Integrated Development Plan 2012/13

Nala Local Municipality

Executive Summary

Nala Local Municipality (FS 185) was formed after the amalgamation of the former Bothaville and Wesselsbron transitional local councils and a section of the Vetvaal transitional rural council. According to Statistics South Africa's 2007 Community Survey, it is estimated that the total population of the municipality is 92 592 with an estimated 23 424 households. Nala Local Municipality is situated in the northern part of the Lejweleputswa District Municipality. Wesselsbron and Bothaville function as individual administrative units with the bulk of the administration being done from Bothaville, which is also the seat of the Council in the area.

The Bothaville/Kgotsong area is located approximately 50km south of Klerksdorp, 80 km north of Welkom and 200 km south of Gauteng. Wesselsbron/Monyakeng is situated approximately 70 km south-west from Bothaville, approximately 35 km west of Matjhabeng(Welkom/Odendaalsrus) and 55 km east of Tswelopele(Hoopstad). The Nala area is located within a significant agricultural region. It forms part to the so-called "maize-triangle" of South Africa. The annual NAMPO harvest festival attracts more than 20 000 visitors and is second largest agricultural show centre in the world.

Apart from grain product, the production of meat and dairy products also features prominently in Wesselsbron. Bothaville is strategically located close to the gold mining towns of Klerksdorp/Orkney, whilst Wesselsbron is in close proximity to Welkom/Odendaalsrus and are directly dependant on these large urban centers for commercial support. Tourism in the area is suppressed, particularly as the sub-region lacks natural attractions. However there is potential to develop tourism with regard to specific areas such as eco-tourism, game farming, cultural tourism and major sporting events. The tourism infrastructure of the region is underdeveloped and will require upgrading before any serious attempts towards tourism promotion is done.

Challenges and Opportunities

The Nala Local Municipality has since its existence, uphold the principles of sustainable development. Despite this, there is still however some challenges facing the municipalities which are developmental in nature. The following are amongst others, the focal areas as identified and defined during the municipal strategic session.

Municipal Challenges

Development Opportunity	Status Quo	Focus Initiatives
Economic growth	• Non-existent rural development strategy • Lack of funding for projects • Lack of participation by the business sector • NAMPO activities taking place far from the CBD	• Development of the rural development strategy
Improved Service Delivery	• Poor project management & implementation • No Operational Plan • Lack of maintenance and repairs of infrastructure	• Relook into the appointment criteria of consulting engineers • Capacitate HR within project management unit of Nala • Develop Operational Plan
Good Governance	• Poorly structured organogram • Undefined job expectation • Senior management posts have been vacant for over two financial years. • Poor financial management systems and internal controls • Lack of alignment between IDP, Budget & PMS • No Risk Management Plans • Skills gaps in internal audit unit with no segregation of duties	• Review the municipal structure • Review & Align job descriptions to set municipal objectives • Develop set of internal controls and procedure manual • Develop credible IDP that is aligned to both Budget & PMS • Capacitate internal Audit or co-source internal Audit function • Segregate risk from audit
Integrated Human Settlements	• Incomplete housing projects & housing backlogs • Incomplete sanitation projects • Fragmented and poor spatial planning patterns	• Engage National Human Settlement & provincial COGTA to develop a service level agreement • Review the Spatial Development Plan
Social and Community Development	• Lack of sufficient and or effective community participation and engagement • Lack of recreational facilities in township areas of the Nala	• Review the Public Participation Strategy • Develop infrastructure plan

Municipal Opportunities

Development Opportunity	Focus Initiatives
Economic growth	❑ Conducting a SWOT Analysis ❑ Develop Nodal Areas as per the outcome of a SWOT Analysis
Improved Service Delivery	❑ Review & Developing an Infrastructure Master Plan
Good Governance	❑ Conduction Business Re-engineering
Integrated Human Settlements	❑ Developing Service Level Agreements
Social and Community Development	❑ Improving public participation

What are we doing to improve ourselves?

- The municipality is currently reviewing its organizational structure to ensure a more responsive structure to the municipal challenges and developmental needs.
- Processes have already been initiated to fill all vacancies at senior management, starting with the position of the Municipal Manager and Chief Financial Officer.
- The municipality intends to initiate processes to initiate sourcing of a reliable financial management system that will be responsive to the billing challenges and data integrity challenges that are there.
- Long-outstanding placement issues are currently given attention so as to bring about certainty and stability amongst employees.

What can be expected from the municipality in the next five years?

In responding to the ten (10) critical services as outlined in the Simplified IDP Framework for the category B municipalities, the Nala Municipality will put more focus on the following critical issues to ensure improved service delivery over the next five years:

Critical Issues

Priority	Objectives	Outcomes
1: Water	To ensure that 100% of households in formal settlements in the municipal area have access to basic level of water.	• 100% of households in formal settlements have access to basic level of water • Water infrastructure required to enable

Priority	Objectives	Outcomes
		achievement of the strategic objective as measured in terms of the performance targets in this 5-year IDP. • The percentage of households earning less than R1,100 per month with access to free basic services
2: Sanitation	To ensure that 100% of households in formal settlements in the Nala municipal area have access to basic level of sanitation.	• 100% of households in formal settlements have access to basic level of sanitation • Sanitation infrastructure required to enable achievement of the strategic objective as measured in terms of the performance targets in this 5-year IDP.
3: Municipal Roads and Storm-water	To ensure that identified internal roads in the Nala municipal area are maintained and/or upgraded to facilitate economic and social activity required for the sustainable development of the municipality; considering the capacity limitations facing the Municipality	Repair and paving of roads according to the targets and projects indicated in the 5-year IDP
4: Local and Rural Economic Development	To create employment opportunities in the municipal area; resulting from programmes and projects of this IDP	• (Number of) employment opportunities created through targeted IDP projects • (Number of) employment opportunities created through EPWP initiatives
5: Organizational re-arrangement	To facilitate the financial viability of the Nala local municipality as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001	• The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan; • the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and • financial viability as expressed by the following ratios
	To facilitate institutional transformation and development in the Nala local municipality	• The number of people from employment equity target groups

Priority	Objectives	Outcomes
		employed in the three highest levels of management in compliance with a municipality's approved employment equity plan; • Targets in the organizational redesign and change management strategy; and • Skills development targets in the municipal Skills Development Plan
	To ensure good governance in the municipality	• Monthly ward committee meetings with duly recorded minutes that are submitted to Council at regular intervals for consideration • An organizational and individual Performance Management and Monitoring and Evaluation Systems that facilitate quarterly, mid-year and annual performance and financial reports. • Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the municipality and ensure adequate internal controls to prevent fraud and irregularities. • By-laws and policies to enable the effective governance of the municipality
6: Refuse Removal	To ensure good waste management in the Nala municipal area	• Licensed and registered landfill sites. • 100% of households in formal areas with access to refuse removal services at basic acceptable national standards
7: Electricity Reticulation	To ensure good that 100% of households in the municipal area have access to electricity by 2014	100% of households in formal areas with access to electricity
8: Cemeteries and Parks	To ensure effective management of graveyards and cemeteries in the municipal area	Adequate provision for, safe and well maintained graveyards and cemeteries
9: Sport and Recreational	To ensure access to quality sport and recreational in the municipal area	Adequate provision for, safe and well maintained sport and recreational facilities,

Priority	Objectives	Outcomes
facilities		as measured in terms of the targets set for the programmes and projects in the 5-year IDP
10: Traffic and Parking	To ensure effective traffic management and parking in the municipal area	Adequate provision for traffic management and parking, as measured in terms of the targets set for programmes and project in the IDP
11: Firefighting	To ensure effective firefighting in the municipal area	Trained firefighters

Clean Audit 2014

The municipality has never managed to produce the Annual Financial Statements at least for the past two consecutive financial years; as a result no audit could be conducted by the Auditor-General. According to the records at the disposal of the municipality, the last audit was performed for 2008/09 financial year.

In his presentation to the department of Cooperative Governance and Traditional Affairs (CoGTA) on the state of the municipality in July 2010, the Administrator pointed out that one of the challenges that were there during the audit of 2008/09 financial year, was the retrieval of source documents as were required by the Auditor-General.

But Nala is putting in systems in place to redress this situation, there are plans by the acting municipal manger to relook into the municipal structure to ensure a functional internal audit unit and committee.

How will I be measured?

Nala Local Municipality will review its Performance Management System (PMS) before the end of this current financial year 2011/12, and introduce it as one of the instruments to be used to measure municipal performance. The current IDP review process seek to develop realistic and measurable developmental objectives that will be seamlessly integrated to other complementing municipal core processes, like the budget, PMS and SDBIP.

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, that lays a solid foundation for accountability to Council and critical also, stakeholders. This will ultimately 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.

Nala Local Municipality will developed operational plans for each of the directorate as an integral part of the IDP processes which will be linked to the SDBIP. These operational plans will be used in the development of reviewed performance agreements for management which include (municipal manager and Managers directly accountable to him).

Nala Local Municipality will review its current PMS to ensure incorporation of the following aspects:

- 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 2012/2013 financial year;
- Junior employees development of performance plans that are linked to their job description, as will be aligned to the proposed new municipal structure;
- Regular reporting - developed and council endorsed monthly budget statements; quarterly progress reports; mid-year budget and performance assessment report and annual reports

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.

The reviewed Performance Management System is a proposed policy and procedure document for the municipality that will set out the following:

- The policy and legislative context for Performance Management
- Objectives and principles of Performance Management in Nala Local Municipality
- 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 both an organizational performance management and employee performance management. It will give details about 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 NLM 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 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 summarized 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

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.

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.
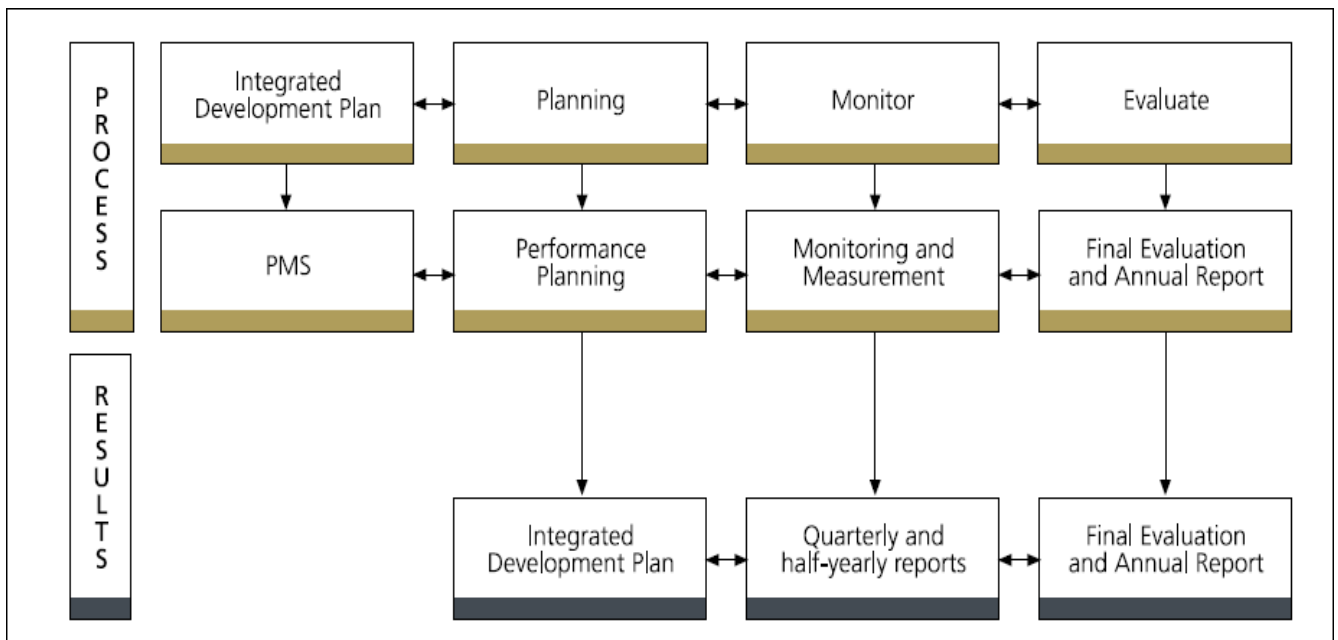
Relationship between the performance management and the planning process

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.
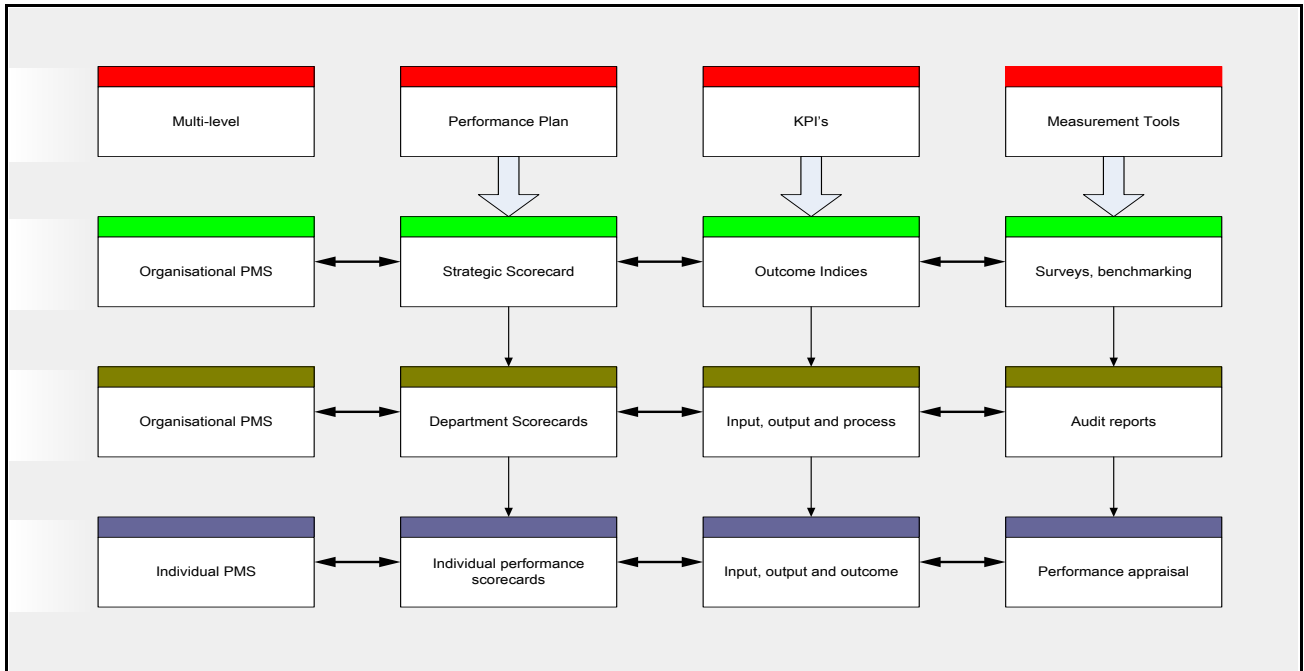
The key performance indicators and performance targets set for NLM will be captured in the organizational scorecard containing the national key performance indicators set by the Minister for Local Government.

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.

Multi-level	Performance Plan	KPI's	Measurement Tools
Organisational PMS	Strategic Scorecard	Outcome Indices	Surveys, benchmarking
Organisational PMS	Department Scorecards	Input, output and process	Audit reports
Individual PMS	Individual performance scorecards	Input, output and outcome	Performance appraisal

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 the 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 will be developed, and will be used as a performance measurement model within NLM

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 will be 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.
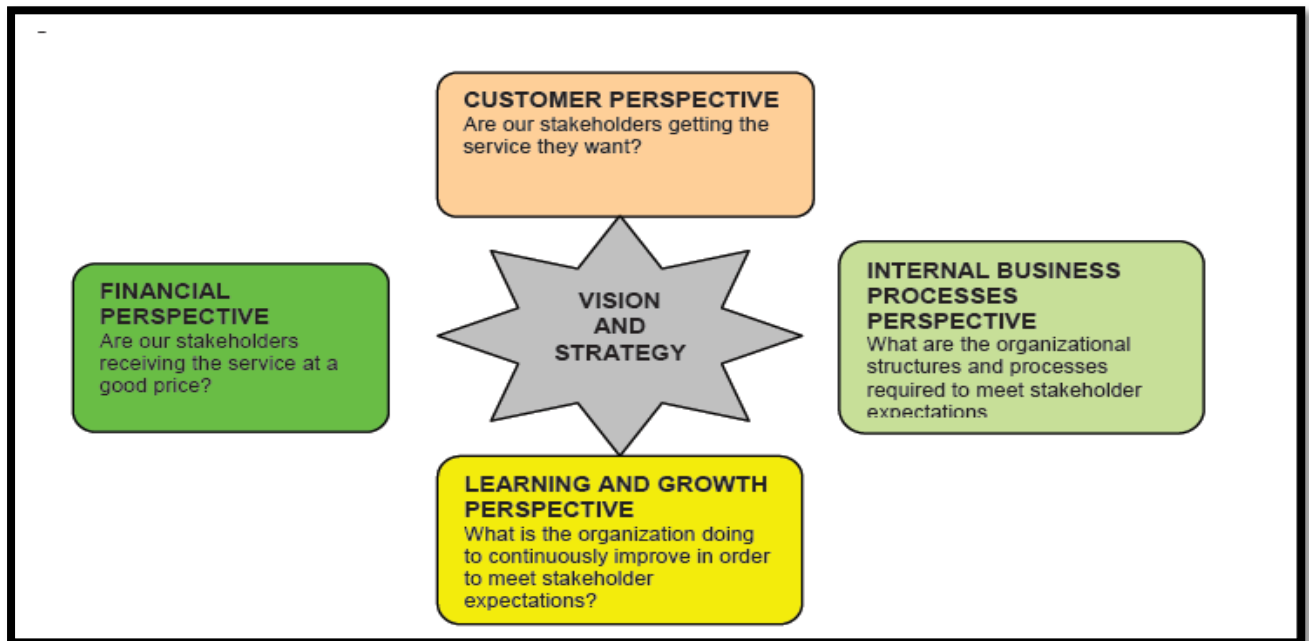
Balanced Scorecard perspectives

-   ***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 Municipal Scorecard is to cascade the municipal priorities, within the four balance scorecard perspectives, into municipal wide key performance areas, with key performance indicators and targets. 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 organizational level in the Municipality involves the steps as set out in the diagram below:
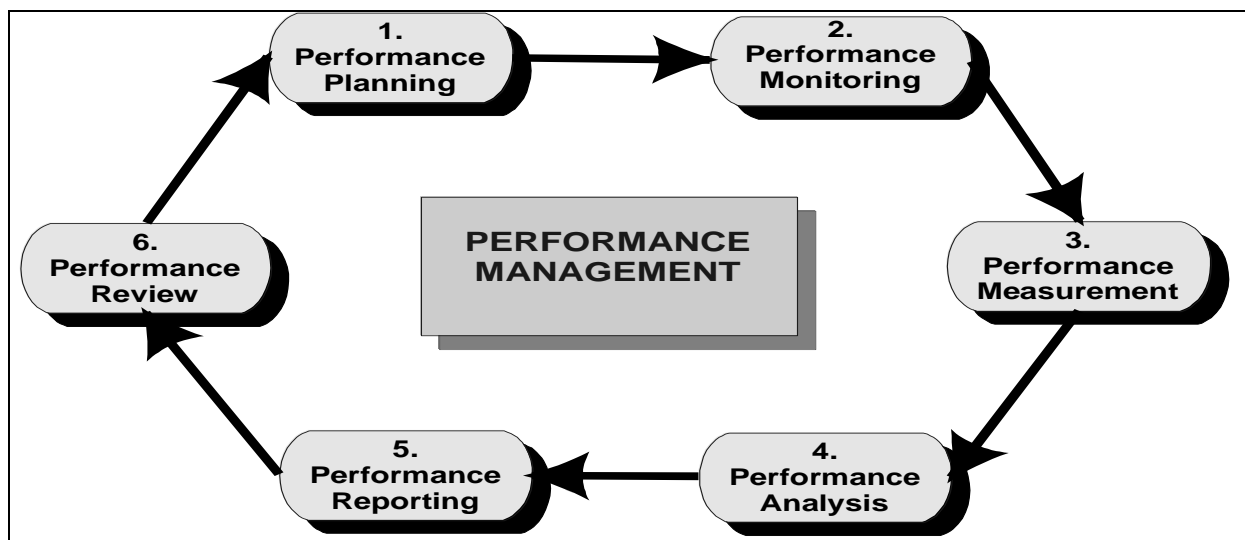
Performance management process

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

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	➡ 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	➡ Assist the PMS	➡ Regularly monitor	➡ Conduct regular reviews of

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
Manager & HODs	Committee in ➡ Identify and propose indicators and targets ➡ Communicate the plan to other stakeholders	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	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	➡ Measure performance according to agreed indicators, analyse and report regularly ➡ Manage implementation and intervene where necessary ➡ Inform decision-makers of risks to service delivery timeously	Conduct reviews of service performance against plan before other reviews
Internal Audit 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-

  o   the accuracy of performance reports,
  o   the functionality of the PMS,

  o   whether the PMS complies with the Act,
  o   the extent to which the municipality's performance measurements are reliable in measuring performance,
  o   continuously audit the performance measurements of the municipality and
  o   submit quarterly reports on their audits to the municipal manager and the performance audit committee.

(v)   The performance audit committee must-

  o   review the quarterly reports submitted to it,
  o   review the PMS focusing on economy, efficiency, effectiveness and impact in so far as the KPIs and performance targets set by NLM are concerned and make recommendations in this regard to the council via the PMS Committee,
  o   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:

- o October, (for the period July, August and September)
- o January (for the period October to the end of December)
- o April (for the period January, February and March)
- o 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 residents of Nala 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

Report	Frequency	Submitted for consideration and/or review to	Remarks
			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	Auditing performance measures
⇨ Establishes whether resources are being used effectively, efficiently and economically.	⇨ Ensures measurement mechanisms are accurate.
⇨ Evaluates measures implemented to ensure resources are procured in an effective, efficient and economical manner.	⇨ 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.
⇨ Includes elements of compliance	⇨ Assesses whether the performance indicators

auditing.	are sufficient to measure performance
⇨ Establishes whether the "right things" are being done.	
⇨ Compares targeted and actual performance.	
⇨ Checks on value for money services.	
⇨ Audits the organisation as a whole in terms of the Vision and Mission.	

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 whished. 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 COGTA 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.

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/officer 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.

Vision Statement for Nala Local Municipality

"*To be an agricultural production centre of South Africa, a self- sustainable, diverse, viable and an effective municipality*"

Section B: Demographic Profile

The Nala Local Municipality's area of jurisdiction consists of the Bothaville/Kgotsong area, Naledi as well as the Wesselsbron/Monyakeng area with the municipal seat located in Bothaville. The Bothaville/Kgotsong area is located approximately 50km south of Klerksdorp, 80 km north of Welkom and 200 km south of Gauteng. Wesselsbron/Monyakeng is situated approximately 70 km south-west from Bothaville, approximately 35 km west of Welkom/Odendaalsrus and 55 km east of Hoopstad (Nala, 2010).

The Nala area is located within a significant agricultural region. It forms part to the so-called "maize-triangle" of South Africa. Bothaville is strategically located close to the gold mining towns of Klerksdorp/Orkney, whilst Wesselsbron is in close proximity of Welkom/Odendaalsrus and are directly dependant on these large urban centers for commercial support (Nala, 2010).

Table 1: Population profile

Geographic area	Population size and households			Population and household density
Nala Local Municipality area of jurisdiction covers 4,135 km². The municipality is therefore is geographically the smallest of all local municipalities in the district.	**Population size**			The municipality is also the second densest populated local municipal area in the district of 32 i.e. people/km² after Matjhabeng LM. Nala LM has a household density of 9 i.e. people/km² according to Quantec Research (Urban-Econ, 2008). Nala LM household density is higher than the Free State Province i.e. 6 people/km² and Lejweleputswa District i.e. 7 people/km².
	CS 2001	**CS 2007**	**Change**	
	98 262	92 586	-5 676	
	Number of Households			
	According to Statistics South Africa: Community Surveys, there were a total number of 23 434 households within the area of jurisdiction of Nala Local Municipality.			

A comparative analysis of the 2001 Census and the 2007 Community Survey displays our municipality as not growing faster in terms of population and households numbers showing a decline of 9% and 10% respectively.

This situation may be a result of myriad of factors such as migration of local residents to other provinces or within the province due to work or education, increasing mortality rates due to HIV/AIDS, and unemployment causing a decline in the purchasing of new property. Equally important is lack of visible economic growth which may generally account for non-growth of population and household numbers. It is possible that some of these factors, except HIV/AIDS, will continue depressing population and household growth in the area.

The following population pyramid provides as better analysis of the municipality's population by age group and gender.
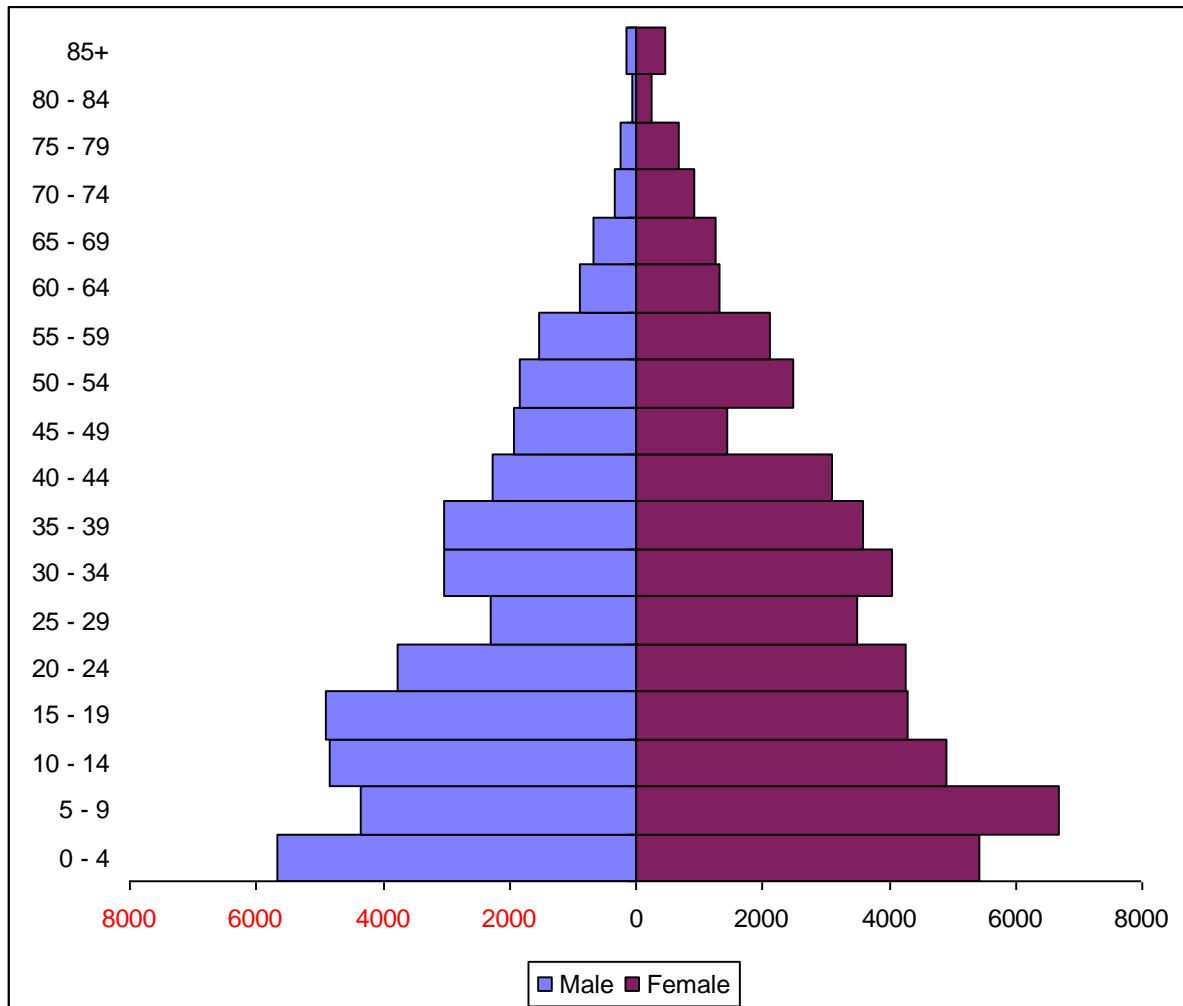
Data source Stats SA, community survey 2007

As depicted on the table hereunder, a further breakdown of the STATSSA 2007 Community Survey reveals that 85.3% of the population is Black, 0,14 Coloured, 0,03 Indian and 14.53 White. In terms of

gender demographics, males comprise 45% of the population whilst females 55% of the population of Nala.

Table.16:

	Male	**Female**	**Total**	**Percentage**
Black	30 986	36 377	67 363	85.30%
Coloured	58	72	130	0.14%
Indian or Asian	20	8	28	0.03%
White	6 188	7 264	13 452	14.53%
Total	41 825	50 757	92 582	100.00%

Source: STATSSA Community Survey 2007

Section C: Powers and Functions

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996, Nala Local Municipality has executive authority in respect of, and has the authority to administer Local Government Matters listed in Part B of Schedule 4 and Part B of Schedule 5 and any other matter assigned to it by national or provincial legislation. Furthermore, this municipality is accordingly empowered to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers and this includes making and administering by-laws.

The table that follows hereunder provides an overview of the original and legislative powers and functions assigned to Nala municipality by the Constitution of the Republic of South Africa, 1996. It should also be noted that Nala Local Municipality has been assigned an additional function of Public Libraries and must therefore continue to perform this function unless and until legislation provides otherwise.

Table 2: Nala Local Municipality's Powers and Functions

Constitutionally Mandated to Perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Act, 1996	Definition
Air Pollution	Any change in the quality of the air that adversely affects human health or wellbeing or the ecosystems useful to mankind, now or in the future.
Building Regulations	The regulation, through by-laws, of any temporary or permanent structure attached to, or to be attached to, the soil within the area of jurisdiction of a municipality, which must at least provide for: Approval of building plans, Building inspections, and
Child Care Facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government
Electricity Reticulation	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network.
Fire Fighting Equipment	Planning, co-ordination and regulation of fire services and

Constitutionally Mandated to Perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Act, 1996	Definition
	specialized firefighting services such as mountain, veld and chemical fire services; co-ordination of the standardization of infrastructure.
Local Tourism	The promotion, marketing and, if applicable, the development, of any tourist attraction within the area of the municipality with a view to attract tourists; to ensure access, and municipal services to such attractions, and to regulate, structure.
Municipal Airport (Landing Strip)	A demarcated area on land or water or a building which is used or intended to be used, either wholly or in part, for the arrival or departure of aircraft which includes the establishment and maintenance of such facility including all infrastructure and se
Municipal Planning	The compilation, review and implementation of integrated development plan in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
Municipal Public Transport	The regulation and control, and where applicable, the provision of services for the carriage of passengers, whether scheduled or unscheduled, operated on demand along a specific route or routes or, where applicable, within a particular area.
Pontoons and Ferries	Pontoons and ferries, excluding the regulation of international and national shipping and matters related thereto, and matters falling within the competence of national and provincial governments.
Storm Water	The management of systems to deal with storm water in built-up areas.
Trading Regulations	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation.
Potable Water	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water

Constitutionally Mandated to Perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Act, 1996	Definition
	conservation, purification, reticulation and distribution as well as bulk supply to local supply.
Sanitation	The establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure, for the collection, removal, disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of service.
Amusement Facilities	A public place for entertainment and includes the area for recreational opportunities, available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.
Billboards and the Display of Advertisements in Public Places	The display of written or visual descriptive material, any sign or symbol or light that is not intended solely for illumination or as a warning against danger which: promotes the sale and / or encourages the use of goods and services found in the municipal area
Cemeteries, Funeral Parlours and Crematoria	The establishment, conduct and control of facilities for the purpose of disposing of human and animal remains.
Cleaning	The cleaning of public streets, roads and other public spaces either manually or mechanically
Control of Public Nuisance	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community
Control of Undertakings that Sell Liquor to the Public	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses, and includes an inspection service to monitor liquor outlets for compliance to license requirements.
Facilities for the Accommodation, Care and Burial of Animals	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration required.
Fencing and Fences	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along

Constitutionally Mandated to Perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Act, 1996	Definition
	streets or roads.
Licensing of Dogs	The control over the number and health status of dogs through a licensing mechanism.
Licensing and Control of Undertakings that Sell Food to the Public	Ensuring the quality and the maintenance of environmental health standards through regulation, a licensing mechanism and monitoring of any place that renders in the course of any commercial transaction, the supply of refreshments or meals for consumption
Local Amenities	The provision, management, preservation and maintenance of any municipal place, land, and building reserved for the protection of places or objects of scenic, natural, historical and cultural value or interest and the provision and control of any such or other facilities.
Local Sports Facilities	The provision, management and/or control of any sporting facility within the municipal area.
Markets	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.
Municipal Abattoirs	The establishment; conduct and/or control of facilities for the slaughtering of livestock.
Municipal Parks and Recreation	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.
Municipal Roads	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of and/or connected therewith.
Noise Pollution	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in the future.
Pounds	The provision, management, maintenance and control of any

Constitutionally Mandated to Perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Act, 1996	Definition
	area or facility set aside by the municipality for the securing of any animal or object confiscated by the municipality in terms of its by-laws.
Public Places	The management, maintenance and control of any land or facility owned by the municipality for public use.
Refuse Removal, Refuse Dumps and Solid Waste Disposal	The removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.
Street Trading	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve
Street Lighting	The provision and maintenance of lighting for the illuminating of streets in a municipal area.
Traffic and Parking	The management and regulation of traffic and parking within the area of the municipality, including but not limited to, the control over operating speed of vehicles on municipal roads.
Municipal Public Works	Any supporting infrastructure or services to empower a municipality to perform its functions

The 2008/09 Municipal Demarcation Board: Capacity Assessment Report indicates that Nala Local Municipality performs about 60.53% of the functions assigned to it by the Constitution, followed by Matjhabeng, Tswelopele and Masilonyana at 47.37% each.

Nala LM has increased the number of functions it performs and is the only municipality in the Lejweleputswa District Municipality that performs more than half of its functions. However, observations have also been made that Nala LM either does not or poorly performs the following functions:

Table 3: Functions poorly performed or not performed

Function	Authorized to Perform	Status Quo as at 2008/2009 Capacity Assessment Year
Child Care Facilities	Yes	Service not provided Municipality does not understand

Function	Authorized to Perform	Status Quo as at 2008/2009 Capacity Assessment Year
		No budget provision to perform function
		No equipment
Local Tourism	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment
Municipal Airport	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment
Municipal health Services	No	Not Applicable
Municipal Public Transport	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment
Pontoons and Ferries	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment
Trading Regulations	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment
Amusement Facilities	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment
Control of Public Nuisance	Yes	Service Provided
		Municipality understands
		No budget provision to perform function
		No equipment in place
		MDB noticed Nala LM's limited capacity
Control of Undertakings that Sell Liquor to the Public	Yes	Service not provided
		Municipality does not understand
		No budget provision to perform function
		No equipment

Function	Authorized to Perform	Status Quo as at 2008/2009 Capacity Assessment Year
Facilities for the Accommodation, Care and Burial of Animals	Yes	Service not provided Municipality does not understand No budget provision to perform function No equipment
Fencing and Fences	Yes	Service Provided Municipality understands No budget provision to perform function Equipment in place MDB noticed Nala LM's limited capacity
Licensing of Dogs	Yes	Service not provided Municipality does not understand No budget provision to perform function No equipment
Licensing and Control of Undertakings that Sell Food to the Public	Yes	Service Provided Municipality understands No budget provision to perform function Equipment in place MDB noticed Nala LM's limited capacity
Local Amenities	Yes	Service Provided Municipality understands No budget provision to perform function Equipment in place MDB noticed Nala LM's limited capacity
Markets	Yes	Service not provided Municipality does not understand No budget provision to perform function No equipment
Municipal Abattoirs	Yes	Service not provided Municipality does not understand No budget provision to perform function No equipment
Municipal Parks and Recreation	Yes	Service Provided Municipality understands No budget provision to perform function Equipment in place MDB noticed Nala LM's limited capacity

Function	Authorized to Perform	Status Quo as at 2008/2009 Capacity Assessment Year
Municipal Roads	Yes, including Lejweleputswa DM Function	Service Provided Municipality understands No budget provision to perform function Equipment in place MDB recommended adjustment of function to Lejweleputswa DM to be reversed
Noise Pollution	Yes	Service not provided Municipality does not understand No budget provision to perform function No equipment
Pounds	Yes	Service not provided Municipality does not understand No budget provision to perform function No equipment

It is in the light of above observations that the existing municipal structure, as an integral part of on-going municipal transformation, turn-around and internal business re-engineering, is currently being reviewed so that the necessary capacity gaps are filled through staff establishment and placement, in addition to required equipment and other ancillary matters incidental to the effective performance of the above functions.

Nala Local Municipality is further required to perform the following functions on behalf of Lejweleputswa District Municipality within Nala jurisdictional area in terms of the last and standing authorization notice which was published in 2008, as there has not been any subsequent notice adjusting powers and functions between district and local municipalities in the Free State, authorized by the MEC and published in 2009 and which would have repealed the 2008 notice.

Table 3: Functions authorized to perform on behalf of Lejweleputswa District Municipality

Authorized to Perform on Behalf of Lejweleputswa District Municipality within Nala Municipal area, in terms of Section 85 of the Local Government: Municipal Structures Act,1998 (Act No. 117 of 1998) by Government Notice Number 128 of 11 April 2008 as Published in Government Gazette No. 25 of 11 April 2008
Solid Waste - Section 84 (1) (e)
Municipal Roads - Section 84 (1) (f)
Fire Fighting – Section 84 (1) (j)
Cemeteries, Funeral Parlours and Crematoria - Section 84 (1) (l)
Municipal Public Works - Section 84 (1) (n)

Section D: IDP Process Plan

The Integrated Development Plan (IDP) process is a process through which the municipalities prepare strategic development plans for a five-year period. An IDP is one of the key instruments for local government to cope with its new developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner.

The preparation of the IDP and Budget processes are regulated by the Municipal Systems Act, No 32 of 2000 and the Municipal Finance Management Act, No 56 of 2003. This is to ensure certain minimum quality standards of the integrated development planning and budget process and proper coordination between and within the spheres of government.

In order to ensure certain minimum quality standards of the IDP Review process and proper coordination between and within spheres of government, municipalities need to prepare IDP review process plan and formulate budget to implement the IDP.

Plan has to include the following:

- A programme specifying the timeframes for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities and other role players in the IDP review and budget formulation processes; and
- Cost estimates for the review process.

The preparation of IDP process plan is in essence the formulation of the IDP and Budget processes, set out in writing and requires the adoption by Council.

The process of compilation of this strategic document was determined by the procedures and methodology as prescribed above. The recently developed Simplified IDP Framework for the smaller municipalities was further used as a guiding document to compile this document. The following processes were followed:

Compilation and Adoption of the Process Plan

The process plan was tabled by the Mayor to Council for adoption as per section 53 of the Municipal Finance Management Act. This process plan outlined the planning process and indicates the

timeframes and community participation process of Nala municipality. This was done in line with the guidelines set out in the Municipal Systems Act, 32 of 2000.

Analysis phase

This area focused on the level of development and community needs. It also determined the priority issues and potential causes of those issues, as well as information of current resources capacity. Community participation sessions were scheduled as critical process to gather the needs of the communities.

Development strategies

This area focuses on formulated solutions to address the key issues or problem areas identified on the analysis phase; it further contains the vision of the municipality that was developed, agreed on and approved by the Council. The sitting of the steering committee and the representative forum played a crucial role in the determination of the strategies as contained in this document.

Projects identification

This phase reflects a direct linkage to priority issues and the objectives that were identified, the location of projects (name of the settlement), the service level and the intervention required with particular emphasis on the time frames and the funding source and the budget.

Integration phase

This area focuses on ensuring that the projects identified are in line with the municipality's objectives and strategies, given the specified resources framework, and that they are in line with legislative requirements and conditions. This also deals with the operational strategy which includes: 5 year financial plan, 5 year capital investment programme, Integrated Spatial Development Framework, Integrated Sectoral programme and other strategic plans as guided by the Simplified IDP Framework for smaller municipalities.

Approval phase

The Council of Nala municipality convened during March 2012 to discuss the contents of this plan and approved it following the improvements to be made as per the annual IDP assessment session.

Section E: Status Quo Assessment

The December 5, 2000 democratic local government elections ushered in the era of development government and politics. The incoming new local municipalities were faced with the immense challenge of deconstructing the decades long era of separate, unfair and racially based local government. Through cooperative government, all three levels of government implemented programmes and projects aimed at eradicating poverty and ensuring the socio-economic development of all South Africans.

"Income poverty alleviation by the state has happened mainly through the system of social grants, with expenditure and the number of beneficiaries having increased more than threefold since 1994. Changes in the taxation structure have also improved households' disposable income.

Human capital poverty alleviation has taken the form of programmes in the areas of education, health, water, sanitation, and electrification. These have quantitatively and qualitatively improved the lives of millions.

The legacy of apartheid remains huge, with millions still unable to access such basic necessities as clean portable water, electricity and shelter". *Source: "A nation in The Making: A discussion document on Macro-Social trends in South Africa" PCAS, The Presidency*

Like any other post-apartheid municipality in South Africa, Nala has inherited massive developmental backlogs and developmental challenges. Through the adoption of its first Integrated Development Plan (IDP) and its subsequent reviews over years, Nala crafted a development trajectory aimed at integrating the development of the area and ensuring the provision of equitable, fair and sustainable services for all.

Employment Status
Table.18:

Economic Status	Census 2001	Community Survey 2007
Employed	17 583	17 466
Unemployed	16 413	14 583
Not Economically Active	28 296	23 517

STATSSA, Community Survey 2007

A comparative analysis of employment trends between 2001 and 2007 as depicted on the table above reveals that employment opportunities increased by 0.6%, whilst unemployment rate had increased by 12.5%. The number of economically active people had increased by 0.20% during this period. These trends indicate that there is significantly higher number of the unemployed than available job opportunities. During this period there seem not to have been any growth in economic activity in Nala.

Service delivery analysis

The following is the status quo assessment as divided and articulated per five (5) Key Performance Areas.

Service Delivery and Infrastructure Development

Strategic Goal 1: To ensure the provision of Infrastructure development and Service Delivery

The post 1994 democratic dispensation ushered in developmental local government tasked with the extension of good, affordable and sustainable basic services for all. As illustrated in the above section the population of Nala Local Municipality has not increased over the years. However, like in all SA municipalities, there is dual development challenge faced by this municipality of addressing past apartheid development inequalities (backlogs) and expansion of services to new areas. A strategic delicate balance need to be maintained in order that all residents can experience appropriate and equitable service delivery.

Provision of Sanitation

Table.20:

Household Refuse Removal	2001	2007
Removed by local authority/private company once a week	19 170	19 520
Removed by local authority/private company less often	120	290
Communal refuse dump	150	59
Own refuse dump	4 095	3 087
No rubbish disposal	2 295	469
Total	**25 830**	**23 424**

Access to water

Table.22:

Number of Households by year	2001	2007
Piped water inside dwelling	5 923	7 530
Piped water inside yard	15 516	13 359
Piped water from access point outside yard	3 435	1 179
Borehole	333	855
Spring water	6	57
River/stream	12	74
Rain water tank	20	264
Dam/Pool/Stagnant water	6	-
Water vendor	12	-
Other	567	106
Total	**25 830**	**23 424**

The recent national electricity crises and the resultant effects on South African residents and the economy have highlighted how highly reliant we are on electricity as a source of energy. Government has committed itself to developing measures to promote energy saving, reduce energy costs to the economy and its negative impact on the environment. The National Energy Efficiency Strategy has set national target of 12% for energy saving by 2015.

Energy for Lighting

Table.24:

Period	Census 2001	%	Community Survey 2007	%
Electricity	20 496	73.34	19955	85.19
Gas	18	0.06	-	-
Paraffin	426	1.64	812	3.46
Candles	4815	18.64	2657	11.34
Solar	33	0.12	-	-
Other	42	0.16	-	-
Total	25 830		23424	100.00

Fuel Source for Cooking

Table.25:

Period	Census 2001	%	Community Survey 2007	%
Electricity	19 034	73.68	14 757	62.99
Gas	13	0.05	718	3.06
Paraffin	431	1.66	6 814	29.08
Wood	4 793	18.55	943	4.02
Coal	1 470	5.69	105	0.44
Animal dung	48	0.18	-	-
Solar	41	1.58	-	-
Other	-		86	0.36
Total	**25 830**	**100.00**	**23 424**	**100.00**

Fuel Source for Heating

Table.26:

Period	Census 2001	%	Community Survey 2001	%
Electricity	20 496	79.34	9 017	38.49
Gas	18	0.06	367	1.56
Paraffin	426	1.64	4 087	17.44
Wood	3 339	12.92	7 387	31.53
Coal	1 470	5.69	1 604	6.84
Solar	51	0.19	-	-
Other	48	0.18	913	3.89
Total	**25 830**	**100.00**	**23 424**	**100.00**

The tables above illustrate that as a locality we are overly dependent on electricity as source of energy for lighting, cooking, and heating. In fact the statistics reflect an increase of electricity as energy source in that electricity for lighting has increased from 73.34% in 2001 Census to 85.19% in Community Survey 2007.

For cooking there seems to be a decrease in consumption by 11.85% from 73.68% in 2001 Census to 62.99% in 2007 Community Survey. For heating there seems to be a drastic decrease by more than 40%, from 79.34% to 38.49%. Simultaneously, there is significant increase in the number of

households using wood for cooking from 12.92% in the Census of 2001 to 31.53% according to Community Survey 2007. This could be attributed to numerous factors in relation to distribution of electricity for sale to local residents in Kgotsong, Bothaville and Wesselsbron. There is also a significant increase in the consumption of paraffin for cooking from 1.66% according to the Census 2001 to 29.08% in the 2007, Community Survey.

Household Access to Housing

Table.27:

Dwelling Type	Census 2001	Community Survey 2007
House or Brick structure on a separate stand	15 324	12 226
Traditional dwelling/hut/structure made of traditional materials	759	274
Flat in block of flats	-	-
Town/cluster/semi-detached house (simplex, duplex, triplex)	-	-
House/room in backyard/flat	-	-
Informal dwelling/shack in back yard	9 702	1 294
Informal dwelling/ flat not in backyard	-	8 576
Room/ flatlet not in backyard but on shared property	-	-
Caravan or tent	-	118
Private ship/boat	-	-
Other	45	59
TOTAL	**25 830**	**23 424**

According to the above table there is a decline in the number of households between the period 2001 Census and 2007 Community Survey by 9%. For house or brick structure on a separate stand there is 8% decline between these periods; Traditional dwelling there is 36% improvement as more people live in other forms of dwelling. Informal settlement in backyard has decreased by 13% whilst the number of informal dwelling in flats not in backyard has increased dramatically by 100%. There has also been an emerging group of households living in caravans or tents. The other forms of housing have increased by 7%.

Education Levels

Table.28:

Education Level	2001	2007
No. of schooling	9 195	23 138
Grade 0	-	6 360
Grade 1/ Sub A	1 098	-
Grade 2/ Sub B	1 591	-
Grade 3/ Std. 1	2 327	-
Grade 4/ Std. 2	2 886	-
Grade 5/ Std. 3	3 164	-
Grade 6/ Std. 4	4 032	-
Grade 7/ Std. 5	5 347	125 684
Grade 8/ Std. 6/ Form 1	4 820	-
Grade 9/ Std. 7/ Form 2	3 167	-
Grade 10/ Std. 8/ Form 3/ NTC I	3 994	-
Grade 11/ Std. 9 NTC II	3 164	135 651
Grade 12 / Std. 10 /NTC III	7 132	-
Certificate with less than Grade 12	93	49 713
Diploma with less than Grade 12	73	7 339
Certificate with Grade 12	434	-
Diploma with Grade 12	1 098	7 402
Bachelors Degree	240	4 734
Bachelors Degree and Diploma /B-tech	119	1 810
Honours Degree	71	1 213
Higher Degree	48	1 309

According to Census 2001 and Community Survey 2007, the number of people who are not schooling has increased by more than 250%. However, this figure may include the number of people below schooling age. The combined figure for people in grade 1/sub A to grade 7/std.5 has increased to 125 685. This combination makes it difficult for analysts to study the trends. It is clear this combination of figures has been done across the categories. However, trends reflect a general improvement in the number of people attaining grade 12 certificates and beyond.

Public Participation and Good Governance

Strategic Goal 2: To ensure good corporate governance and public participation

Table.29:

Focus Area	Status quo	Challenges	Intervention required
Internal Audit Function	- IA Unit consist of one person The IA Charter has been approved the AC. - The IA annual plan has been approved by AC and is being implemented	- The IA annual plan is based on risks identified without following RM processes - The Three Year Strategic Annual Plan not yet approved - The IA unit organizational structure to be reviewed.	- The AC to approve the Three Year Strategic Annual Plan and Annual Plan for the financial year 2012/2013. - Management to review the IA organizational structure.
Audit Committee and Performance Management Committee.	- The AC was appointed in December 2010 and is doing both the function of AC and PM Committee. - The AC is operational and the meetings sit as required by MFMA. - The Council has approved the AC Charter.	- Lack of management support. - Schedule of meetings with management and council to be approved.	- Council to put pressure to management to support AC.

Focus Area	Status quo	Challenges	Intervention required
Risk Management Committee and Fraud Prevention Plan	- The Function of Risk Management is done by the Internal Audit Function - The municipality does not have a RM Committee - Risk Management Policy is in place but not approved. - Risk Assessment has not been conducted - The Fraud Prevention Plan draft exist but not approved by council yet	- Lack of human resource in the RM Unit - The Municipality to budget and appoint a Chief Risk Officer	- The appoint a Risk Management Committee - Management to conduct Risk Assessment - That the Council should approve the Risk Management Strategy and Fraud Prevention Policy - The Accounting Officer appoints the risk management committee members, as the committee consists of representative of senior management and Chief Audit Executive amongst others.

Institutional Development and Transformation

Strategic Goal 3: To ensure Municipal transformation and organizational development

Nala Local Municipality has developed its organizational structure to ensure effective and efficient implementation and achievement of the priorities, objectives and targets set in the IDP, Service Delivery and Budget Implementation Plan. The organogram is presently under a rigorous review process in order to ensure that:

- It is aligned to the constitutional mandate (objects and duties) as enshrined in section 152 of the Constitution of the Republic of South Africa, 1996

- The municipality is structured in such a way that it is geared towards fulfilling its powers and functions as contained in Schedule 4, Part B and Schedule 5, Part B of the Constitution of the Republic of South Africa, 1996;

- It is informed by obtaining resource capacity and its optimally fitting the size of the municipality;

- It is re-organized around five key performance areas as informed by the Local Government Strategic Agenda and the Municipal Turn-around Strategy;

- It promotes integration, consistency and organisational effectiveness;

- It improves unity of command and internal co-ordination;

- It fosters institutional transformation and development;

- It ensures responsiveness, performance excellence and accountability;

- The municipality is managed on the basis of the principles of Good Governance

Financial Viability

Strategic Goal 4: To ensure Municipal financial viability

Budget Related Polices

The following budget policies are in place and were approved by council in June 2011 for implementation in 2011/12 financial year:

- Bad Debts Policy
- Banking and Investments Policy
- Budget & Reporting Policy
- Credit Control & Debt Collection Policy
- Fixed Asset Management & Maintenance Policy
- Indigent Policy
- Petty Cash Policy
- Property Rates Policy
- Supply Chain Management Policy
- Subsistence & Travelling Policy
- Tariffs Policy
- Transfers & Virements Policy
- Wasteful & Fruitless Expenditure Policy

Staffing of the Finance Department and SCM Unit

The finance department largely operates on a skeleton structure; this includes the Supply Chain Management unit as well. Since November 2009, soon after the municipality was placed under administration in terms of section 139 (1)(b) of the Constitution, a company of consultants was appointed to render Chief Financial Officer support to the municipality.

This was due to the fact that the municipality had no Chief Financial Officer and all other senior positions within the finance department, except for that of the Deputy Chief Financial Officer, were vacant. Another challenge is that other junior officials, who serve within the Supply Chain Management unit, do not meet the competency level requirements as set by the National Treasury.

Payment of Creditors

Concomitant with the provisions of the Municipal Finance Management Act, the municipality's Supply Chain Management makes provision for payment of creditors within 30 days of receiving of valid invoice from the supplier or service provider. The policy further provided that in order to promote entrepreneurship and small business and elimination of possible hardship that may be caused by long payment terms of creditors, the municipality may pay small business within a shorter period that the 30 day norm.

The municipality is unfortunately not in a position to meet the above stipulated requirements, purely due to cash-flow challenges. In some instances, payments to creditors take even longer than 120 days to be settled. This, on the other hand, has led to interest charged on arrear accounts in some instances, while on the other hand creditors lost appetite to supply the municipality with goods and / or services prior to receipt of payment in advance, thus leading to limited competition for supply of goods and / or services and ultimately higher prices being charged.

Auditor-General Findings

The municipality has never managed to produce the Annual Financial Statements at least for the past two consecutive financial years; as a result no audit could be conducted by the Auditor-General. According to the records at the disposal of the municipality, the last audit was performed for 2008/09 financial year.

In his presentation to the department of Cooperative Governance and Traditional Affairs (CoGTA) on the state of the municipality in July 2010, the Administrator pointed out that one of the challenges that were there during the audit of 2008/09 financial year, was the retrieval of source documents as were required by the Auditor-General.

Financial Management Systems

In July 2010, the municipality migrated from its former financial management system (BIQ) to a new system (Pastel Evolution). This migration process and acquisition of an alternative system were not properly planned, which ultimately resulted in the municipality sustaining serious challenges with Pastel Evolution. Following the installation of Pastel Evolution in July 2010, the municipality was not able to bill consumer accounts for over 18 months mainly as a result of incompatibility of Pastel Evolution's Billing module to the municipal billing environment.

This situation has, amongst others, led to fragmentation of billing data and thereby affecting its integrity. On the other hand, the challenge of the financial management system has also contributed to delays in producing the 2009/10 and subsequent annual financial statements.

In order to support and improve internal controls, the municipality requires a reliable financial management system that is reliable and effective. As at February 2012, a decision was made to revert back to BIQ whiles measures devised to identify and source effective and reliable financial management system

Local Economic Development

*Strategic Goal 5: To promote local economic development*

The Municipality, through the assistance from the Department of Cooperative Governance went through the process of compiling the Local Economic Development Strategy during the 2011-2012 financial years. The Council adopted this strategic document with the following summarized version:

Table.30:

| PHASE	FOCUS AREA	OBJECTIVE
Phase 1	Territorial diagnosis	The objective is to acquire knowledge about the local economy and its resources
Phase 2	Sensitizing	Increase awareness of the LED initiative Generate social dialogue Stimulate involvement in and commitment to LED among local and regional stakeholders Assign development ownership to the local stakeholders
Phase 3	Creating or promoting a local forum	Exchange of ideas through local forums fosters innovation, facilitates the coordination of local resources, and increases transparency
Phase 4	Designing an LED Strategy	Defines a strategy to address problems and needs in the local economy
Phase 5	Coordinate or create implementation structures	The LED strategy foresees the implementing institutions and their budget and responsibilities
Phase 6	Evaluating and monitoring activities	A monitoring and evaluation system enables local stakeholders to learn from the past experiences

Poverty Level

Since 2005 the poverty level of the Nala has been in excess of 60%, proportionally higher than the poverty levels of the district. The percentage of people in poverty decreased as of 2005 with the highest of 67.4% and decreased to 62.3% in 2007 with an upward swing to 65.1% in 2008 and a subsequent decrease in 2009 to 63.6%. Since 2005, the district has displayed poverty levels of below 50%.
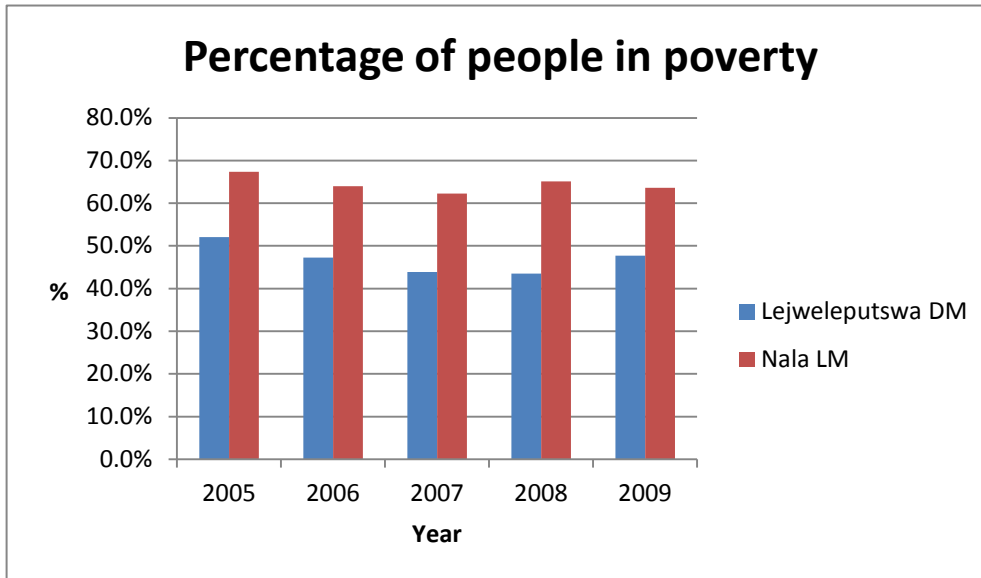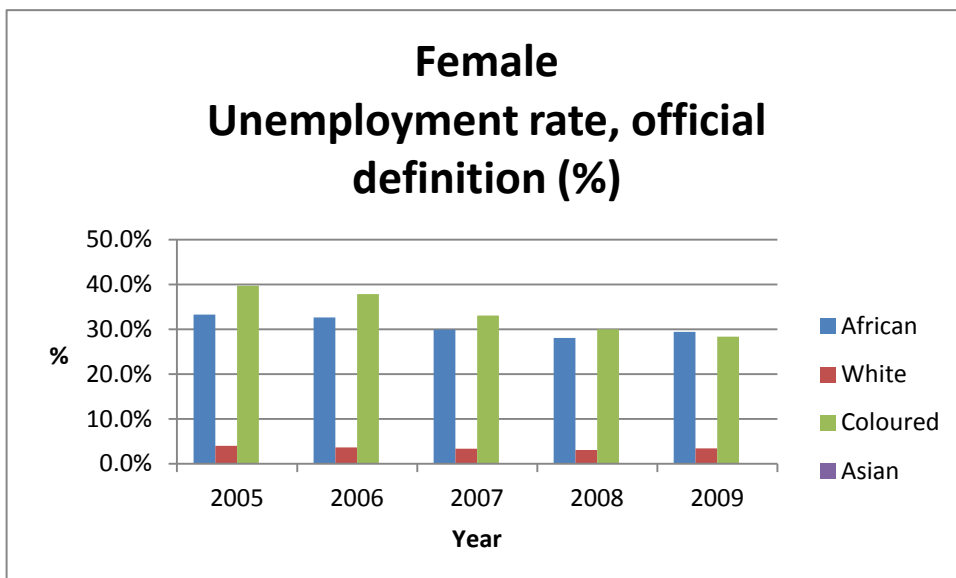

Unemployment Level

-   *Male unemployment*

Male unemployment has been on the decrease from 2005 till 2008 amongst all racial groups. In 2009 male unemployment has been on the increase. This slight increase can be ascribed due to the global credit crunch
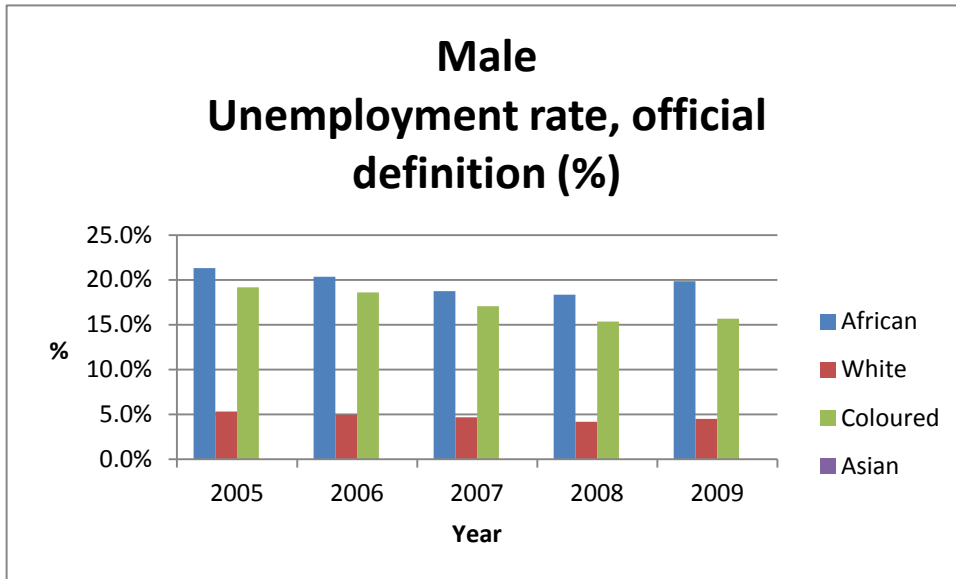
Source: Global Insight

- **Female unemployment**

More female then male are affected by unemployment in the Nala area. In previous years more Coloured women were unemployed, but in 2009 the situation is the other way around with African women exceeding the number of Coloured women who are unemployed. There has been a gradual decrease in unemployment amongst female with the exception of 2009 where a slight increase was experienced, which can be ascribed due to the global credit crunch, resulting into higher inflation.

Source: Global Insight

Level of current economic activities

- *Economic priority areas*

According to the New Growth Path, government prioritizes efforts to support employment creation in the following key sectors:

- Infrastructure
- The agricultural value chain
- The mining value chain
- The green economy
- Manufacturing sectors, which are included in ipap2, and
- Tourism and certain high-level services.

- *Agriculture*

The Lejweleputswa Growth and Development Strategy (GDS) identified the following priority areas under the agricultural sector:

- Mechanisms to counter precarious weather conditions, and market conditions.
- Financial problems experienced by commercial farmers
- Job losses due to mechanization of most farmers
- Migration of farm workers to urban areas.
- Promote business supporting agriculture in smaller towns
- Improvement of irrigation scheme
- Promotion of bio-fuel industry

Create linkages between the SMME development sectors through the following: promotion of urban agriculture; promotion of small scale farming, intensive farming; organic and hydroponics' product cultivation; promotion of agro-industries; and promotion of agri-tourism.

Promotion and establishment of cooperatives and producer groupings for the agro-industrial cluster of emerging farmers. To maintain the importance on aligning all plans set out, the IDP, and the GDS to both the Provincial GDS and ultimately the National Spatial Development Perspective.

- *Tourism*

Bothaville is a maize farming town situated near the Vaal River in the Lejweleputswa DM, Free State. Bothaville and the adjacent Kgotsong township have a total of approximately 80,000 residents.

- *History*

A 'church town', Botharnia, was established in 1891 on a portion of Gladdedrift farm, by Voortrekker JP van Wyk who left Pretoria after religious persecution. The town was renamed Bothaville in 1893, after Theunis Louis Botha, the original owner of the farm.

The Battle of Doornkraal took place some distance south of town on 6 November 1900. Doornkraal Monument is a granite memorial built in honour of Boers who died here in the surprise attack by British soldiers. Some of the Boer soldiers were buried in a communal grave.

The town received municipality status in 1914. It was after the first democratic local government elections amalgamated into the Nala Municipality, along with Wesselsbron and a part of the Vetvaal rural council.

- *Agriculture*

Bothaville is in the Maize Triangle, thus surrounded by vast maize lands, some irrigated from the Vals and Vaal rivers. Other agricultural activities are sheep, sunflower, wheat and ground-nuts.

The NAMPO agricultural trade show, known as Nampo Harvest Day or Nampo Oesdag, has been held annually at Bothaville since 1974. Described as one of the largest in the world, it attracted some 60,000 visitors in recent years. It is held in the middle week of May at Nampo Park just north of town. The show, organised by Grain South Africa (GSA), features a large variety of agricultural machinery and livestock.

The annual Food & Witblits Festival, serves to highlight Bothaville as the Maize Capital of South Africa and drawing visitors countrywide as well as internationally (Explore Free State, 2011).

Section F: Implementation Plan

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 Nala 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 means that the following the municipality must also consider the following and apply throughout planning and implementation processes:

- 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 we 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.

To the extent possible, 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.

Dealing with Population 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 5 years, which will enable us to primarily focus on meeting new service delivery demands.

Comprehensive studies still needs to been undertaken to quantify the institutional backlogs. Based on the findings, sufficient resources will have to be made available and directed such service delivery backlogs.

Implementation Methodology

To ensure that both programmatic and project specific sustainability is developed and maintained the municipality must develop a Comprehensive Infrastructure Plan (CIP) which must aim at addressing and achieving the following:-

- Ensure that projects are identified, registered, budgeted for, and initiated to eradicate all backlogs in infrastructure in all communities within Nala Local Municipality, and must take 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 different services. This might also include options such as creating regional or ward based service delivery teams.

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

Implementation Challenges

The following are details of implementation challenges which invariably affect the implementation of MIG related projects and thus causing delays in eradication of backlogs 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

Main Cat	Main Category	Sub Category	Nature of Problems
			Late funding approvals received from other spheres of government
			Unverified payment claims by contractors
			Administrative problems: delays in processing valid payment claims by consultants/contractors
		Administrative issues with procurement	Procurement and BEE issues
			Poor council oversight
	Institutional functions impacting on project implementation	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
		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
			Delay getting emerging contractors on site and performing
4	Other government functionaries	CoGTA	Waiting period for CoGTA to register projects
5	External parties	Community involvement	Community preventing some of the registered projects from being implemented

Section G: Objectives

Section H: Sector Plans

National Departments

- ***Department of Water Affairs (DWA)***

Following the approval of Turnaround Strategy for Local Government by Cabinet, the Department of Water Affairs subsequently developed a document which outlined their intended involvement in rendering support to municipalities within the Free State in realizing the objectives set in the Local Government Turnaround Strategy. This document, dated February 2010 and titled as follows: Department of Water Affairs – Free State Support, Collaboration and Engagements with Turnaround Strategy, outline, amongst others the following keys issues of support to municipalities in the Free State.

- ***Roles and Responsibilities of Sector Departments: DWA***

The CoGTA has indicated the following roles and responsibilities expected from the stakeholders; Provincial, National Government Departments, State Owned Entities (SOEDs) and the other relevant partners in efforts made to support Local Government/ Municipalities in order to turn the tide against the factors that impede developmental local government. The Department (DWA) should therefore respond to the call of duty and functionally and structurally operate in such a way that it can positively, effectively, adequately and efficiently respond to the requirements and rigors of LGTAS and by extension also respond to Operation Hlasela Programme (OHP) and other imperatives of the Government.

- The National and Provincial Sector representatives be informed- study National, Provincial and Municipal reports and related documentation
- Provide all relevant information to Municipalities in the process of preparing the TAS; work with the existing IDP to incorporate interventions through the SDBIP. Ensure projects spatially identified via the SDF.
- Assess financial commitments for the TAS and assist in sourcing additional skills and resources
- Provide "focal area" advice, guidance and support
- Improve oversight and support of Municipalities through TAS process and beyond

DWA Action Plan

- *DWA Generic Support Areas in Municipalities include the following:*

Programme	Issues	Specific DWA Municipal support issues
WSDP	• Development • Alignment with IDP • Implementation • Reporting on implementation	DWA will guide all the Municipalities/ WSAs in the development of the WSDPs
WCWDM	• Assessment of the Water losses • Development of the BP/ programme to address the losses • Implementation • Monitoring and reporting	Support for the development of BPs/ programmes for certain Municipalities/ WSAs
O&M	• Development of O&M plans • Implementation • Refurbishment	Support for the development of O&M plans for certain Municipalities/ WSAs as part of Water Master planning
Capacity Building and Skills development	• Councilor, Ward Committees, CDWs, CSOs training in the Water Business Elements • Training of Treatment plant Operators	Councilor, Ward Committees, CDWs, CSOs training in the Water Business Elements for some Municipalities/ WSAs Training of Treatment plant Operators for some Municipalities/ WSAs
Guidelines	• Provision of guidelines for various water sector issues; Acts, policies, strategies, etc	Provision of guidelines for various water sector issues; Acts, policies, strategies, etc for the WSAs

Source: Department of Water Affairs: Free State Support – Collaboration and Engagement with Turnaround Strategy, 2010

National Treasury Generic Support:

- **Local Government Financial Management Grant (FMG)**

The local government financial management grant (FMG) helps municipalities to improve the quality of budgeting and in-year reports, appoint skilled finance officials, participate in the graduate internship programme, build financial management skills, improve processes and procedures, introduce internal controls, publish relevant financial information on municipal websites, enhance audit outcomes, improve management of revenue and expenditure, reform accounting and supply chain management processes, and improve compliance with the MFMA and its regulations.

- *Municipal Infrastructure Grant*

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.

Provincial Departments

Free State Department of Cooperative Governance and Traditional Affairs (CoGTA)

- ***Section 139(1)(b) Intervention***

In 2009 CoGTA identified Nala as one of the municipalities that had serious administrative and political challenges, and following thorough assessment of the situation, the Provincial Executive Council resolved to intervene in terms of section 139(1)(b) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) to assume responsibility for the relevant obligations in Nala municipality to the extent necessary to maintain essential national standards and meet established minimum standards for the rendering of services, is necessary.

This the intervention in terms of section 139(1)(b) was lifted in October 2011, CoGTA continue to render support to Nala Local Municipality which includes secondment of officials acting both in the capacities of

- ***Municipal Turn Around Strategy***

The roll out of the Municipal Turn Around Strategy to Nala Municipality was preceded by a number of planning meetings attended by different Sector Department both Provincial and National; Trade Unions operating at Municipalities and Public entities.

Teams were constituted comprising all stakeholders to visit the three identified Municipalities. During February 01, to 05, 2010 the team responsible for Nala Municipality visited the Municipality and undertook the following:

- Meeting with Senior Managers of the Municipality to brief them of the process of MTAS.
- Explain the implementation plan, guidelines and information around structural arrangements for Turn Around Implementation Plan with COGTA within the Municipality.
- Request the senior managers to provide all necessary supporting documents in order to draft MTAS.
- The Provincial team also met Troika to outline the MTAS process of the Municipality.
- The draft MTAS was presented for adoption before the Council meeting.

However, there has been generally lack of progress in achieving realizing the municipality's turnaround plan.

Section I: Development Strategies, Programmes and Project

The strategy phase sets forth the destination of the municipality and the most appropriate ways to arrive at the intended destination. The Municipal Systems Act No 32 of 2000 requires that each municipality must formulate a vision. These constitute the development framework and will inform the way council will deliver in future.

The following activities are involved in this process:

- Formulation of a Vision;
- Formulation of objectives for each priority issue identified in Status Quo analysis;
- Formulation of localized strategic principles or guidelines that will guide development in future.
- Making use of the policies and legislative requirements binding on development in future, and for this purpose the following aspects need to be reflected:

  a) Spatial dimensions;
  b) Poverty / gender aspects;
  c) Environment dimensions;
  d) Local economic dimensions;
  e) Institutional dimensions; and
  f) Infrastructural and transport dimensions.

- Defining resource frames within which strategies can be developed. These resource frames need to incorporate both financial and human capacity within the local municipality, availability of natural resources and other sources of income etc.;
- Creating strategic alternatives and inviting public debate on the proposed alternatives. This activity should also incorporate district level integration; and
- Choosing the correct alternatives and aligning them with sector requirements.

Aligned National Strategies for Local Government

- *Local Government Ten Point Plan*

The table below provides a synopsis of the alignment and the synergy created between the Department of Cooperative Governance and Traditional Affair's "Ten Point Plan" with the key deliverables and the strategic focus of the Nala municipality.

COGTA's Ten Point Plan	Key Deliverable	Municipal Strategic Focus Area
Implement a differentiated approach to municipal financing, planning and support	Support the implementation of a revised simplified and differentiated IDP process to ensure more effective planning and intergovernmental cooperation	Nala municipality is a category B4 municipality (Local Municipality which is mainly rural, and as such will require an assistance from COGTA on the simplification of IDP
Improve access to basic services	Increase access to basic water, basic sanitation, basic refuse removal, and basic electricity by strengthening differentiated support for municipal service delivery capacity through the Special Purpose Vehicle (SPV) • Address related constraints identified through the MTAS • Mobilize required support to deliver on targets • Facilitate the water sector towards the development of alternative technologies for water services Increase water – and sanitation sector support to municipalities	The municipality need to focus at meeting the targets as set-out in the turn-around strategy as a departure point..

Implement the community works programme and cooperatives support.	1. Contribute to the identification and creation of CWP job opportunities in at least 2 wards per local municipality through the single window of coordination 2. Support the establishment of cooperatives in each ward towards supporting job creation	The municipality has must continue to leverage on opportunities available / presented for CWP as a means to create job opportunities locally.
Actions supportive of Human Settlement	Participate in the drafting of the Land Use Planning and Management Bill	The municipality must focus at developing a credible Spatial Development Framework. This will enable the municipality to utilize the existing "space" accordingly.
Deepening Democracy through a refined Ward Committee model	Participate in the review and strengthening of the legislative framework for Ward Committees and community participation to broaden participation of various sectors and to propose new responsibilities and institutional arrangements for ward committees	Municipality will support the existing ward committees to be more functional.
Improve municipal financial and administrative capacity	Through Operation Clean Audit: - Support municipalities in maintaining adequate financial management systems in order to produce accurate and complete financial statements and performance information - Support municipalities to improve cash flow management: - Support municipalities to improve	The municipality must leverage on the current support rendered by the National Treasury, Provincial Treasury and Free State CoGTA in cleaning up its financial management and improving municipal financial viability.

	cash flow management:	
Single window of coordination	Work together with other sector departments to come up with mechanisms to review and rationalize local government reporting requirements	A constant liaison with COGTA will be made to strengthen support needed by the municipality from other sectors
Promote Traditional Affairs, culture and heritage	Promote traditional culture and heritage	Cultural and heritage issues will be supported through the office responsible for LED.
Improve disaster management	Prevent and/or mitigate disasters in the Free State Province	Work together with Lejweleputswa District municipality towards mitigating the potential disaster incidents.
Improve inter-governmental relations	Strengthen inter-governmental relations with municipalities and SALGAFS	A constant liaison with COGTA will be made to strengthen support needed by the municipality from other sectors and to facilitate coordinated approach towards planning and development.

Nala Local Municipality's Strategies and Objectives

In line with its developmental mandate, Nala 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 must be measured in the organizational Performance Management System (PMS), and give effect to Service Delivery and Budget Implementation Plan (SDBIP) targets/ goals.

Major Capital Programmes and Projects for implementation – 2012/13 – 2014/15

MIG Reference Nr	Project Description	EPWP	Project Value	MIG Value
2011/2012	PMU		1,732,000.00	1,732,000.00
MIG/FS0375/SW/09/ 09	Wesselsbron/Monyakeng: Landfill Site (MIS:175522)	No	3,000,000.00	3,000,000.00
MIG/FS0379/CF/09/09	Kgotsong : MPCC	Yes	3,200,000.00	3,200,000.00
MIG/FS/0393/S/07/09	Monyakeng BEP phase 3 (survey)	No	64,966,320.00	56,988,000.00
MIG/FS0512/R,ST/09/09	Monyakeng : Paved Roads Phase 2 (3.3km)	Yes	8,000,000.00	8,000,000.00
MIG/FS0529/R,ST/10/10	**Kgotsong:** Paved Road Phase 3 (3.5km) (MIS:186215)	Yes	11,500,000.00	11,500,000.00
MIG/FS0530/R,ST/10/10	**Monyakeng:** Paved Road Phase 3 (3.5km) (MIS:186216)	Yes	11,500,000.00	11,500,000.00
MIG/FS/0687/R,ST/ 08/09	Monyakeng : Paved Roads Phase 1 (0.9km)	Yes	4,308,836.80	3,840,000.00
MIG/FS0708/S/08/10	Wesselsbron/Monyakeng : WWTW Phase 2	No	19,500,000.00	12,437,623.00
MIG/FS0723/R,ST/09/09	Kgotsong : 1.8km New Cemetery Road	Yes	3,500,000.00	3,594,746.90
MIG/FS0758/CF/10/11	Monyakeng: Multi Purpose Community Centre (MIS:186756)	Yes	4,000,000.00	4,000,000.00
MIG/FS0833/R,ST/11/13	Kgotsong : Paved Roads Phase 4 (2.1km)	Yes	12,000,000.00	11,236,995.00
MIG/FS0835/R,ST/11/13	Monyakeng : Paved Roads Phase 4 (2.1km)	Yes	12,000,000.00	11,236,995.00
MIG/FS0836/R,ST/11/13	Monyakeng : 1.5km New Cemetery Road	Yes	8,000,000.00	8,026,809.50

MIG Reference Nr	Project Description	EPWP	Project Value	MIG Value
MIG/FS0837/R,ST/11/11	Kgotsong: Pedestrian bridges over canals	Yes	1,500,000.00	1,500,000.00
MIG/FS0866/R,ST/12/13	Kgotsong : Paved Roads Phase 4(a) (2.2km)	Yes	15,000,000.00	15,033,295.40
MIG/FS0867/R,ST/12/13	Kgotsong: Upgrade/Paved Roads Phase 4(c) (1.5km)	Yes	9,000,000.00	10,249,974.00
MIG/FS0868/R,ST/12/13	Monyakeng : Paved Roads Phase 4(a) (2.2km)	Yes	15,000,000.00	15,033,295.40
MIG/FS0885/R,ST/12/13	Kgotsong : Paved Roads Phase 4(b) (2.5km)	Yes	9,000,000.00	17,113,290.00
MIG/FS0886/R,ST/12/13	Monyakeng : Paved Roads Phase 4(b) (2.5km)	Yes	9,000,000.00	17,113,290.00
MIG/FS/0897/CF/12/12	Kgotsong : New Tennis Courts and associated facilities	No	2,300,000.00	2,300,000.00
MIG/FS/0898/C/12/12	Kgotsong Cemetery : Ablution Facilities & Palisade Fencing.	No	1,000,000.00	1,796,760.00
MIG/FS/0899/C/12/12	Monyakeng Cemetery: Ablution Facilities & Palisade Fencing.	No	2,000,000.00	1,796,760.00
Not yet registered	Monyakeng: Upgrade sport and associated facilities		2,300,000.00	2,300,000.00
Not yet registered	Monyakeng: Upgrade/Paved Roads Phase 4(c)(1.5km)		9,000,000.00	10,249,974.00
Not yet registered	Kgotsong : Upgrade Bulk Stormwater (Open canals)		10,000,000.00	10,000,000.00
Not yet registered	Monyakeng : Upgrade Bulk Stormwater (Open canals)		10,000,000.00	10,000,000.00
	Total		**262,307,156.80**	**264,779,808.20**

The above projects are located implemented in the different wards within the municipality as depicted in the figures below:

Wesselsbron / Monyakeng Projects
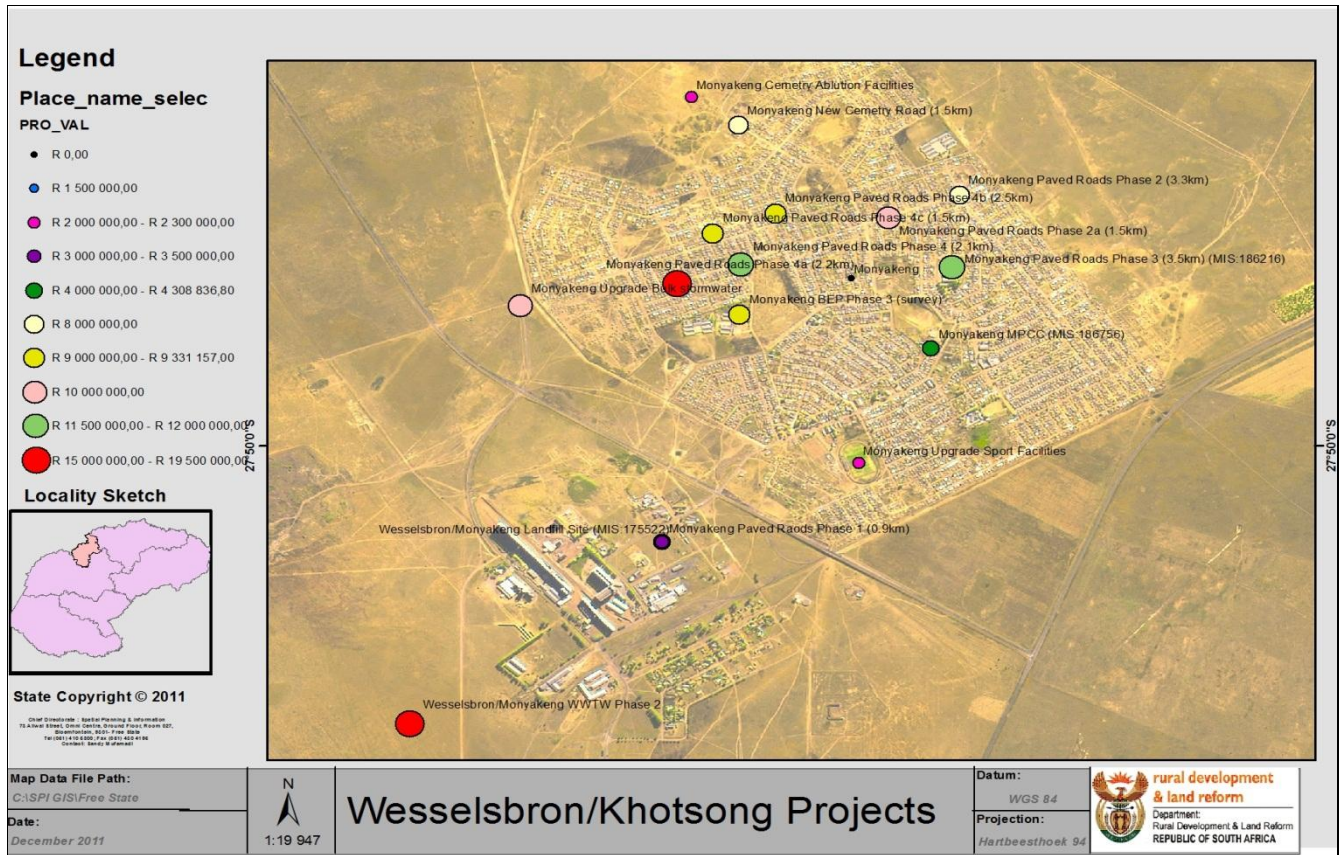
Bothaville / Kgotsong Projects

Bothaville/Khotsong Projects