspection norm appointment of additional EHP's
  - Long turn around delivery of inspection report
    - Develop an electronic reporting system

Please refer to the full presentation as attached for more details

Presentation on Current Status: Financial Services

Successes:

- Shared Services

  - 5% annual increase as per the SLA
  - Q1 18/19 invoices already issued
  - Thembelihle opted to make payments monthly
  - The other 5 is making payments quarterly
  - Emthanjeni, Kareeberg, Siyancuma, Siyathemba, Umsobomvu and Thembelihle are the only municipalities participating for 18/19
  - Ubuntu is showing interest of participation
  - Renosterberg to date has shown no interest of participating

- mSCOA

  - Pixley Ka Seme DM reformed onto the Municipal Standard Charts of Accounts on the 1st of July 2017, as prescribed by National Treasury, non-compliance with the reform process to MSCOA would result in Equitable share being withheld
  - With reference to the Pre-Audit Actual data strings report that was due on the 31st of August 2018; only 10 of the 30 Municipalities within the Province submitted the report, out of the 10 submissions only 4 Municipalities obtained a successful submission status, Pixley Ka Seme, Frances Baard, Khai-Ma (Pofadder)and Namakwa obtained a Green status.

Challenges:

- Currently PKSDM has Windows server 2003 installed, for the efficient operation of MSCOA we need to urgently install Windows server 2008
- The current Data server is 20+ years and not compatible for MSCOA; limitation usage of all functional modules on MSCOA, the server capacity is insufficient to run both MSCOA and IMIS
- Windows 7 or higher should be installed for optimal usage of MSCOA
- Microsoft Office 2016 should be installed on workstations

Please refer to the full presentation as attached for more details

Presentation on Current Status: Internal Audit

Successes

- Successfully developed 7 Risk assessments, and Plans for DM and local municipalities
- Managed to do 28 quarterly audits (Despite SLA challenges)
- Innovative training initiatives
- 5 Officials trained as Professional Internal auditors
- All registered/paid up members of IIA(SA)
- Improved relationships in our local municipalities
- Reviewed 7 sets of Annual financial statements before submission to AG
- Significant improvement in AC meetings

Challenges

- Lack of audit action monitoring processes
- Audit committee meetings – Siyathemba
- Municipalities not honouring SLA – Payment
- IT and Forensic Auditing capacity
- External Review/Assessment

Way Forward

- Municipalities face increasing uncertainly on multiple fronts – 5 of 8 locals in District Distressed
- Increased Innovation
- Reinvent itself
- Ubuntu – Signed SLA – To be included in Plan
- Internal audit plans should speak to these challenges
- Attune to the challenges of emerging risks, technologies

Please refer to the full presentation as attached for more details

SWOT Analysis

Strengths:

- Competent and qualified staff
- Manage to operate within a small budget
- Stability – Political and Administration interface
- Infrastructure to render an effective shared service
- Commitment of officials
- Ability to give support to local municipalities

Weaknesses:

- Not being able to get back money from local municipalities for Shared Services rendered
- Grant dependent institution
- Limited technical skills

- % Representation of salaries to the budget
- Retention of qualified and specialized skills
- Limited funding

Opportunities:

- Solar and wind farms
- Additional functions
- Project management unit
- Eco Tourism
- Private funding
- Revitalisation of railways
- Position of being strategically situated (National Roads)
- Municipal Health services to be billed
- Availability of grants that can be accessed
- SKA

Threats:

- Future role of district municipalities
- Limited funding
- Grant dependent institution
- Climate changes
- Unemployment & poverty
- Limited economic drivers

Formulation/Confirmation of Vision and Mission/Strategic Objectives

Current Vision:

- *"Developed and Sustainable District for Future Generations"*

It was decided to not change the existing vision of the Municipality

Current Mission:

- Supporting our local municipalities to create a home for all in our towns, settlements and rural areas to render dedicated services;
- Providing political and administrative leadership and direction in the development planning process;
- Promoting economic growth that is shared across and within communities;
- Promoting and enhancing integrated development planning in the operations of our municipalities; and
- Aligning development initiatives in the district to the National Development Plan.

It was decided to not change the existing mission of the Municipality

Current Strategic objectives:

- Compliance with the tenets of good governance as prescribed by legislation and best practice
- To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined
- Promote economic growth in the district
- To provide a professional, people centred human resources and administrative service to citizens, staff and Council
- Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favourable audit outcome
- To provide disaster management services to the citizens
- To provide municipal health services to improve the quality of life of the citizens
- Guide local municipalities in the development of their IDP's and in spatial development
- Monitor and support local municipalities to enhance service delivery

It was decided to not change the existing strategic objectives of the Municipality

Alignment of strategic objectives and municipal functions:

Strategic objective	Goal	Outcome	Municipal Division
Compliance with the tenets of good governance as prescribed by legislation and best practice	Good clean governance	Good clean governance	Community Liaison Communication Special Programmes Municipal Manager Support Services
	Compliant support services	Compliant support services	Support Services Performance management
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Viable and compliant financial management Clean Audit	Viable and compliant financial management Clean Audit	Finance Budget Control Supply Chain Management Asset Management Salaries
Monitor and support local municipalities to enhance service delivery	Compliant support services	Compliant support services	Support Services
	Enhanced support to local municipalities	Enhanced support to local municipalities	Infrastructure Development Housing
Promote economic growth in the district	Enhanced economic growth	Enhanced economic growth	LED
Guide local municipalities in the development of their IDP's and in spatial development	Improved integrated development planning	Improved integrated development planning	Spatial Planning
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Compliant HR Services	Compliant HR Services	Human Resources Legal Services & Labour Division

Strategic objective	Goal	Outcome	Municipal Division
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Clean audit	Clean audit	Internal Audit
To provide disaster management services to the citizens	Disaster readiness	Disaster readiness	Disaster Management
To provide municipal health services to improve the quality of life of the citizens	Healthy environment	Healthy environment	Municipal Health Services

DAY 2: 10 OCTOBER 2018

Action Planning: Plenary session: Comparison of actions in original IDP to currently: Achieved, not yet achieved & what still remains to do

Please refer to the detailed action plan for inclusion in the IDP review and Top Layer SDBIP of 2019/20

The table below indicates issues/challenges that were raised that must be kept in mind in internal discussions, future budget allocations and external lobbying:

Responsible Division	Challenge/Issue	Action
All	Grant-dependency resulting in budgetary constraints and going-concern finding by AG	Ongoing lobbying and discussion on applicable levels
All	Decreasing functions of DM's	Ongoing lobbying for increased functions of DM's with funding
Infrastructure, Housing, Planning and Development	LED performance in the District	Improve LED performance in District. Consider including local municipalities in the LED strategy of the district
Corporate Services	No budget allocation for Employee Assistance Programme, currently relying on other government departments for assistance when needed which is not ideal	Research of options and phased-in approach
Corporate Services	Training budget not ring-fenced for training and study assistance programmes	Training budget to be prioritized
Corporate Services	Adequate training and capacity development initiatives for ICT personnel	Prioritize training of ICT personnel in WPSP
Corporate Services	Shortage of ICT personnel	Research options
Corporate Services	Cascading of PMS to all levels within the municipality	Council and management to take decision on when to implement
Corporate Services	No clear guidelines/policy for skills transfer by service providers in SLA's	Develop policy on transfer of skills by service providers and include in SLA's
Corporate Services	Availability of accredited training and capacity building programmes for PMS	Research of options
Corporate Services	Disaster Management - A fully equipped control room with upgraded radio communication system is needed	Lobbying for funding
Corporate Services	Municipal Health Services - Shortage of staff with current national ratio of 1 EHP per 10 000 population	Appointment of additional EHP's to comply with the national norm – phased approach
Infrastructure, Housing, Planning and Development	Illegal erection of buildings	Support local municipalities with monitoring an inspections
Infrastructure, Housing, Planning and Development	Lack of Spatial Development Frameworks at Local Municipal level	Consider including local municipalities in the SDF of the district
Infrastructure, Housing, Planning and Development	Geographical concentration of lower income communities. Historical circumstances largely, creates particular challenges for promoting spatial integration and the stated policy of	Consider including local municipalities in the SDF of the district

Responsible Division	Challenge/Issue	Action
	Council to promote greater mixing of income groups in residential communities	
Internal Audit	ICT and Forensic Auditing capacity	Prioritize training in WPSP
Internal Audit	External Review/Assessment	Consider future budget allocation

Way Forward

- Senior Managers must discuss the outcomes in this summary document with their departmental heads and other personnel
- The actions must be approved by Council for incorporation in the IDP review of 2019/20

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Actions 2019/20 to 2021/22

Strategic objective	Responsible Division	Key Performance Indicator	Unit of measurement	Target 2019/20	Target 2020/21	Target 2021/22
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Compile and approve an Audit Action Plan annually by 31 January to address the issues raised by the AG	Audit Recovery Plan compiled and approved by 31 January	1	1	1
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Report quarterly to council on meetings with and correspondence to defaulting municipalities on debt relating to services rendered	Number of reports submitted	4	4	4
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Prepare and submit the draft budget to Council by 31 March annually	Draft budget submitted by 31 March annually	1	1	1
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit 6outcome	Finance	Prepare and submit the final budget to Council by 31 May annually	Final budget submitted by 31 May annually	1	1	1
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit 6outcome	Finance	Prepare and submit the adjustments budget to Council by the 28 February annually	Adjustments budget submitted by 28 February annually	1	1	1
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Submit the annual financial statements to the Auditor-General by 31 August annually	Statements submitted to the AG by 31 August annually	1	1	1
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Co-ordinate the District MM/CFO forums	Number of meetings held	2	2	2
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Financial viability measured in terms of the Municipality's ability to meet it's service debt obligations by 30 June ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% debt coverage	45%	45%	45%

Actions 2019/20 to 2021/22

Strategic objective	Responsible Division	Key Performance Indicator	Unit of measurement	Target 2019/20	Target 2020/21	Target 2021/22
Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Finance	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	0.1	0.1	0.1
Compliance with the tenets of good governance as prescribed by legislation and best practice	Office of the Executive Mayor	Submit a report to council annually by 30 June on the monitoring and evaluation of community participation	Report submitted to council by 30 June annually	1	1	1
Compliance with the tenets of good governance as prescribed by legislation and best practice	Office of the Executive Mayor	Facilitate the meeting of the District Communication Forum	Number of meetings held	4	4	4
Compliance with the tenets of good governance as prescribed by legislation and best practice	Office of the Executive Mayor	Host commemorative days as per the approved list by the Municipal Manager and Mayor	Number of commemorative days hosted	5	5	5
Compliance with the tenets of good governance as prescribed by legislation and best practice	Office of the Executive Mayor	Facilitate the meeting of the District HIV/AIDS council	Number of meetings held	4	4	4
Compliance with the tenets of good governance as prescribed by legislation and best practice	Office of the Executive Mayor	Facilitate the meeting of the Youth Council	Number of meetings held	2	2	2
Compliance with the tenets of good governance as prescribed by legislation and best practice	Municipal Manager	Facilitate the meeting of the District Intergovernmental Forum (Technical)	Number of meetings held	4	4	4
Compliance with the tenets of good governance as prescribed by legislation and best practice	Municipal Manager	Sign 57 performance agreements with all directors by 31 July	Number of performance agreements signed	4	4	4
Monitor and support local municipalities to enhance service delivery	Municipal Manager	Report quarterly to council on Shared Services	Number of reports submitted	4	4	4
Compliance with the tenets of good governance as prescribed by legislation and best practice	Corporate Services	Submit the Top layer SDBIP for approval by the Mayor within 21 days after the budget has been approved	Top Layer SDBIP submitted annually to Mayor within 21 days after the budget has been approved	1	1	1
Compliance with the tenets of good governance as prescribed by legislation and best practice	Corporate Services	Submit the draft Annual Report to Council annually by 31 January	Draft annual report submitted annually to council by 31 January	1	1	1

Actions 2019/20 to 2021/22

Strategic objective	Responsible Division	Key Performance Indicator	Unit of measurement	Target 2019/20	Target 2020/21	Target 2021/22
Monitor and support local municipalities to enhance service delivery	Infrastructure, Housing, Planning and Development	Arrange and convene quarterly Infrastructure Forum meetings	Number of meetings	4	4	4
Monitor and support local municipalities to enhance service delivery	Infrastructure, Housing, Planning and Development	Submit quarterly progress reports that include expenditure on all MIG projects in the district to the portfolio committee	Number of reports submitted	4	4	4
Monitor and support local municipalities to enhance service delivery	Infrastructure, Housing, Planning and Development	Submit quarterly progress reports on the Implementation of infrastructure grants/allocations according to set conditions and submit to the portfolio committee	Number of reports submitted	4	4	4
Monitor and support local municipalities to enhance service delivery	Infrastructure, Housing, Planning and Development	Annually review the Human Settlements Sector Plan and submit to Council for approval by 30 June	Reviewed Human Settlements Sector Plan submitted to council annually by 30 June	1	1	1
Monitor and support local municipalities to enhance service delivery	Infrastructure, Housing, Planning and Development	Quarterly report to the portfolio committee on the number of households educated on housing consumer education in towns of non-accredited municipalities in the district	Number of reports submitted	4	4	4
Monitor and support local municipalities to enhance service delivery	Infrastructure, Housing, Planning and Development	Conduct housing consumer education in towns of non-accredited municipalities in the district	Number households educated	600	600	600
Guide local municipalities in the development of their IDP's and in spatial development	Infrastructure, Housing, Planning and Development	Review the Spatial Development Framework that include Land Use Management Schemes and submit to Council by 30 June	Reviewed Spatial Development Framework that include Land Use Management Schemes submitted to Council by 30 June	n/a	n/a	1
Guide local municipalities in the development of their IDP's and in spatial development	Infrastructure, Housing, Planning and Development	Annually review the IDP and submit draft to council by 31 March	Draft reviewed IDP submitted annually to council by 31 March	1	1	1
Guide local municipalities in the development of their IDP's and in spatial development	Infrastructure, Housing, Planning and Development	Annually compile an IDP framework by 31 December to guide local municipalities	IDP framework annually completed by 31 December	1	1	1
Promote economic growth in the district	Infrastructure, Housing, Planning and Development	Appoint a Tourism Officer by 30 June 2022	Tourism officer appointed by 30 June 2022	n/a	n/a	1
Promote economic growth in the district	Infrastructure, Housing, Planning and Development	Review the District Growth and Development Strategy to include an implementation plan with actions and timeframes and submit to Council by 30 June 2022	Reviewed DGDS submitted to council by 30 June 2022	n/a	n/a	1
Promote economic growth in the district	Infrastructure, Housing, Planning and Development	Review the LED strategy to include an implementation plan with actions and timeframes and submit to Council by 30 June 2022	Reviewed LED strategy submitted to council by 30 June 2022	n/a	n/a	1
Promote economic growth in the district	Infrastructure, Housing, Planning and Development	Arrange quarterly LED forum meeting	Number of meetings held	4	4	4

Actions 2019/20 to 2021/22

Strategic objective	Responsible Division	Key Performance Indicator	Unit of measurement	Target 2019/20	Target 2020/21	Target 2021/22
Promote economic growth in the district	Infrastructure, Housing, Planning and Development	Facilitate 2 career exhibitions in the Pixley Ka Seme District area by 30 June 2019	Number of career exhibitions facilitated	2	2	2
Promote economic growth in the district	Infrastructure, Housing, Planning and Development	Create job opportunities through the Expanded Public Works Programme (EPWP)	Number of opportunities created	55	55	55
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Spent 1% of personnel budget on training by 30 June (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent	1%	1%	1%
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Submit a business proposal to LGSETA for discretionary grant to avail funds to train employees and unemployed by 31 March	Proposal submitted by 31 March	1	1	1
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Implement the WPSP to train officials (Total number of officials that received training as was identified in the WPSP/total number of officials that were identified for training in the WPSP)	% of identified employees that completes training as identified in WPSP	90%	90%	90%
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Review the organizational structure of the district Municipality and submit to council by 30 June	Reviewed Organizational Structure submitted to council by 30 June	n/a	1	n/a
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Limit the vacancy rate to less that 10% of budgeted posts by 30 June ((Number of posts filled/Total number of budgeted posts)x100)	% vacancy rate of budgeted posts (Number of posts filled/Total number of budgeted posts)x100	10%	10%	10%
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Review the Workplace Skills Plan and submit to the LGSETA by 30 April annually	Plan submitted to the LGSETA by 30 April	1	1	1
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	One person from employment equity target groups to be appointed in one of the three highest levels of management annually in compliance with the Municipality's approved employment equity plan (Occupational category of mid management - speci	One person to be appointed in one of the three highest levels of management in compliance with a Municipality's approved employment equity plan	1	1	1
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Internal Audit	Submit a Quality Assurance Plan to the Audit Committee by 30 June	Quality Assurance plan submitted annually by 30 June	1	1	1

Actions 2019/20 to 2021/22

Strategic objective	Responsible Division	Key Performance Indicator	Unit of measurement	Target 2019/20	Target 2020/21	Target 2021/22
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Internal Audit	Submit quarterly internal audit reports to the local municipalities in terms of the Service Level Agreements	Number of reports submitted	12	12	12
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Internal Audit	Compile the Risk based audit plan (RBAP) and submit to the Audit Committee for consideration by 30 November	RBAP submitted by 30 November	1	1	1
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Internal Audit	Compile the Risk based audit plans (RBAP) for the local municipalities in terms of the Service Level Agreements and submit to the local municipalities by 30 June	Number of plans submitted	3	3	3
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Internal Audit	Review the 3 year Strategic Audit Plans of applicable local municipalities and submit to the Audit Committee by 30 June	Reviewed 3 year Strategic Audit plans submitted to the AC by 30 June annually	3	3	3
To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	Internal Audit	Review the 3 year Strategic Audit Plan and submit to the Audit Committee by 30 November	Reviewed 3 year Strategic Audit plan submitted to the AC by 30 November annually	1	1	1

Actions 2019/20 to 2021/22

Strategic objective	Responsible Division	Key Performance Indicator	Unit of measurement	Target 2019/20	Target 2020/21	Target 2021/22
To provide disaster management services to the citizens	Infrastructure, Housing, Planning and Development	Submit application for increased funding for disaster management to COGHSTA by 31 March	Application submitted by 31 March	1	1	1
To provide disaster management services to the citizens	Infrastructure, Housing, Planning and Development	Host training session by 30 June to train volunteers ito Disaster Management	Training sessions hosted by 30 June	1	1	1
To provide disaster management services to the citizens	Infrastructure, Housing, Planning and Development	Review the Disaster Management Plan annually and submit to Council by 30 June	Reviewed plan annually submitted to council by 30 June	1	1	1
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Compile monthly water quality analysis report to local municipalities in terms of the Water quality monitoring programme	Number of reports compiled	96	96	96
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Submit quarterly reports to council on municipal health services rendered	Number of reports submitted	4	4	4
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Take samples of potable water within in the district to monitor bacterial levels	Number of samples taken	1 000	1 000	1 000
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Take samples of waste water within in the district	Number of samples taken	100	100	100
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Inspect food outlets and premises to monitor compliance to chemical safety, vector and hygiene	Number of inspections	400	400	400
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Inspect government premises and private entities to monitor compliance to chemical safety, vector and hygiene	Number of inspections	260	260	260
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Inspect funeral undertakers to monitor compliance to chemical safety ,vector and hygiene	Number of inspections	24	24	24
To provide municipal health services to improve the quality of life of the citizens	Corporate Services	Inspect landfill sites	Number of inspections	24	24	24
Compliance with the tenets of good governance as prescribed by legislation and best practice	Municipal Manager	Complete the Risk Assessment and submit the updated risk register to the Risk Management Committee by 31 March	Risk Analysis completed and updated risk register submitted to the Risk Management Committee by 31 March 2018	1	1	1
All	Corporate Services	Replace one vehicle per annum	One vehicle replaced by 30 June	1	1	1
To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	Corporate Services	Upgrade of access control at the main building by 30 June 2020	Access control upgraded by 30 June 2020	1	n/a	n/a

PIXLEY KA SEME DISTRICT MUNICIPALITY

STRATEGIC PLANNING SESSION
OFFICE OF THE MUNICIPAL MANAGER
GENERAL OVERVIEW
GARIEP HOLIDAY RESORT
09-10 OCTOBER 2018

Content

- Introduction
- Highlights 2017-18
- Challenges
- Shared Services Payment Performance
- Risk Management
- Municipal Public Accounts Committee
- Office of the Executive Mayor
- Corporate Services
- Internal Audit
- Budget and Treasury Office
- Development, Housing, Planning and Infrastructure Services
- Recommendations
- Conclusion

Introduction

- RSA Constitution, Section 154(a) states….
- A municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community….
- Council to use next 2 days to reflect on last financial year, use lessons to prepare for next financial year
- Council to critically probe presentations by senior management, to sharpen operational functionality

Highlights 2017-2018

- PkS DM achieved 94% of its set KPI's, across all departments
- Only 2% of set KPI's not met, 4% almost met
- Indication of a well-managed institution
- Implementation of WSP
- Management of budget
- Shared Services performance, eg Internal Audit, Legal Service and Labour Relations
- RRAMS

Challenges

- Grant-dependency resulting in budgetary constraints and going-concern finding by AG
- Resignation of key officials, eg BTO
- Late payment for shared services by some local municipalities
- Ageing and limited vehicle fleet impacting negatively on operations
- Inadequate budget for employee assistance programmes
- Lack of adequately trained presiding officers for hearings
- Unexpected postponement of Audit Comm meetings
- Lack of IT skills and need for training on forensic auditing

Shared Services Payment Performance

- Pks DM provided shared services to 6 local municipalities
- Payment-arrangements agreed with all municipalities
- Majority paid quarterly, one paid monthly
- Principle of ‘payment-before-service’ implemented
- Payment culture improved slightly, despite challenges in some municipalities
- Three municipalities paid-up by 30 June 2018, whilst 1 completed payment in early 2018-2019
- Two municipalities still outstanding with quarter 4 payments

Risk Management

- Risk Management Officer appointed on 1 April 2018
- Appointment of Risk Committee
- Draft Risk Management Framework
- Draft Risk Management Policy
- Draft Risk Management Charter
- Draft Implementation Plan
- Draft Risk Register
- Training of Risk Management Officer
- Provincial Treasurer provided training for management
- All draft documents to be presented to Council, when ready

Municipal Public Accounts Committee

- Planned 4 meetings, convened only 3
- MPAC-members not being able to attend, due to commitments at local municipalities
- Internal Audit attended all MPAC-meetings
- MPAC Chair part of AG-meetings
- Processed the following:
- ✓ Draft Annual Report
- ✓ Drafting of Oversight Report
- ✓ Reports on wasteful, unauthorized expenditure
- ✓ Annual financial expenditure (S&T)

Office of Executive Mayor

- Adoption of 3 previously disadvantaged schools in district
- Successful hosting of career exhibition in Siyathemba Municipality
- Successful hosting of national historic days for staff, eg Nelson Mandela Day, Heritage Day, Women’s Day, World Aids Day
- Training of ward-committees at local municipalities
- Council outreach programmes
- Quarterly District IGR meetings

Corporate Services

- **Municipal Health**
- EHP's identified 5 key areas posing threats to public health, eg water quality, food safety control, etc
- EHP's trained as Environmental Management Inspectors
- Audit by National Department improved from 55% to 87%
- Awarded Best Municipal Health Services by SALGA
- Distributed school uniform to needy school

Internal Audit

- Five officials enrolled for Professional Internal Auditor (PIA)
- Trained one official in different disciplines, eg SCM, GRAP, Risk Management, mSCOA
- Compiled risk-based audit plans for local municipalities
- Conducted audits at all 7 municipalities
- Convened all Audit Committee meetings at majority of municipalities

Budget and Treasury Office

- Strict management of budget
- Operate without overdraft facility
- No default on 3rd party payments
- Strict adherence to payment-arrangements, eg AG, SALGA
- All SCM committees appointed and functional
- Progress made by financial interns in department

Development Housing Planning and Technical Services

- **Road Transport (RRAMS & EPWP)**
- Upgrading of access road in Schmidtsdrift
- Design by RRAMS-graduates
- To be completed in 2018-2019
- Employment for local community
- RRAMS-graduates developed RAMP-document
- RAMP-document reflects condition of roads, to be useful for local municipalities
- Employment for unemployed youth in all municipalities

Recommendations

- Adoption of Municipal Health Services By-Law
- Upgrade of access control at main building
- To continue ‘fight’ for improved DORA-allocation
- To continue ‘fight’ for increased functions for DM’s
- To improve LED-performance in district

Conclusion

- ‘The cultivation of ethical leadership forms the foundation of any institution, and must therefore be promoted, not only to benefit the institution, but to be of value to the entire community….’ (Author unknown)

PIXLEY KA SEME DISTRICT MUNICIPALITY

Infrastructure, Development, Housing and Planning (IDHP) Department

STRATEGIC PLANNING SESSION
9-10 OCTOBER 2018

Contents

- Overview of successes of the department
- Overview of Key performance areas for 2018/19
- Overview on challenges

Infrastructure Section

- Responsible for the implementation of the:

1. Expanded Public Works Programme (EPWP)
2. Job Creation Projects e.g. Environmental Projects funded by DED
3. Rural Roads Asset Management System (RRAMS)
4. Infrastructure support to local municipalities

1. Expanded Public Works Programme (EPWP)

- 2017/18 The District Municipality implement the following projects:
  - Renovation of Pixley ka Seme District offices in De Aar – Work entails:
    - Painting of roof and upgrading of parameter fence – EPWP workers,
    - Painting of toilets and corridor in the finance, replacing of broken tiles and repairs to the roof.
  - Upgrading of streets and storm water control in Schmidtsdrift project – Phase include the construction of storm water berms and channels – Implemented in house utilising EPWP construction methods and RRAMS graduates to supervise the project.
  - Expenditure and Job Creation:

Project	Budget	Expenditure	Job Creation
Renovation of offices	R100 000	R134 471	17
Upgrading of streets	R850 000	R644 396	54
Administration Cost	R50 000	R50 000	
Total	R1 000 000	R828 867	
Under Spending		R171 133	
Commitments		R204 082	

EPWP Project in Schmidtsdrift

EPWP – Planned for 2018/19

- The allocation for 2018/19 amounts to R1 million and the funds will spend in the following manner:

Project	Town	Job opportunities	Budget
Upgrading of streets	Schmidtsdrift	53	R700 000
Support workers	De Aar	4	R150 000
Renovation work – fencing	De Aar	11	R100 000
Administration cost	De Aar		R50 000
Total			R1 000 000

2. Job Creation Projects funded by DED

- 2017/18 The District Municipality implement a project in Petrusville
- Objective
  - to establish a sustainable farm production unit on the property
  - assist the municipality reducing the waste water effluent by utilizing it in a controlled manner by establish grazing pastures for animals
  - Creating job opportunities for unemployed persons
- Work entails
  - Completion and refurbishment and alterations to the three buildings, eg. Repair of roofs, doors and windows, demolishing of walls in order to utilise buildings as a store and chicken shed;
  - Refurbishment and installing of solar water pump and water reticulation system for the buildings;
  - Purchasing of fencing material and erecting of fences to secure the area.
- Budget
  - Allocation received was R527 370
  - Expenditure end of June 2018 amounts to R391 624
  - Balance to be used to purchase materials to extend a building in order to increase the number of chickens and to employ 10 workers for the work.
- Employment
  - Job opportunities created during the project was 19 workers

Petrusville project




3. Rural Roads Asset Management System (RRAMS)

Grant Purpose

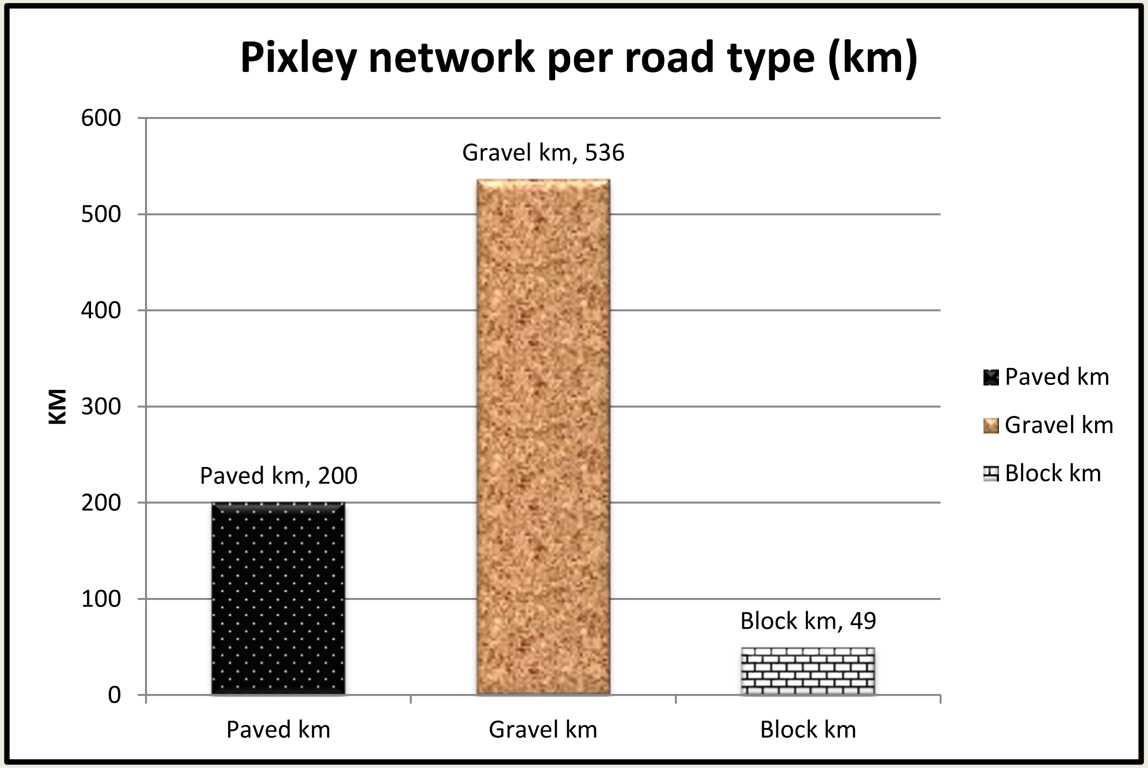
"To assist rural district municipalities to set up rural Road Asset Management Systems and collect road and traffic data on municipal road networks in line the Road Infrastructure Strategic Framework for South Africa."

Budget

Fin Year	2015/16	2016/17	2017/18	2018-19
Budget Allocation	R2 657 000	R2 973 000	R3 003 000	R3 009 000
Approved Roll-Over				
Amount Spent	R2,641,000	R2, 973 000	R3 003 000	
Unspent / Short fall	R16 000	R0	R0	

RRAMS (continue)

- Methodology
  - DM appoint S3/S4 Civil Engineering students for the duration of the project. These students are trained to gather the data/visual assessments and setup the RAMS (Road Asset Management System).
- Extend of road network



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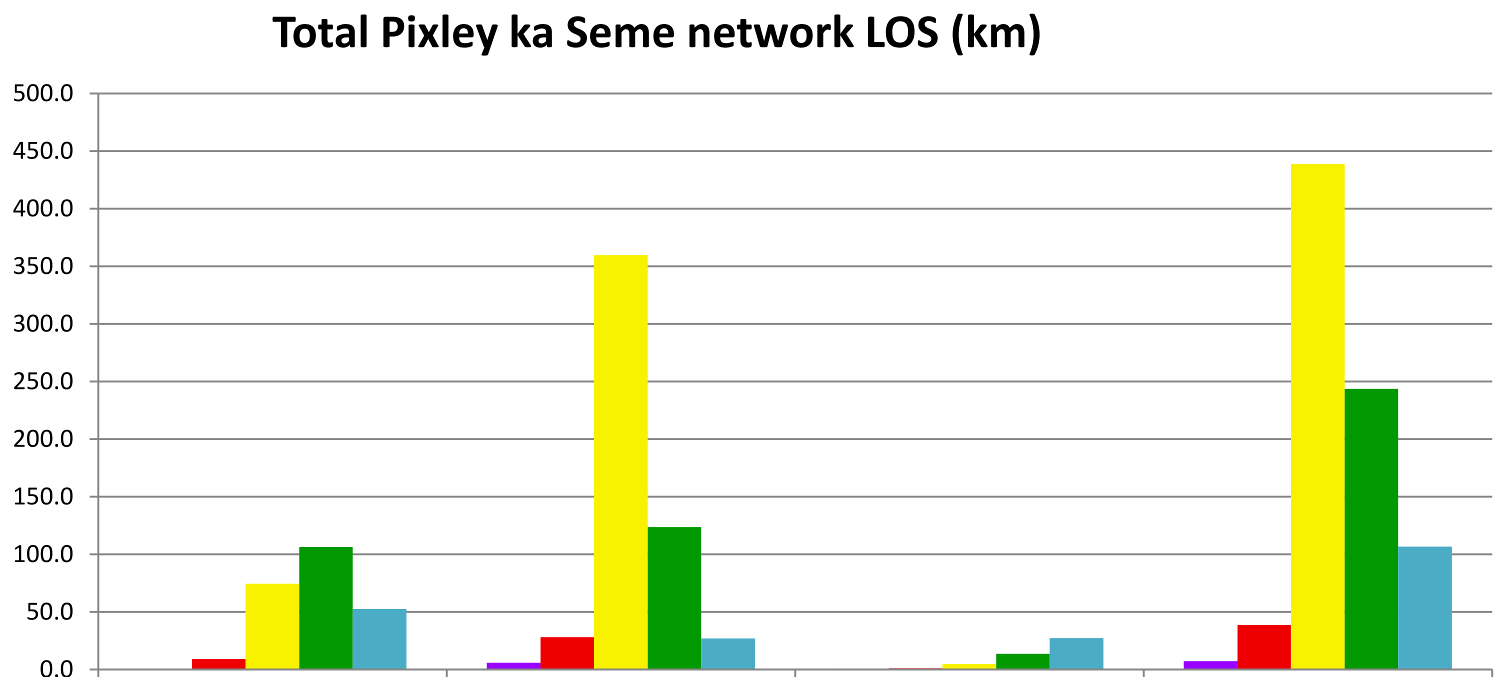
Infrastructure Section RRAMS (Continue) Visual Condition Index (VCI)

- The visual condition index is a representation of the current condition of the pavement and is based on data collected through visual assessments.
- This index is used to provide management with decision support information on the network. The rating scale used is 0 to 100. The condition categories that are used when reporting condition information are illustrated as follows.

Very Good	Good	Fair	Poor	Very Poor
100 - 85	84 - 70	69 - 50	49 - 30	29 - 0

RRAMS – VCI Report



	Paved km	Gravel km	Block km	TOTAL
5: Very Poor VCI <36	0.7	5.9	0.8	7
4: Poor VCI 36-50	9.3	28.2	1.2	39
3: Moderate	74.5	359.7	4.8	439
2: Good	106.5	123.5	13.7	244
1: Very Good	52.5	27.0	27.2	107

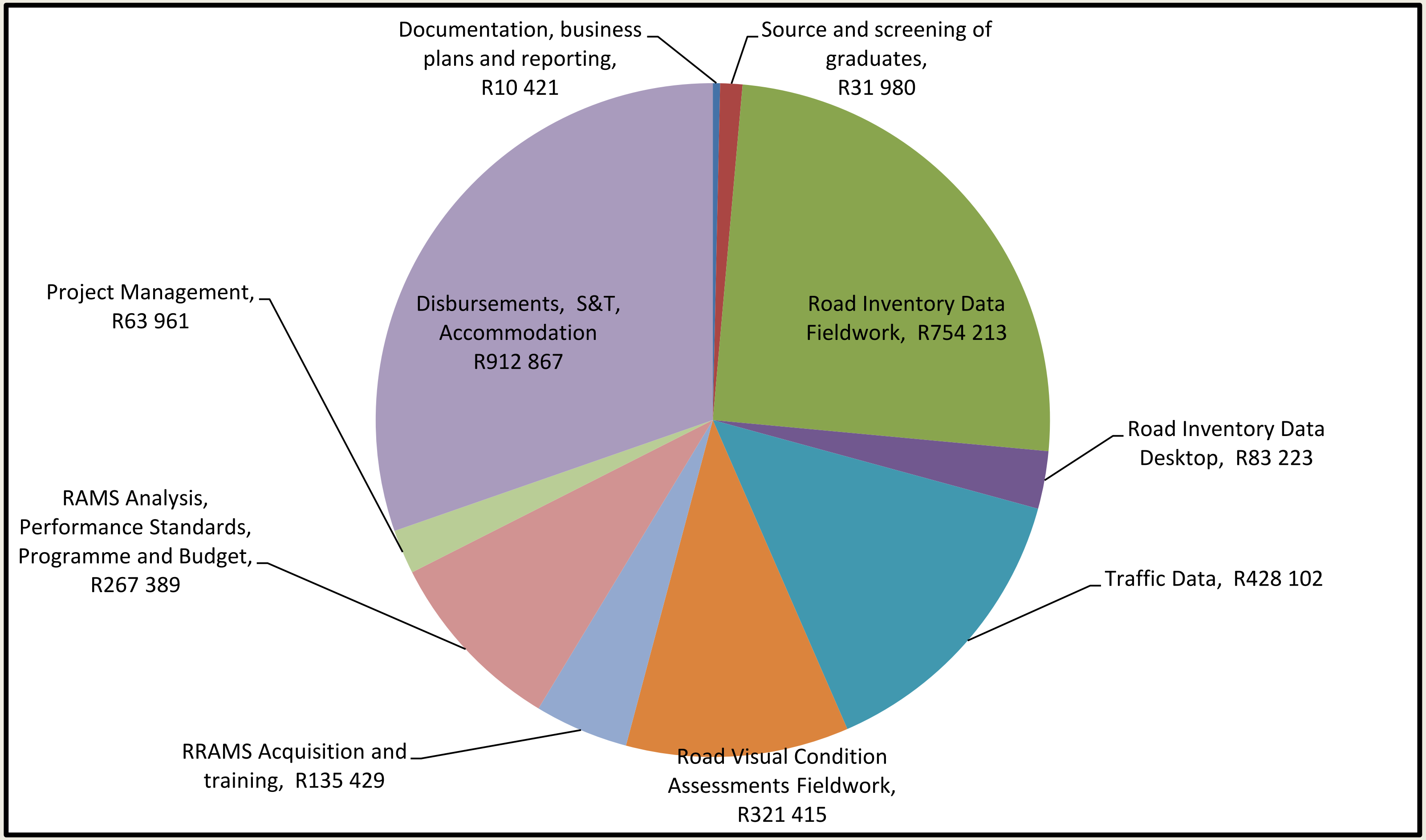
RRAMS (continue)

- Maintenance and Rehabilitation Needs for the municipal road network

PAVED NETWORK MAINTENANCE AND REHABILITATION TECHNICAL NEED		
ACTION	**EXTENT (KM)**	**COST (RAND)**
Routine Maintenance	-	-
Special Maintenance	60	62 758 303.48
Periodic Routine Maintenance	-	-
Rehabilitation	-	-
UNPAVED NETWORK MAINTENANCE AND REHABILITATION TECHNICAL NEED		
ACTION	**EXTENT**	**COST (RAND)**
Re-gravel	142	78 858 693.33
Light Blading	237	7 300 172.98
Remedial Blading	29	5 396 874.37
Spot Re-gravel	77	1 480 827.98
Rehabilitation	29	30 186 606.18

RRAMS (continue)

- Planned for 2018/19 financial year



Infrastructure Section (Continue)

4. Support programmes

- The District maintain proper functioning Infrastructure Forums (EPWP, Energy, Water and Sanitation, Housing) for the Local Municipalities to participate in planning and implementation of programmes and project in specific localities.
  - 4/4 forum meetings held for 2017/18 and 4 is planned for 2018/19.
- The District to assisted Ubuntu municipality with the implementation of Water Services Improvement Grant in Victoria West with the refurbishment of water infrastructure by replacing bore hole pumps, constructing elevated water storage tank and cascade aerator to reduce the Hydrogen Sulphate content in the water.
- Compile operation and maintenance plans for four municipalities within the district (Umsobomvu, Emthanjeni, Siyancuma and Kareeberg) for Water and Electricity infrastructure.

Infrastructure Section - Support programmes (Continue)
MIG EXPENDITURE 30 JUNE 2018

MIG: Revised allocations,transfers &reported expenditure as at end Ma								
MIG 2017/2018 allocation								
Municipality	MIG Allocation 2017/2018	Revised MIG Allocation 2017/2018	Amount transferred	Total Actual expenditure	% of transf spent	% of alloc spent	% of revised alloc spent	Balance of revised allocation
Ubuntu	R 10 063 000.00	R 10 063 000.00	R 10 063 000.00	R 9 143 180.12	91%	91%	91%	R 919 820
Umsobomvu	R 11 612 000.00	R 11 612 000.00	R 11 612 000.00	R 11 612 000.00	100%	100%	100%	R 0
Emthanjeni	R 12 292 000.00	R 12 292 000.00	R 12 292 000.00	R 12 292 000.00	100%	100%	100%	R 0
Kareeberg	R 6 095 000.00	R 8 095 000.00	R 6 095 000.00	R 5 702 617.52	94%	70%	94%	R 392 382
Renosterberg	R 7 527 000.00	R 7 527 000.00	R 7 527 000.00	R 7 488 289.50	99%	99%	99%	R 38 711
Thembelihle	R 8 166 000.00	R 9 533 000.00	R 8 166 000.00	R 6 903 005.55	100%	86%	85%	R 0
Siyathemba	R 15 920 000.00	R 9 920 000.00	R 15 920 000.00	R 15 920 000.00	100%	160%	100%	R 0
Siyancuma	R 14 693 000.00	R 23 693 000.00	R 14 693 000.00	R 4 061 800.87	28%	17%	28%	R 10 631 199

Development Section

- 2017/18 ACHIEVEMENTS
  - Job Opportunities
    - The district able to create 98 temporary job opportunities with projects implemented in the district.
  - Tourism function
    - A feasibility report was compiled and submitted to council 31 March 2018 for adoption. It was recommended that a tourism officer be appointed under the EPWP in the new financial year.
  - SKA Social Impact Report
    - The Council for Scientific and Industrial Research (CSIR) investigated and assessed the socio-economic impacts SKA Phase 1 development.
    - The report obtained summarized and submitted to council in December 2017
  - Review of the District LED Strategy
    - An MOA was signed with the DED whereby assistance will be rendered in reviewing the District LED Strategy during the 2018/19 financial year.

Development Section

- 2018/19 Objectives
  - Job Opportunities
    - The district to create 55 temporary job opportunities in the district.
  - Review of the District LED Strategy
  - Apply for funding to review the DGDS

Housing Section

- Pixley ka Seme District Municipality has level 2 housing accreditation status and in terms of the Municipal Accreditation Framework the delegated functions to the municipality includes full programme and administration management which includes the following:
  - Project/programme management
  - Contract administration
  - Programme management
  - Subsidy administration
  - Technical (construction) quality assurance

Housing

- The housing unit monitored various housing projects implemented during the past financial year.
- Projects Completed
  - Niekerkshoop 55
  - Marydale 54
  - Richmond 20
- Projects not completed continuing in 2018/19
  - Victoria West 270
  - Noupoort 33

Housing

- Projects on hold
  - Vanwyksvlei 130 – Contract with contractor terminated
  - Ouboks – Project handed back to Coghsta. A report was compiled and submitted re the vandalism of uncompleted houses.
- New projects
  - Prieska
- Consumer Education
  - Consumer education is an integral part of the housing unit's functions.
  - The target set by Coghsta is 600 beneficiaries, 732 beneficiaries were trained during the year.

Housing

Niekerskhoop

Marydale

Planning Section

- The planning section is responsible for:
  1. Spatial planning
     - The DM has, through its shared services function assist Local Municipalities in the following aspects:
       - Land use development applications i.t.o. SPLUMA
       - Approval of building plan applications i.t.o. National Building Regulations
  2. Integrated Development Planning (IDP)
     - Section 84(1) of the Municipal Structures Act as amended states that a district municipality is responsible for Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
     - A 5 year IDP was compiled , adopted by council and submitted to MEC of Coghsta

Planning Section (Continues)

Highlight	Description
Processing of application for building permits	72 building applications were received of which 0 is still under consideration, 36 were approved and 36 were not approved due to incompliance with Municipal Scheme Regulations and National Building Regulation and Building Standards Act
District Municipal Planning Tribunal was established in terms of Spatial Planning and Land Use Management Act (SPLUMA) to assess and decide on land use applications	The DMPT met six times during the 2017/18 (6 July 2017, 14 September 2017, 14 November 2017, 24 January 2018, 7 March 2018 and 7 June 2018) financial year, considering 47 applications in total.

Planning Section (Continues)

Highlight	Description
Improved IDP Stakeholder and community engagements	Five meetings were conducted during the financial year in reviewing the IDP. These includes IDP Steering committee meetings 23 November 2017 and 15 February 2018, IDP Representative Forums – 27 November 2017 and 22 February 2018, and community meeting 12 February 2018 in Richmond.
IDP Review support to Municipalities through IDP working group sessions	Emthanjeni, Umsobomvu, Siyancuma, Siyathemba, Kareeberg, Renosterberg, Ubuntu and Themebelihle.
Adoption of the draft and final IDP's	Pixley ka Seme DM (28/05/2018), Emthanjeni, Umsobomvu, Siyancuma, Siyathemba, Kareeberg, Renosterberg, Ubuntu & Themebelihle

Key Performance Area’s 2018/19

KPI
• Address all incoming documents, post, etc. of the directorate within 7 working days after receipt
• Attend to correctives measures as identified in internal audit reports the reduce risk areas within three month
• Update own SDBIP and review SDBIP Updates monthly of Managers on Ignite System by the 20th of the following month
• Conduct monthly meetings with line managers except December and January
• 100% of the grant funding spent applicable to the Infrastructure directorate in accordance with the transfer payment agreement (Actual expenditure divided by the total allocation received)
• Submit quarterly departmental reports to the MM
• Bi-annually submit progress report to the CFO on the corrective measures taken to address issues raised in management letter of the AG applicable to the Directorate

Key Performance Area's 2018/19 Infrastructure Development

KPI
• Assist municipalities with the implementation of projects on request
• Submit monthly and quarterly EPWP reports to the Department of Public Works
• Submit monthly and quarterly RRAMS reports to the Department of Transport
• Submit annual RRAMS reports to the Department of Transport
• Submit quarterly report to Management and the Portfolio Committee on the activities of the division
• Arrange and convene quarterly Infrastructure Forum meetings
• Submit quarterly progress reports that include expenditure on all MIG projects in the district to the portfolio committee
• Create job opportunities through the Expanded Public Works Programme (EPWP) by 30 June 2018
• Submit quarterly progress reports on the Implementation of infrastructure grants/allocations according to set conditions and submit to the portfolio committee

Key Performance Area's 2018/19 Housing

KPI
• Assist municipalities with the implementation of projects on request
• Submit monthly reports to Coghsta
• Submit quarterly report to Management and the Portfolio Committee on the activities of the division
• Review the Human Settlements Sector Plan and submit to Council for approval by 30 June 2019
• Conduct housing consumer education in towns of non-accredited municipalities in the district

Key Performance Area's 2018/19 Local Economic Development

KPI
• Submit quarterly report to Management and the Portfolio Committee on the activities of the division
• Review the LED strategy to include an implementation plan with actions and timeframes and submit to Council by 30 June
• Apply for funding to review the DGDS to include an implementation plan with actions and timeframes and submit to Council by 31 December 2018

Key Performance Area’s 2018/19 Planning

KPI
• Provide decision on building plans within 30 days (Actual plans evaluated/by plans received)
• Arrange the meeting of the IDP rep forum
• Hold at least one Public Participation meeting for the district on the draft IDP
• Submit quarterly report to Management and the Portfolio Committee on the activities of the division
• Review the IDP and submit draft to Council by 31 March 2019
• Compile an IDP framework by 31 August 2018 to guide local municipalities
• Apply for funding to review the Spatial Development Framework including Land Use Management Schemes by 31 December 2018

Challenges

Description	Actions to address
Inadequate capacity building, training and skills development at local municipal level	Spatial Planning and Land Use Management related training and skills development is necessary at local municipal level in order to improve on the quality of applications submitted to DMPT and district municipality.
Illegal erection of buildings	Support to local municipalities
Lack of Spatial Development Frameworks at Local Municipal level	Majority of municipalities in the district does not have SDF's and all land development applications should be approved in alignment with the SDF of the municipality.
Road design capacity at district level	Computer hardware need to be upgraded and the relevant design software should be purchased and installed in order to do drainage and geometric designs in house.

Challenges

Description	Actions to address
The withdrawal of the Developer Function form Municipalities ,by Coghsta.	Numerous attempts were made to correct the situation but no success is attained. SALGA is also following a process to address this aspect.
The appointment of the PMU by Coghsta	This aspect was also escalated to different levels at no success
Geographical concentration of lower income communities	Historical circumstances largely, creates particular challenges for promoting spatial integration and the stated policy of Council to promote greater mixing of income groups in residential communities
Municipal and development process concerns	Challenges of under capacitated technical departments within local municipalities and the need to strengthen the housing function in particular are noted.

CORPORATE SERVICES

STRATEGIC PLANNING SESSION
GARIEP HOLIDAY RESORT
09-10 OCTOBER 2018

Content

Introduction

- Mandate of LG is derived from Chapter 7 of the Constitution of RSA (ss 151-164)
- All Laws/Acts are derived from the Constitution of RSA same informs the operations of the Directorate i.e. MSA, LGSTA, MFMA, etc.
- Corporate Services is made up of the following Sub Directorates i.e.
  - **Human Resources Management and Development**
    - Informed by Sect 195 of the Constitution i.e. Basic values and Principles to maintain high standard of professional ethics,
    - Good Human Resource management and career development to maximise human potential
  - **Support Services**
    - Establish systems to promote Good Governance within the municipality
  - **Legal Unit**
    - Promotion of Inter governmental Relations between the DM and LM through the provision of Legal or Labour related support
  - **Disaster Management (Basic Service Function**)
    - mandate as derived from Schedule 4 Part A of the Constitution i.e.
    - Disaster Management (Concurrent National & Provincial legislative competence)

Municipal Health Services (Basic Service Function of DM)

- Schedule 4 Part B of the Constitution (LG) i.e.
  - Municipal Health Services
  - Water and Sanitation Services limited to potable water
- Schedule 5 Part B (LG Matter)
  - Funeral parlours and crematoria
  - Control of public nuisance
  - Facilities for accommodation, food, public places, street trading, etc.

Human Resources Management and Development

Successes 2017/18

Implementation of Exit Strategy for Learners and Interns

- Civil engineering Graduate appointed by the municipality as a building Inspector
- One Financial Intern appointed as an Accountant Supply Chain Management
- Three work integrated learners (WIL) were appointed on a contractual basis in the Corporate Services and Infrastructure Housing and Planning Departments.
- All Senior Managers meet the minimum competency levels
- Succession Planning??

Successes 2017/18

Training and development

- The municipality through the partnership with LGSETA managed to access the discretionary grant and trained employees from different local municipality in the district on disaster risk management (18) and all participants received certificates of competency.
- The value of the grant was R180 000,00
- Number of officials acquiring additional/improving their qualifications

Challenges 2017/18

- No sufficient budget for Employee Assistance Programme rely on hand outs and this is not a tenable situation. (KPI)
- Training budget not ring-fenced for trainings and study assistance programme (KPI)
- LGSETA turn-around time on processing discretionary grants to the municipality is too long

SUPPORT SERVICES

Archives and Registry

- The municipality is gradually implementation the electronic registry system through the IMIS.
- Implementation will be finalized during the 2018/19 financial year.
- Municipality to consider the Intranet System after system is fully operational
- Review organisational structure so as to respond to new need – retraining and upskilling

Management of Municipal Fleet

- The condition of the municipal white fleet ranges from good to poor
  - We have alienated 3 of the very old stock
  - The condition of the 12 remaining vehicles ranges from very good to fair
  - The municipality is in the process of acquiring 4 additional new vehicles.

Administrative Support to Council and all Departments

- Logistical support is provided continuously to Council and Committees of Council:
  - **For the period** –

    4 Council meetings and 1 Special Council meeting

    9 Mayoral Committee meetings

    3 Section 79 and 80 committees 3 meetings

Successes achieved

1. Introduction of an electronic distribution of Council Agendas and Minutes to Councillors

Challenges

- White Fleet not meeting the demand of operations
- Consider acquiring additional vehicles

ICT

Successes

- Implementation of the IMIS (Integrated Management Information System)
  - System sends out alerts to expected participants of event/meeting (calendar)

Challenges

- Usage of outdated technology leading to compatibility issues
- Adequate training and capacity development initiatives for IT personnel
- Shortage of IT personnel
- Replacement of the current server (20yrs)

Performance Management

Achievements

- Development and Introduction of credible Performance Management Systems in the municipality.
- Assist with the development and implementation of PMS governance framework in LM were it did not exists.
- Improve structural arrangements and municipal alignment with IDP, Budget, SDBIP processes.

Challenges

- No policy framework in place for cascading PMS to all levels within the municipality.
- No SOP and system descriptions currently in place
- No clear guidelines/policy for skills transfer in SLA.
- No accredited training and capacity building programmes for PMS

LEGAL UNIT

Successes

SHARED SERVICE AGREEMENTS

- Six out of the eight local municipalities signed the Shared Service Agreement and was assisted by the unit

VARIOUS MATTERS DEALT WITH

Emthanjeni Municipality

- Absenteeism
- Abscondment
- Financial Misconduct
- Rude and Abusive Conduct

Thembelihle Municipality

- Termination of fixed term contracts
- Arbitration: Unfair Dismissal –Settled
- Arbitration: Unfair dismissal- ruled in favor of Municipality
- Arbitration: provision of Benefits- Settle without cost implications
- Theft of Employers property – resignation

Siyathemba Municipality

- Legal Advise
- Grievance
- Disciplinary Matters: - Dismissal
- Suspension: Murder
- Insubordination
- Absenteeism

Umsobomvu Municipality

- Financial Misconduct – Dismissal
- Arbitration: Unfair dismissal – Ruled in favor of municipality
- Absenteeism
- Drunk on duty
- Abscondmend
- Suspensions - Murder
  - Fraud Traffic Department

Kareeberg Municipality

- Arbitration: Unfair Labour Practice- Settled
- Rude and Abusive conduct
- Legal Opinion: Long Service Bonus

Pixley Ka Seme DM

- Service Level Agreements- Various
- Civil Matter – Pending

Major Challenges

- Obtaining presiding officers
- The most prevalent forms of misconduct that municipalities face relates to alcohol abuse and absenteeism.

DISASTER MANAGEMENT

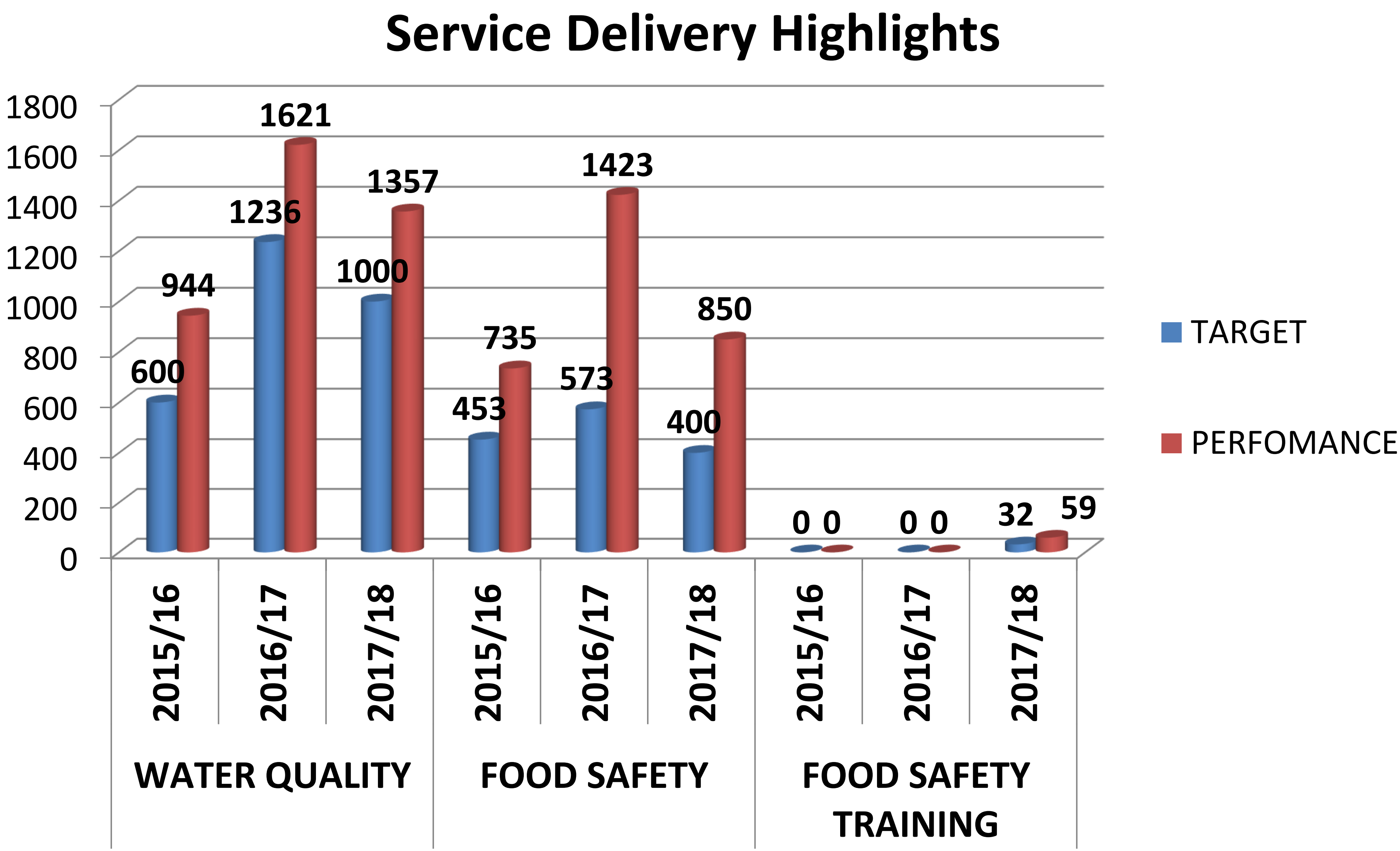
HIGHLIGHTS

- Awareness campaigns on domestic fires conducted in Renosterberg and Ubuntu municipalities (Informal Settlements)
- 20 volunteers were trained in Firefighting in De Aar.
- Disaster management officials from different municipalities in the district successfully completed training in disaster risk reduction (9)
- District Disaster management forum is active and meetings are held regularly, albeit not all municipalities attending

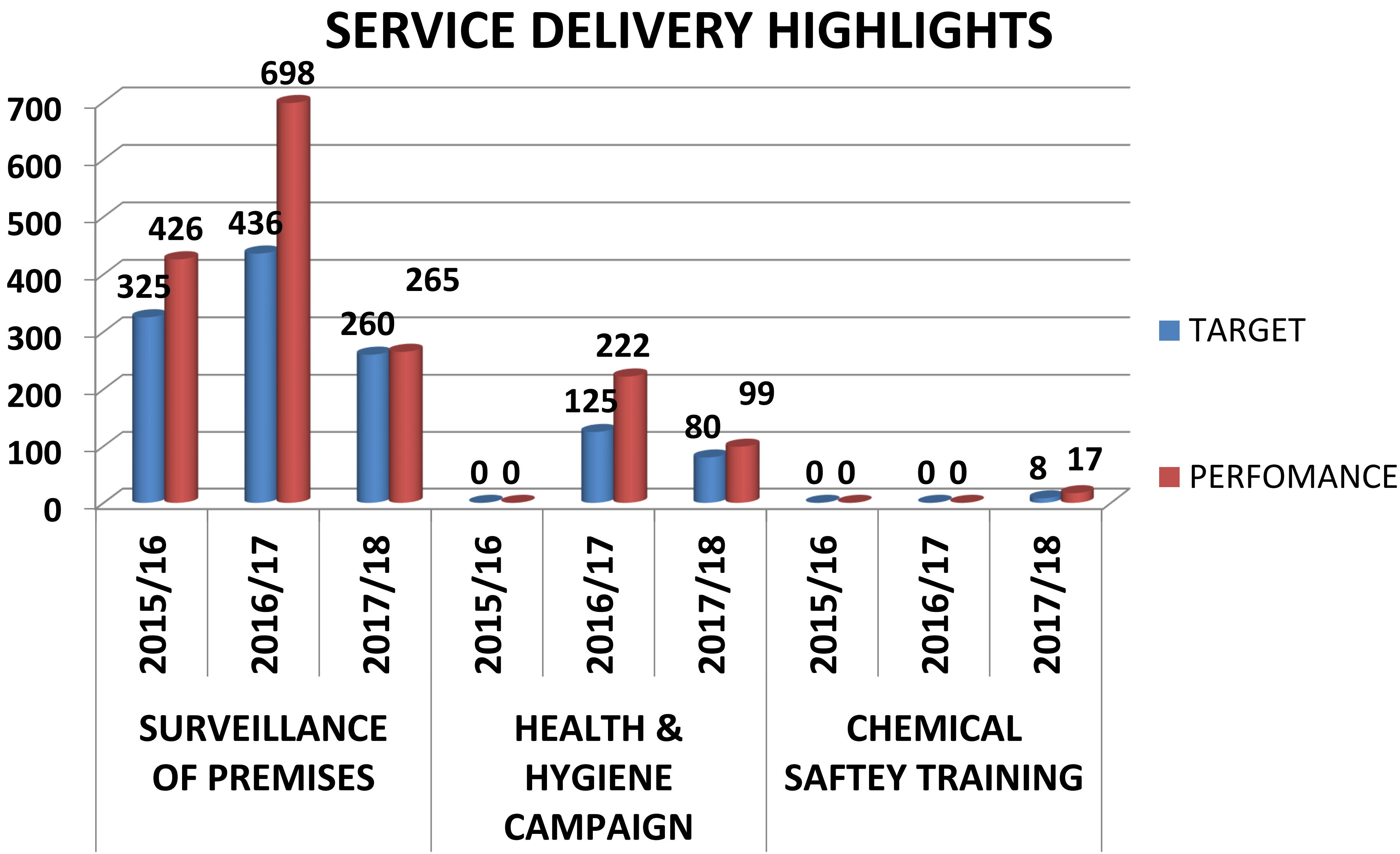
CHALLENGES

- Insufficient funds to train volunteers in the district.
- A fully equipped control room with upgraded radio communication system is needed.

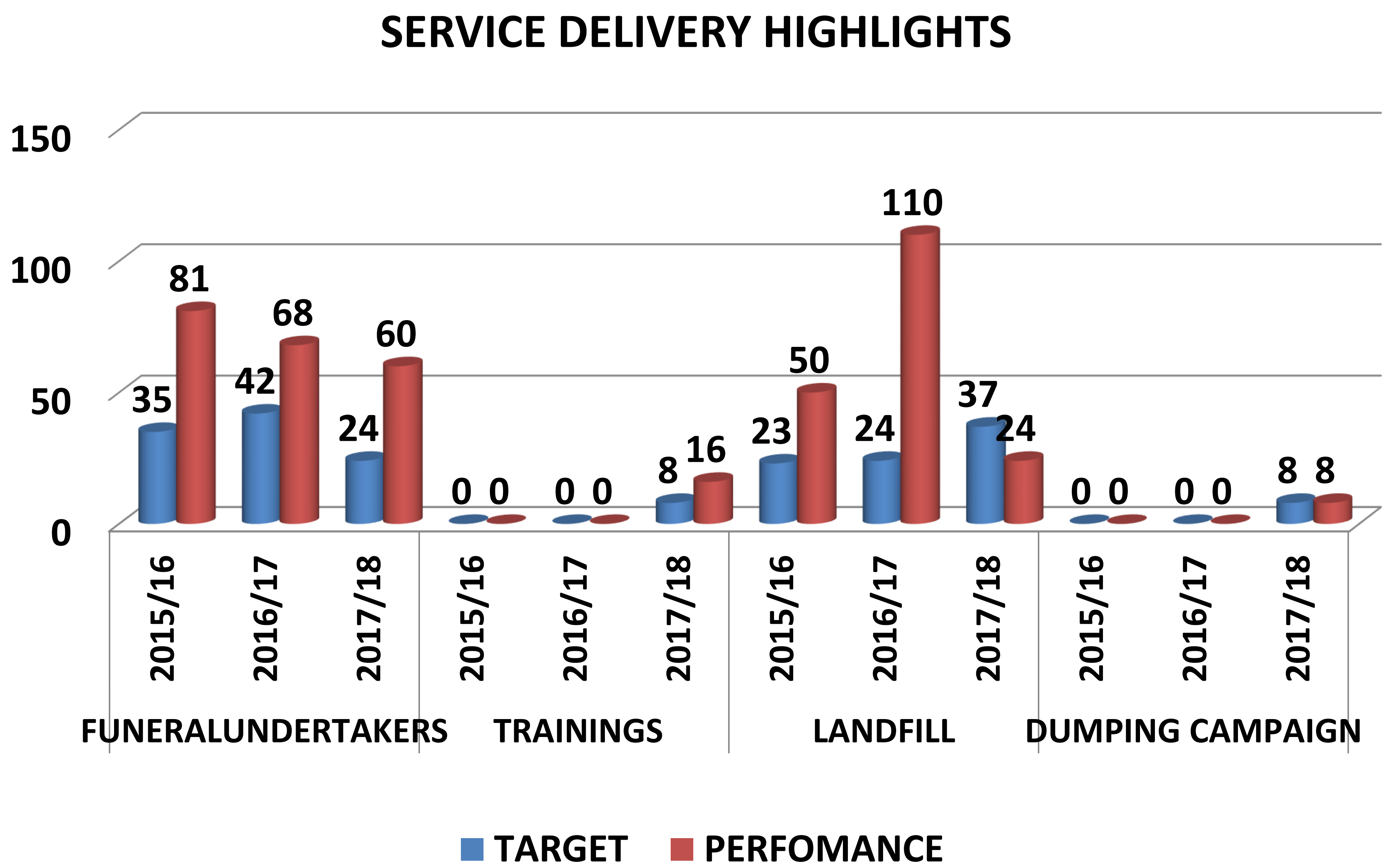
MUNICIPAL HEALTH SERVICES 2017/18



Municipal Health Services. Cont.



MHS Cont..



SERVICE DELIVERY HIGHLIGHTS
150
100
50
0
35
81
42
68
24
60
0 0
0 0
8
16
23
50
24
110
37
24
0 0
0 0
8 8
2015/16
2016/17
2017/18
FUNERALUNDERTAKERS
TRAININGS
LANDFILL
DUMPING CAMPAIGN
TARGET
PERFOMANCE

MUNICIPAL HEALTH SERVICES HIGHLIGHTS

HIGHLIGHTS	DESCRIPTION
TRAINING/CAPACITY BUILDING	EHPs trained as Environmental Management Inspectors. Currently waiting for the designation from MEC Management Act 107 of 1998. (New KPI 19/20) Air Quality Monitoring (New KPI)
MUNICIPAL HEALTH SERVICES AUDIT	National Department of Health audited Municipal Health Services. Audit outcome improved from **54% -87%** with matters to address.
AWARDS	SALGA Awarded the district for

MUNICIPAL HEALTH SERVICES

HIGHLIGHTS	DESCRIPTION
ACADEMICS	Mr Erasmus graduated Btech Environmental Health & Ms Mukoma Honours Public Administration
MHS SOP	Municipal Health Services Standard Operational Plan developed and approved by council.
BACK TO SCHOOL PROGRAM	Sanitary towels handed to 150 School Learners at Visisani, Petrusville Primary & Petrusville High. With 20 receiving school uniforms

MUNICIPAL HEALTH SERVICES 2017/18

CHALLANGES	RECOMENDATIONS
Shortage of staff with current national ratio of 1ehp per 10 000 population.	Appointment of additional EHP's to comply with the national norm – phased approach
Unable to comply with routine inspections as recommended by national norm due to high number of premises with few officials	to comply with inspection norm appointment of additional EHP's
Long turn around delivery of inspection report	Develop an electronic reporting system


Pixley ka Seme District Municipality
VISION:
"Developed and Sustainable District for Future Generations"
PIXLEY ka SEME
VISION:
MISSION

Conclusion

- Going forward LG in general will have to adopt to new trends/way of doing things – 4IR
- But will need leaders that can pen out the new way – Change Management, Institutions are agile, innovative and offer the best insights in what challenges or opportunities are likely to happen next will generally survive.
- Agility within a business context means to swiftly reposition the institution’s resources so as to respond to a changing environment. Kodak & Nokia

Conclusion cont….

- ? What kind of leaders do we need going forward–within the context of LG its going to be difficult, due to highly regulated environment, But I believe it can be done, we have done it before.
- VUCA – volatility, uncertainty, complexity and ambiguity becoming the norm in organisation agility and adaptability are non negotiable

Conclusion cont…

- What are the qualities needed by an agile leader
  - A deep sense of purpose – rethinking how we go about our work in a VUCA environment – leaders must be able to spot change/opportunity before others
  - Comfortable with complexity – the reality in todays environment nothing is secure. Leaders should have a more comfortable and creative relationship with uncertainty and must resist the urge to give in to the survival instinct of flight or fight.
  - Not afraid to experiment –
  - Committed to life long learning – reskilling and upskilling of todays work force, municipality must create an enabling environment

THANK YOU!!!

PIXLEY ka SEME DISTRICT MUNICIPALITY

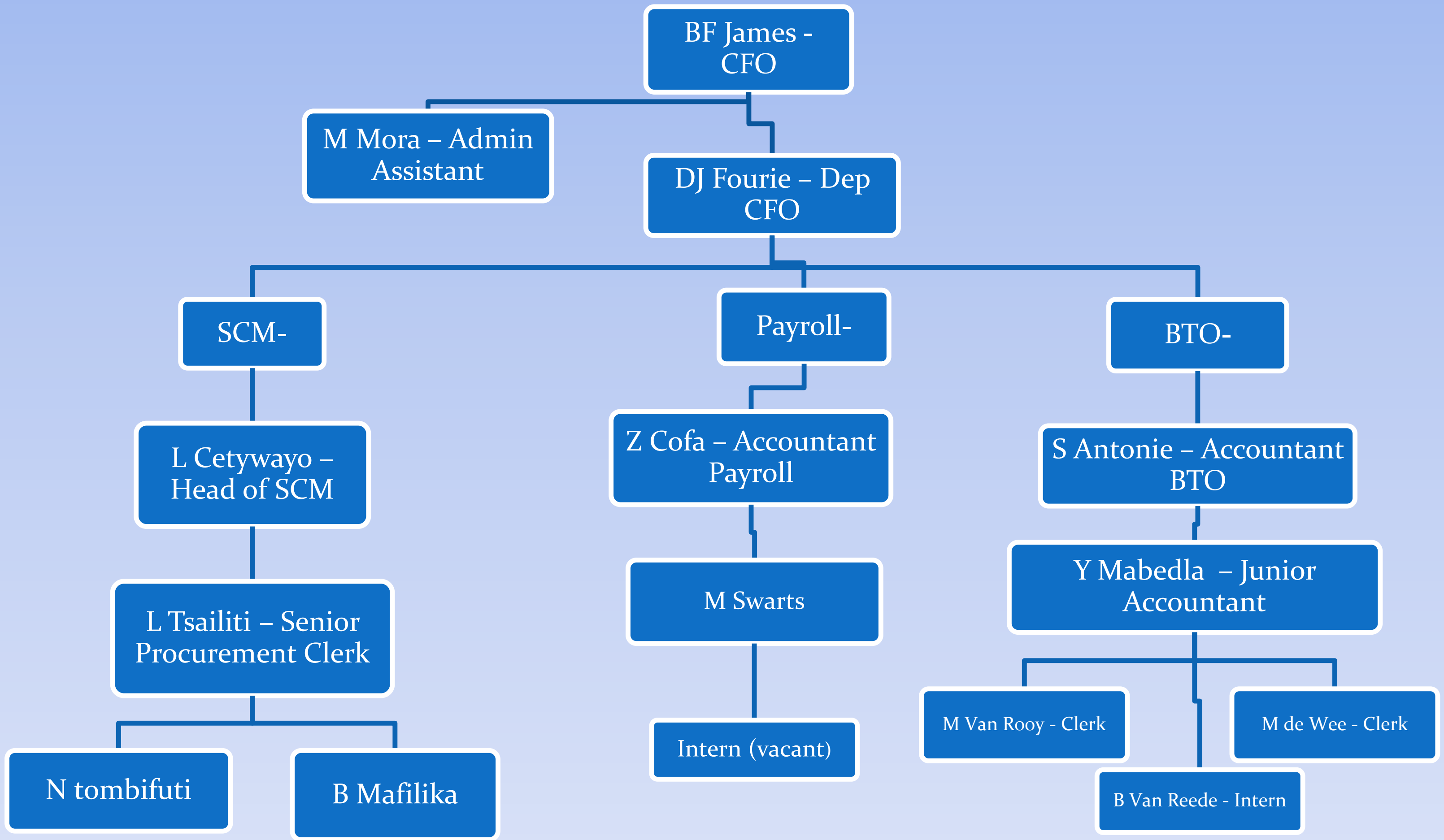
Strategic Planning Session
9-10 October 2018
Gariep Dam

BF James
Chief Financial Officer

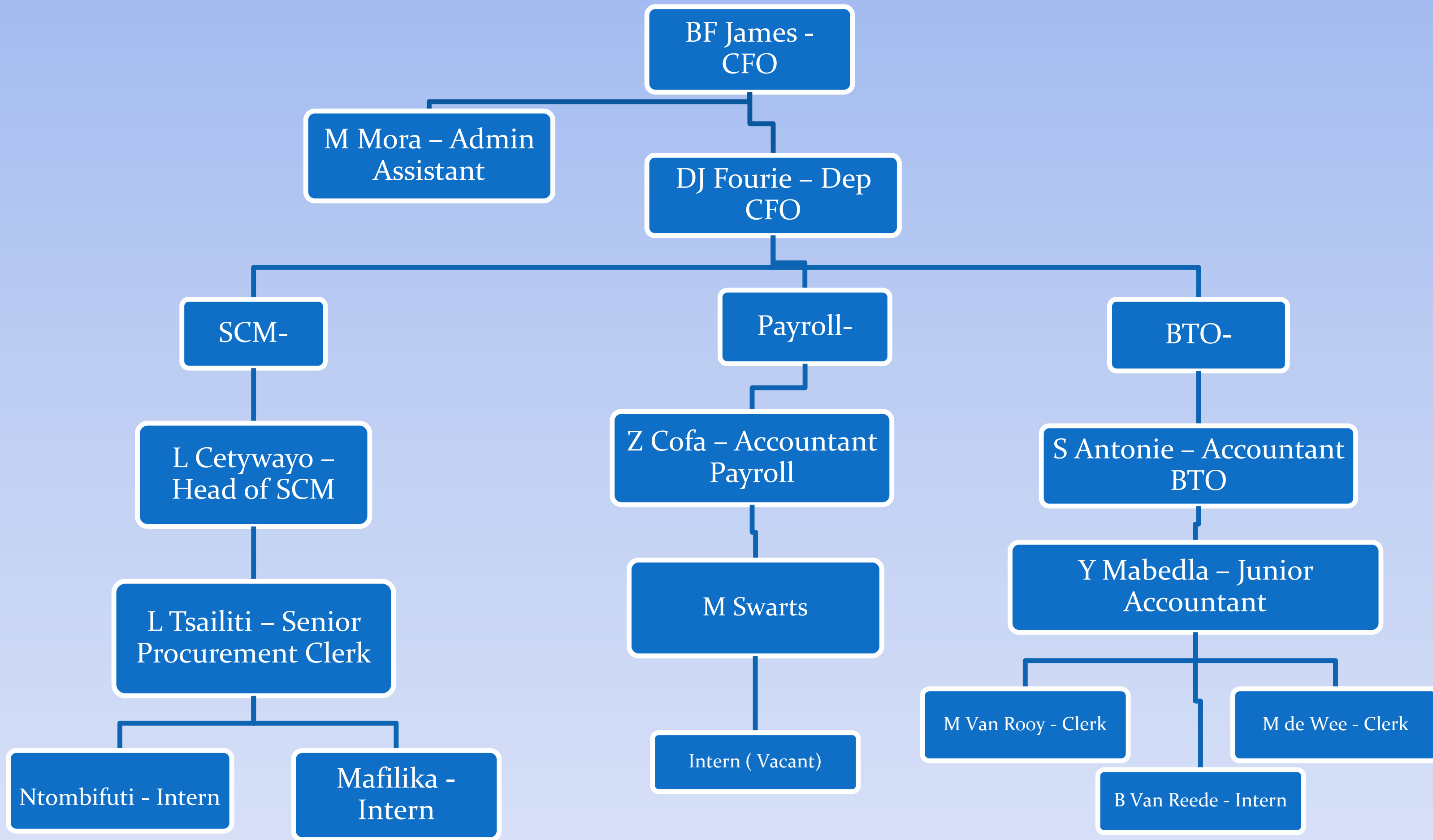
Finance Portfolio Committee

- CNL Nkumbi – Chairperson
- Cnlr Billie
- Cnlr Voster
- BF James – Chief Financial Officer
- MC Mora – Admin Assistant

Staff in unit (17/18)



Staff in Unit 18/19



Staff Capacity Building 17/18

- BF James - Cigfaro Board Member
  NC SMME Trust
- Z Cofa- Payroll Practitioning
- L Cetywayo-Hons B Com -Completed
- M Swarts - B.Com (busy)
- Y Mabedla-B. Com SCM Continuing
- L Tsailiti – B. Com SCM 1st year

Courses attended 2017/18

- CIGFARO Cape Town
- Payroll Bloemfontein
- SARS IRP5 Bloemfontein
- SCM Kimberley, Kuruman
- SCM District workshop De Aar
- CFO Forum Provincially in Upington
- Budget forum De Aar
- MSCOA De Aar
- BCX workshop in- house

Auditor General outcome 2016/17

- Unqualified with matters of opinion
- Emphasis of matters remained at three since 15/16
- Going concern (due to no other income)
- Restatement of Corresponding figures (AG vs Treasury opinions on disclosure of salaries)
- Irregular expenditure (Nashua Contract & Accommodation above R 30 00-00)
- Honored ring fenced agreement monthly
- National Treasury settled outstanding debt – being declared financially distressed.
- 17/18 Audit Commenced on April 2018 (2.1 M)
- PKSDM still paying R50 000.00 p.m to AG until further notice

Annual Financial Statements 2017/18

- Submitted on 28 August 2018
- AFS presented to the Audit Committee
- Annual Performance report submitted together with the AFS
- Auditor General on site
- Budget R 2.1 million
- Auditor General envisage to conclude 17/18 audit by end of November 2018

Shared Services 2017/18

Participating LM's

- Emthanjeni LM (fully paid for 17/18)
- Kareeberg LM(fully paid for 17/18)
- Umsobomvu LM (Fully paid for 17/18)
- Thembelihle LM (Fully paid for 2017/18)
- Siyancuma (Q4 17/18 Outstanding)
- Siyathemba (Q4 17/18 Outstanding)

- *Renosterberg LM and Ubuntu was not participating for the 2017/2018 financial year*

Shared Services 2018/19

- 5% annual increase as per the SLA
- Q1 18/19 invoices already issued
- Thembelihle opted to make payments monthly
- The other 5 is making payments quarterly
- Emthanjeni, Kareeberg, Siyancuma, Siyathemba, Umsobomvu and Thembelihle are the only municipalities participating for 18/19
- Ubuntu is showing interest of participation
- Renosterberg to date has shown no interest of participating.

Operational KPI’s 17/18

- Attended to corrective measures as per IA
- Conducted regular meetings with line managers
- Departmental reports submitted to Council /MM
- Attend 2 CMP”s to discuss AG outcomes
- Prepared Mid Year Budget
- Prepared section 72 budget
- Submitted monthly budget reports to Council and Management

Operational KPI's continue……

- Completed monthly bank reconciliations
- Completed monthly grant registers
- Submitted monthly VAT's 201's to SARS
- Submitted IRP5 reconciliation to SARS
- Invited suppliers to register on CDS (Website)
- Attended MPAC meetings
- Submitted bi-monthly SCM reports in local news paper
- Prepared and submitted Draft 18/19 budget by end March 2018

Operational KPI’s continue…….

- Prepared and submitted 18/19 final budget by end May 2018
- Submitted 17/18 AFS by end August 2018
- Co-ordinate 3 MM/CFO Forums

Financial Admin 17/18

- All gazette funding received
- No overdraft facility for 17/18
- No defaults i.t.o SARS, CRF, Medical Aid etc.
- Auditor General’s ring fenced agreement honoured
- Salga’s payment plan adhered to
- DBSA loan redeemed
- Standard bank loan agreement honounred
- SCM turn around time improved
- No outstanding S&T payments at year end

Grant Performance 17/18

Type of Grant	17/18	Spent
Equitable Share	39 861 400	39 861 400
FMG	1 250 000	1 250 000
EPWP	1 000 000	828 866
RRAMS	3 003 000	3 029 597
NEAR	350 000	350 000
Housing accreditation	720 000	524 220.10

Comparison 16/17 vs 17/18

	16/17	17/18
Total Income	54 562 443	56 419 818
Total Expenditure	53 908 096	57 474 637
Staff cost	29 282 022	34 091 063
Councillor Allowances	3 884 250	4 206 320

MSCOA

Achievements

Pixley Ka Seme DM reformed onto the Municipal Standard Charts of Accounts on the 1st of July 2017, as prescribed by National Treasury, non-compliance with the reform process to MSCOA would result in Equitable share being withheld

Reports for 2017-2018 Financial year

- 2017-2018 Original Budget data strings has been generated internally on VENUS
- Monthly Budget data strings has been generated internally on VENUS
- Quarterly data strings has been generated manually internally by PKSDM
- Pre-Audit Actual data string has been generated internally on VENUS
- PKSDM is proud to report that we received a Green submission status indicating that all data strings reports for the financial year 2017-2018 uploaded is accurate and free of errors.

Continue……

- With reference to the Pre-Audit Actual data strings report that was due on the 31st of August 2018; only 10 of the 30 Municipalities within the Province submitted the report, out of the 10 submissions only 4 Municipalities obtained a successful submission status, Pixley Ka Seme , Frances Baard, Khai-Ma (Pofadder)and Namakwa obtained a Green status.

Challenges

- Currently PKSDM has Windows server 2003 installed, for the efficient operation of MSCOA we need to urgently install Windows server 2008.
- The current Data server is 20+ years and not compatible for MSCOA; limitation usage of all functional modules on MSCOA, the server capacity is insufficient to run both MSCOA and IMIS.
- Windows 7 or higher should be installed for optimal usage of MSCOA
- Microsoft Office 2016 should be installed on workstations

THANK YOU !!!!

Strategic Planning
09 – 10 October 2018
Presentation by: RA SORS

CONTENT OF PRESENTATION

1. ROLE OF INTERNAL AUDIT

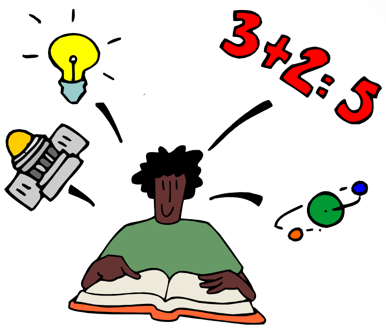
2. PURPOSES OF PRESENTATION
   - WHERE ARE WE
   - WHERE DO WE WANT TO BE
   - HOW DO WE GET THERE

3. WAYFORWAD

4. CONCLUSION

1. WHAT IS THE ROLE OF IA

WE ARE HERE TO HELP!!!



- Identify Risks
- Find Better Ways and Best Practices
- Partner With Council and Management to Find Solutions
- Prevent Problems

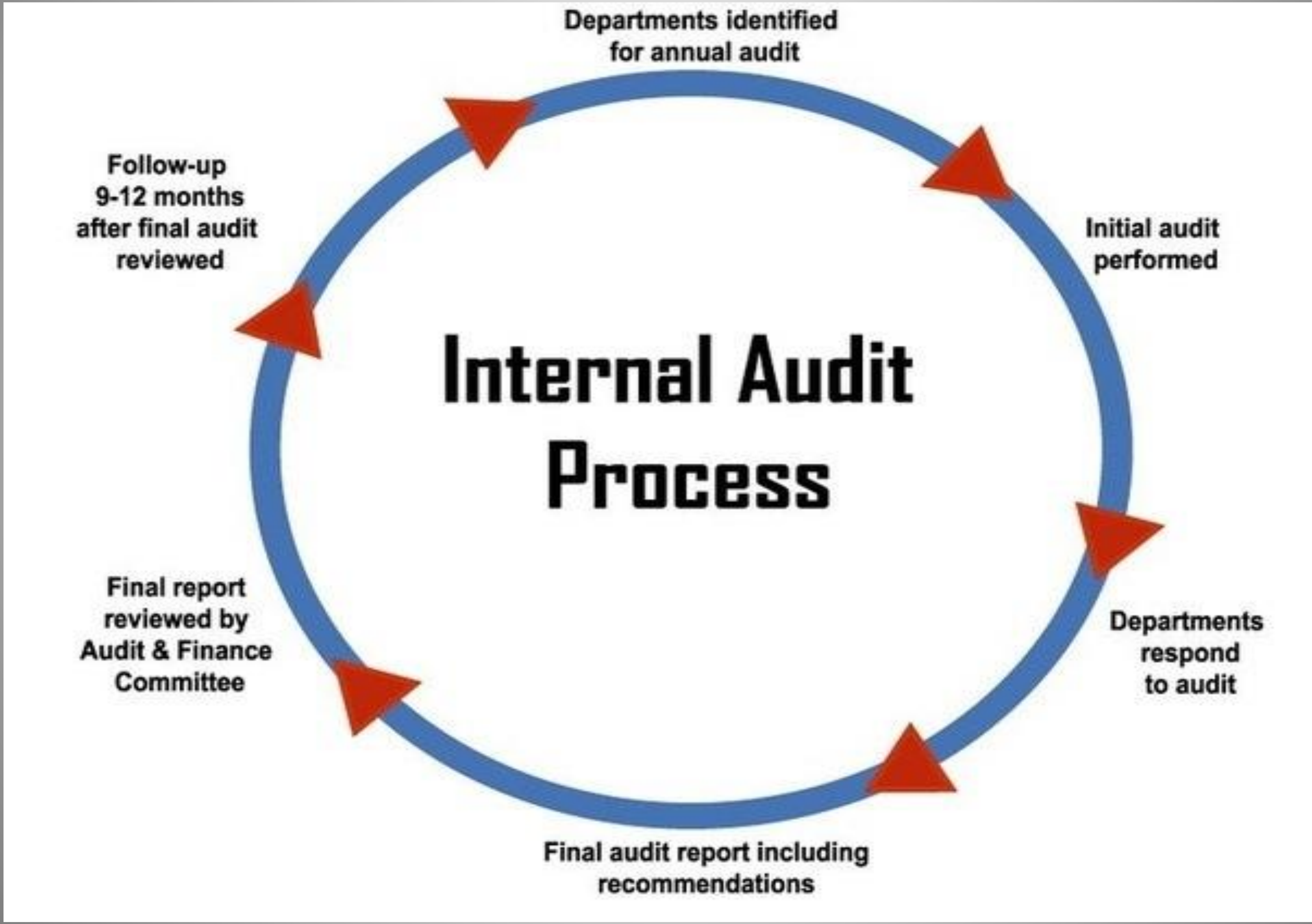
We Report to Audit committee, Management and Council

INDEPENDENT & OBJECTIVELY

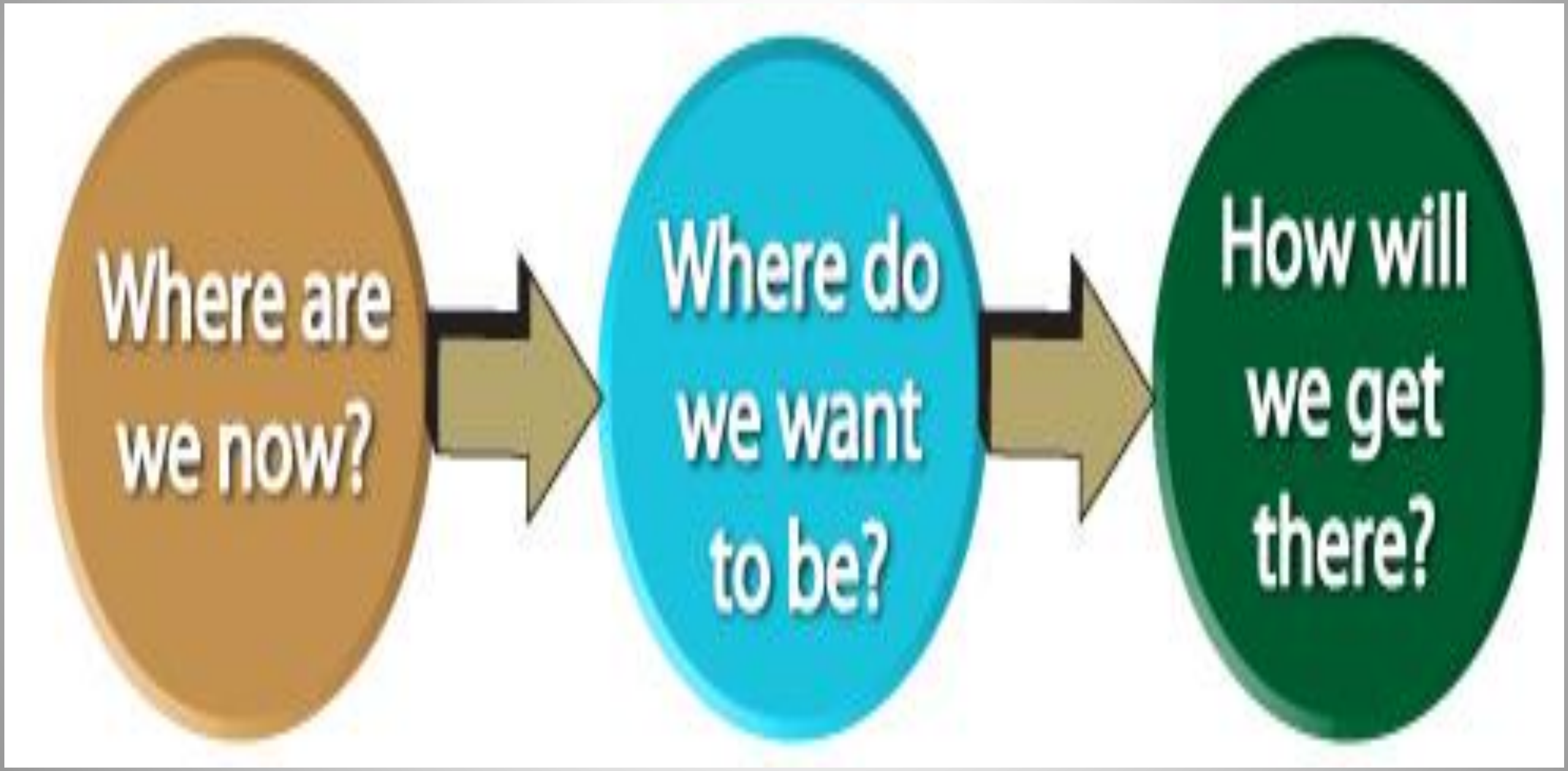
- Internal Audit activities
- Internal Control Environment
- Financial procedures and practices
- Risk and risk management
- Performance Management
- Loss Control
- Compliance with DoRA

Elevate issues to a level where they can be corrected

INTERNAL AUDIT PROCESS



2. THE PURPOSE PRESENTATION



2.1 WHERE ARE WE NOW – STATUS QUO

- Shared Service Function
- Servicing 7 municipalities
- District Municipality & 6 locals
- (Umsobomvu, Emthanjeni, Siyancuma, Siyathemba, Thembelihle, Kareeberg)
- Excl. Ubuntu & Renosterberg

- Develop Risk Assessments for DM and 6 locals
- Three Year Strategic Plans
- Compile RBAP for DM and locals
- Perform quarterly audits ito Quality Assurance Plan
- Issued 28 Quarterly internal audit reports to DM and 6 local Municipalities
- Submitted quarterly departmental reports to Management
- Submitted progress reports to Audit Committees
- Compiled reports for MPAC

Current resources – 2017/2018

FINANCIAL RESOURCES	
Salaries and Allowances	3 002 756.63
Professional Body Fees	40 515.78
Training	78 790.27
Subsistence & Travelling	352 697.24

HUMAN RESOURCES	
CHIEF AUDIT EXECUTIVE	1
SENIOR INTERNAL AUDITOR	1
INTERNAL AUDITORS	4
INTERNAL AUDIT CLERKS	4

SUCCESSES

- Successfully developed 7 Risk assessments, and Plans for DM and local municipalities
- Managed to do 28 quarterly audits (Despite SLA challenges)
- Innovative training initiatives
- 5 Officials trained as Professional Internal auditors
- All registered/paid up members of IIA(SA)
- Improved relationships in our local municipalities
- Reviewed 7 sets of Annual financial statements before submission to AG
- Significant improvement in AC meetings

CHALLENGES

- **Lack of audit action monitoring processes**
- **Audit committee meetings – Siyathemba**
- **Municipalities not honouring SLA – Payment**
- **IT and Forensic Auditing capacity**
- **External Review/Assessment**

2.3 WHERE DO WE WANT TO BE?

- ***To make internal audit's vision a reality during a period of rapid transformation***

ASSURANCE

ADVICE

ANTICIPATE

ASSURANCE

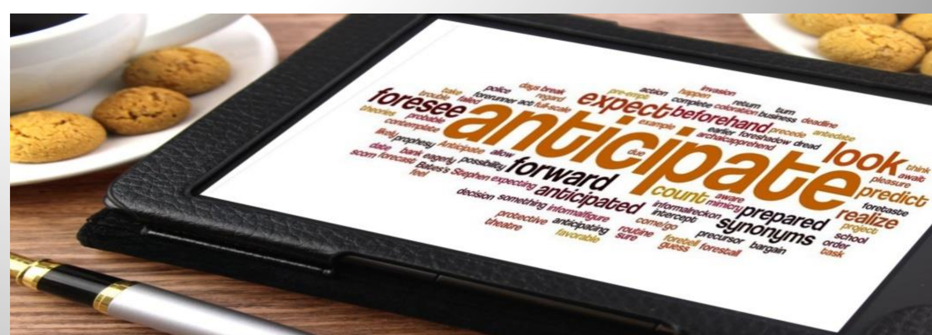
- Constitutes and remains the core role of Internal Audit.
- Range of activities, issues, and risks to be assured should be far broader
- More real-time than they have been in the past.
  - Assurance on core processes
  - The truly greatest risks is essential
  - Assurance around decision governance

ADVICE

- Advising management on control effectiveness,
- Change initiatives,
- Enhancements to risk management
- All sources confirm that a strong advisory role is key to maximizing the value of Internal Audit.

ANTICIPATE

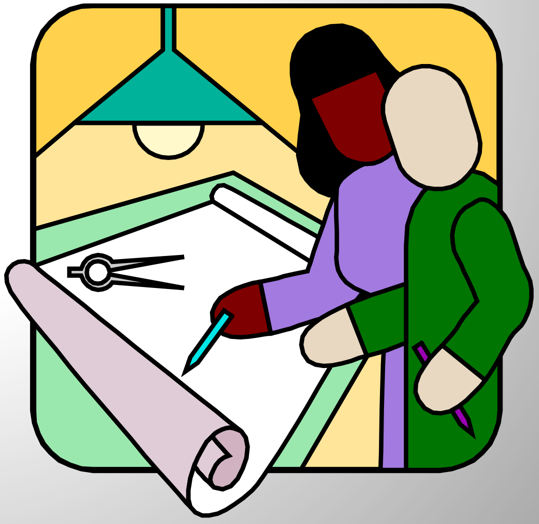
- Anticipating risks
- Assisting management in understanding risks,
- Crafting preventative responses,
- Constantly transforming Internal Audit
- Become a forward-looking function
- Prompts awareness of what could go wrong, and what to do about it, before it happens.
- Becomes more proactive
- Through its assurance and advisory roles, helps management intervene before risks materialize



2.4 HOW WILL WE GET THERE

- **We need a plan!**

- Risk based audit plan (Section 165 of MFMA)
- Risk factors:
  - Impact
  - Probability
  - Controls



WHAT SHOULD BE IN THIS PLAN?

List of audits for each financial year including:

- Governance
- Financial Management
- Infrastructure and Services
- Corporate Services
- Operations and Compliance
- Risk and Risk management

Plan is based on risk assessment and resources

Approved by Audit Committee

Management and Council should be aware of this plan

WHAT WE DO NOT AUDIT

- Individuals
- Labour relations issues
- Sexual harassment or other civil rights issues
- Fraud and Employee Misconduct

WHAT DO WE REPORT ON?

- What was found (Finding)
- Why it happened (Rootcause)
- What is required (Criteria)
- What effect it has (Risk – Impact)
- Recommendation for improvement
- Response – who, when and how (Management comments)

What happens after the audit?

- Advisory role
- Follow-ups
- Review corrective action
- Report to Audit Committee
- Escalate issues to MPAC and Council

We are here to help

Preventive Measures for management to consider

- Make sure your controls are working
- Review and reconcile systems and operations
- Check the work of your subordinates/ Supervision
- Don't give in to the temptation to skip controls because you are busy

What is the Role of Council?

- Municipal Council oversight structures will derive immediate benefits through a closer and more effective interaction between Council and the Audit committee
- Council attend audit committee meetings
- Minutes of Audit committee meetings/ reports provided to Council
- Council to execute oversight responsibility
- Council sufficiently interrogate the information supplied to it by the Audit Committee

3. WAY FORWARD

- Municipalities face increasing uncertainly on multiple fronts – 5 of 8 locals in District Distressed
- Increased Innovation
- Reinvent itself
- Ubuntu – Signed SLA – To be included in Plan
- Internal audit plans should speak to these challenges
- Attune to the challenges of emerging risks, technologies

4. CONCLUSION

- *The future of Internal Audit has become clear, and the time*
- *to upgrade is now."*