

Theewaterskloof Municipality
SDBIP SUBMISSION REPORT

2014/2015



Theewaterskloof
Municipality

INTRODUCTION AND OVERVIEW

1.1 Purpose of the report

The purpose of this report is to provide an executive summary of the legislative framework that prescribes an SDBIP. It provides an overview of the process followed to compile the 2014/15 SDBIP and the monitoring of actual performance against targets set.

The 2014/15 SDBIP attached to this report is hereby submitted for approval. It indicates the planned performance targets of the Theewaterskloof Municipality for the period 1 July 2014 to 30 June 2015.

1.2 Legislative Framework and General Information Pertaining to the SDBIP

The Municipal Finance Management Act No. 56 of 2003 (MFMA) and National Treasury MFMA Circular No. 13 requires that municipalities must prepare a service delivery budget implementation plan (SDBIP) indicating how the budget and the strategic objectives of Council will be implemented. The SDBIP is prepared in terms of Section 53(1)(c)(ii) of the Municipal Finance Management (MFMA), National Treasury MFMA Circular No. 13 and the Budgeting and Reporting Regulation.

The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration in the applicable financial year. It provides the link between the mayor, the council (executive) and the administration, and facilitates the process for holding management accountable for its performance. It is therefore a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community to monitor the municipality's performance on a quarterly basis. The SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the implementation of the budget, the execution of projects, the performance of senior management and the achievement of the strategic objectives set by council.

The SDBIP sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services with the inputs and financial resources that will be utilized. The SDBIP will determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. Expenditure information (for capital projects and services) per municipal ward is provided so that each output can be broken down per ward, where it is possible to support ward councillors to provide feedback to their communities on progress with service delivery.

As mentioned before, it is a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and municipal manager to be pro-active and take remedial steps if necessary in the event of poor performance.

The SDBIP is a layered plan that consists of a top layer and a supporting layer namely the departmental SDBIP.



a) Top Level SDBIP (Municipal Scorecard)

Circular 13, as well as the municipal budget and reporting regulations prescribe the submission of a Top Level SDBIP, which is focused on outcomes, to the Mayor with the draft budget. The Top Layer SDBIP contains the consolidated service delivery targets and in-year deadlines, and links such targets to top management. Only the Top Layer SDBIP will be made public and tabled before the council. The Top Layer SDBIP should also include per ward information, particularly for key expenditure items on capital projects and service delivery. This will enable each ward councilor and ward committee to oversee service delivery in their particular ward. The Top Layer SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes made in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). Council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance.

The Top Layer of the SDBIP is made up of the following components:

- One year detailed plan, with a three-year capital plan
- The 5 necessary components includes:
 - o Monthly projection of revenue to be collected for each Source (*Expected Revenue to be collected*)
 - o Monthly projects of expenditure (operating and capital) and revenue for each vote (*S71 format*)
 - o Quarterly projects of Services Delivery Targets and performance indicators for each vote. (*Non financial measurable performance objectives in the form of targets and indicators. Level and standard of service being provided to the community*)
 - o Ward information of expenditure and Service Delivery
 - o Detailed capital works plan broken down by ward over three year

The Top Layer of the SDBIP must be submitted for approval to the Mayor within 28 days after the approval of the budget (section 53(1) (c) (ii) of MFMA).

SDBIP 2014/15

2.1 Overview of the 2014/15 process

The IDP is considered as the 5-year strategic plan for the municipality and therefore provides an outline of the Theewaterskloof Municipality's vision, mission, objectives and operational and service delivery indicators that are realistic and attainable.

The Theewaterskloof Municipality implemented the IMAP Methodology (IDP implementation Map) with the focus of aligning the spatial development framework, economic development plans, sectorial plans, master plans, key strategies and legislative developmental planning guidelines. The intention is to provide a single strategic document that is well-thought-through and defined and which will enhance organisational alignment, budgeting and service delivery.

It also aims to test the quality of the predetermined objectives (PDO's), the expected impact or outcome to be achieved by the PDO and aligns the PDO with the budget and then the SDBIP (performance). It is critical that implementable and measurable PDO's be properly formulated during the drafting of the 5-year IDP.

The 5 year strategic goal and Focus Areas for the 3rd Generation IDP is:

GOAL

- Manage Expectations Down to a Realistic, Affordable And Reasonable Level
 - Optimisation of Management Capacity
 - Longer Term Planning
 - Improve Service Levels
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The Strategic Focus Areas and Strategic Objectives developed are as follows:

SFA#	Strategic Focus Area	SO#	Strategic Objective
I (FIN)	Financial Viability	SO1	Improved Sustainability Financial Management of the Theewaterskloof Municipality and execute Legislative requirements Municipality
II (GOV)	Good Governance	SO2	Good Governance and Improve the auditing status of the Municipality
III (INST)	Institutional Development	SO3	Refine and Improve the institutional capacity of the Municipality
IV (BSD)	Basic Service Delivery	SO4	Infrastructure and Bulk upgrades and replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process
		SO5	Improved Environmental Management
		SO6	Increase community safety through traffic policing, bylaw enforcement and disaster management
		SO7	To develop integrated and sustainable Human Settlements that will address the housing demand within the TWK area
V (LED)	Local Economic Development	SO8	Creating an enabling environment favourable for economic and human development in a sustainable manner.

Strategy Map

The 2014/2015 SDBIP process commenced with the tabling of the 2014/2015 IDP and Budget. These documents were first tabled on 27 March 2014. The SDBIP is extracted from the IMAP which was drafted through one on one consultation with all the S57 Managers and their Heads of Departments based on the Draft 2014/15 IDP and Budget. The SDBIP was adopted together with the IDP and budget on 27 May 2014.

The SDBIP as adopted with the IDP was split into the Top Layer and Departmental SDBIP by the S 57 Managers and their Heads of Departments and presented to the Municipal Manager on 19th May 2014. The Top Layer SDBIP was approved by the executive Mayor on **20 June 2014**.

The following were considered during the development of the SDBIP:

- Alignment with the IDP
- Alignment with the budget
- The performance audit committee report
- The risks identified by the Internal Auditor during the municipal risk analysis
- Areas to be addressed and root causes of the Auditor-General management letter COMAFS as well as the risks identified during the audit
- Local Government Turnaround Strategy
- Oversight Report

2.2 IDP Objectives & Risk Management

The SDBIP should as indicated above, address the IDP priorities and objectives. The tables below links the IDP objectives to the 10 major strategic risks identified.

Risks manifest as negative impacts on goals and objectives or as missed opportunities to enhance institutional performance. Stakeholders expect Municipalities to anticipate and manage risks in order to eliminate waste and inefficiency, reduce shocks and crises and to continuously improve capacity for delivering on their institutionalized mandates. Risk is therefore an event, potential or real, that could have an impact on the institution achieving its objectives. It is also apparent that risk is measured in terms of the impact that it would have on the achievement of objectives and the likelihood of the risk materializing.

SFA 1: FINANCIAL VIABILITY

Strategic Goal	Improved Financial Sustainability of the Municipality	
Municipal Strategic Focus areas	Financial Viability	
Strategic Objective	SO1: Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Municipality
Challenges	<ul style="list-style-type: none"> • Low income base (high unrecoverable debt) • Reliant on grants (due to high unemployment rate and large indigent population) • Global Economic recession <i>This has resulted in an increase in unemployment, greater dependence on grants and subsidies and escalating prices of commodities)</i> • <i>The <u>cost of compliance</u> with increased legislation, regulations and accounting standards is not only costing more without any significant tangible benefits to the communities, it is also time-consuming and counter-productive.</i> 	
Outcome / Impact	Financial Sustainability and improved audit opinion	
Strategic Risks	Influx of Unemployed, unskilled and Homeless people	
Municipal Directorate	Financial Services	
Departmental Objectives	<ul style="list-style-type: none"> • Work towards obtaining a clean audit • Vigorous driving and management of projects of the financial sustainability steering committee • Review Tariff structure • Improved functioning and results of the Revenue Section/improve the collection rate • Improved Financial Management 	
Municipal Directorate	Corporate Services	
Departmental Objectives	Improved Financial Management	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	Municipal Financial Viability and Management	
National Outcome	A responsive and accountable, effective and efficient local government system	
National Development Plan (2030)	Developing a capable and Development State	
Provincial Strategic Objective	Mainstreaming sustainability and optimising resource-use efficiency	
District Strategic Objective	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National Policy and guidance	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Good systems, compliance, revenue optimisation, financial sustainability planning	National Treasury and Provincial Treasury; ensuring clean audit	Budgets and 3 yr. plans; SDBIP

SFA 2: GOOD GOVERNANCE

Strategic Goal	Good Governance and Clean Audit	
Municipal Strategic Focus areas	Good Governance	
Strategic Objective	SO 2: Good Governance and Improve the auditing status of the Municipality	
Challenges	<ul style="list-style-type: none"> The <u>cost of compliance</u> with increased legislation, regulations and accounting standards is not only costing more without any significant tangible benefits to the communities, it is also time-consuming and counter-productive. 	
Outcome / Impact	<ul style="list-style-type: none"> Clean audit Improved relationships Improved communication Improved community engagements 	
Strategic Risks	<ul style="list-style-type: none"> Cost of Regulation and Compliance Requirements Red Tape (External in context of provincial Departments) 	
Municipal Directorate	Corporate Services	
Departmental Objectives	<ul style="list-style-type: none"> Improve the functioning of the ward committee system 	
Municipal Directorate	Office of the MM	
Departmental Objectives	<ul style="list-style-type: none"> Work towards obtaining a clean audit Improved relationships Improved Communication and community involvement 	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	Good Governance and Public Participation	
National Outcome	A responsive and accountable, effective and efficient local government system	
National Development Plan (2030)	Developing a capable and Development State	
Provincial Strategic Objective	Not applicable	
District Strategic Objective	To ensure Good Governance practice by providing a democratic and proactive accountable government and ensuring community participation through existing IDP structures	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Council, public and stakeholder participation, ward Committees, policies, bylaws	legislative framework and support	

SFA 3: INSTITUTIONAL DEVELOPMENT

Strategic Goal	Optimisation of Capacity
Municipal Strategic Focus areas	Institutional Development
Strategic Objective	SO 3: Refine and improve the institutional capacity of the municipality
Challenges	<ul style="list-style-type: none"> • Lack of succession planning • Trained workforce (water, sanitation, road works etc) • Inadequate systems and SOP's • Lack/shortage of man power • Lack of office space • Shortage of Fleet (Traffic, refuse removal etc.) • Poor payment rate
Outcome / Impact	<ul style="list-style-type: none"> • Improved safety in working environment • Clean audit • Improved processes and productivity • Improved IT systems • Improved municipal capacity • Improved legal compliance • Improved processes and productivity
Strategic Risks	<ul style="list-style-type: none"> • Managing Talent (Recruiting & Retaining staff) • Outdated Bylaws & Corporate Policies • No Available High Level Expertise (Can existing staff take TWK to the next level) • Excessive Expectations in relation to Institutional capacity • Potential Low or No Productivity
Municipal Directorate	Corporate Services
Departmental Objectives	<ul style="list-style-type: none"> • Launch a productivity improvement plan based on the outcome of a productivity assessment • Improved IT service and infrastructure • Implement outcome based training strategies and programmes • Continuous review of policies and delegations and by-laws • Conduct a productivity assessment
Municipal Directorate	Office of the MM
Departmental Objectives	<ul style="list-style-type: none"> • Optimum ptimizing of PMS to ensure continuous performance improvement working towards a clean performance audit
Alignment with National and Provincial Strategies	
Sphere	Description
National KPA	Municipal Transformation and Institutional Development
National Outcome	A responsive and accountable, effective and efficient local government system
National Development Plan (2030)	Developing a capable and Development State

Provincial Strategic Objective

Mainstreaming sustainability and optimizing resource-use efficiency

District Strategic Objective

To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development

Main Functions and Sector Plans associated with this SO

Municipal Functions	Other spheres	Specific Plans
Organisational Development, Systems		Operational plan, Performance Management System

SFA 4: BASIC SERVICE DELIVERY

Strategic Goal	Improve Service Levels
Municipal Strategic Focus areas	Basic Service Delivery
Strategic Objective	SO 4: Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process
Challenges	<ul style="list-style-type: none"> Budget (poor payment rate) Shortage of Fleet (Traffic, refuse removal etc.) Lack/shortage of Man power
Outcome / Impact	<ul style="list-style-type: none"> Provide residents with adequate basic services Conserve and rehabilitate the natural environment Mitigate the risk of potential disasters Sustainable water provision Increased safety Backlog reduction Maintained community facilities Maintained fleet Improved electricity provision Increased cemetery capacity Rehabilitation and maintenance of urban streets Improved sewerage provision Improved and sustainable solid waste management Increased capacity for sustainable sewerage network Improved stormwater network Increased revenue collection
Strategic Risks	<ul style="list-style-type: none"> Backlog in Infrastructure
Municipal Directorate	Technical Services
Departmental Objectives	<ul style="list-style-type: none"> Mitigate the risk of potential disasters Manage the municipality's natural resources (Reserves, public open spaces, waterways) Implementation of three year infrastructure and basic services upgrade, expansion and replacement

	<p>program linked to the MIG Program, Capital Reserve Development Program and development contribution program</p> <ul style="list-style-type: none"> • Conserve the natural environment and improve the quality of our living environment 	
Municipal Directorate	Operational Services	
Departmental Objectives	<ul style="list-style-type: none"> • Day to Day Service Delivery • Infrastructure and bulk upgrades 	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	Basic Service Delivery	
National Outcome	<ul style="list-style-type: none"> • An effective, competitive and responsive economic infrastructure network • Protection and enhancement of environmental assets and natural resources 	
National Development Plan (2030)	<ul style="list-style-type: none"> • Nation building and social cohesion • Environmental Sustainability and Resilience • Economy and Development 	
Provincial Strategic Objective	Mainstreaming sustainability and optimising resource-use efficiency	
District Strategic Objective	To ensure the Health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure its disaster management, municipal health and environmental management	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Water, sanitation, roads, transport infrastructure, storm water, waste removal, parks, recreation. Forward Planning and integration with Human Settlements	MIG funds and other external funding, DWA initiatives	Master plans, MIG project plans, Water Services Plans,
Strategic Goal	Improve Service Levels	
Municipal Strategic Focus areas	Basic Service Delivery	
Strategic Objective	SO 5: Improved environmental management	
Challenges	<ul style="list-style-type: none"> • Budget (poor payment rate) • Lack/shortage of Man power 	
Outcome / Impact	<ul style="list-style-type: none"> • Improved environmental management 	
Strategic Risks		
Municipal Directorate	Development Services	
Departmental Objectives	<ul style="list-style-type: none"> • The replication of sustainable concepts and methodologies developed as part of the Grabouw Sustainable Development Initiative • Roll-out of the 110% Green economy • Evaluate all development proposals for environmental sustainability 	
Alignment with National and Provincial Strategies		

<i>Sphere</i>	<i>Description</i>
National KPA	<ul style="list-style-type: none"> Basic Service Delivery
National Outcome	<ul style="list-style-type: none"> Protection and enhancement of environmental assets and natural resources
National Development Plan (2030)	<ul style="list-style-type: none"> Environmental Sustainability and Resilience
Provincial Strategic Objective	<ul style="list-style-type: none"> Mainstreaming sustainability and optimising resource-use efficiency
District Strategic Objective	To ensure the Health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure its disaster management, municipal health and environmental management

Main Functions and Sector Plans associated with this SO

Municipal Functions	Other spheres	Specific Plans
Planning and Functioning of Settlements and Conservation, Renewable Energy , Traffic	Planning support (DEADP) and Compliance e.g. NEMA	Disaster Management Plan, Air Quality Management Plan , Law Enforcement Strategy, SDF

<i>Strategic Goal</i>	Improve Service Levels
<i>Municipal Strategic Focus areas</i>	Basic Service Delivery
<i>Strategic Objective</i>	SO 6: Increased community safety through traffic policing, bylaw enforcement and disaster management
<i>Challenges</i>	<ul style="list-style-type: none"> Shortage of Fleet (Traffic) Lack/shortage of Man power Lack of updated by-laws
<i>Outcome / Impact</i>	<ul style="list-style-type: none"> Increased community safety Improved environmental management
<i>Strategic Risks</i>	
<i>Municipal Directorate</i>	Development Services
<i>Departmental Objectives</i>	<ul style="list-style-type: none"> Implementation of Town Renewal Strategies by using mechanisms such as Special Rates Areas Implementation of Law Enforcement Strategy

Alignment with National and Provincial Strategies

<i>Sphere</i>	<i>Description</i>
National KPA	<ul style="list-style-type: none"> Basic Service Delivery
National Outcome	<ul style="list-style-type: none"> All people in south Africa protected and feel safe
National Development Plan (2030)	<ul style="list-style-type: none"> Building Safer Communities
Provincial Strategic Objective	<ul style="list-style-type: none"> Increasing safety

Main Functions and Sector Plans associated with this SO

Municipal Functions	Other spheres	Specific Plans
Planning and Functioning of Settlements and Conservation, Traffic	Planning support (DEADP) and Compliance e.g. NEMA	Law Enforcement Strategy, SDF

Strategic Goal	Improve Service Levels	
Municipal Strategic Focus areas	Basic Service Delivery	
Strategic Objective	SO 7: To develop integrated and sustainable human settlements that will address the housing demand within the Theewaterskloof Area	
Challenges	<ul style="list-style-type: none"> • Influx of indigent people • Increased demand on housing • Land availability • Funding 	
Outcome / Impact	<ul style="list-style-type: none"> • Sustainable human settlements 	
Strategic Risks		
Municipal Directorate	Development Services	
Departmental Objectives	<ul style="list-style-type: none"> • The establishment of sustainable rural settlements in the villages of Klein begins, Nuweberg and Lebanon in following the Comprehensive Rural Development Process. • Provision of GAP housing • Provision of economic and social facilities • Ensure unbiased allocation of housing opportunities • Acquire land for planned integrated Human Settlements • Implementation of the Human Settlements Program which includes programs such as IRDP, EHP & EPHP) & Provision and Implementation of serviced sites 	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	<ul style="list-style-type: none"> • Basic Service Delivery 	
National Outcome	<ul style="list-style-type: none"> • Sustainable human settlements and improved quality of household life 	
National Development Plan (2030)	<ul style="list-style-type: none"> • Transforming Human Settlements 	
Provincial Strategic Objective	<ul style="list-style-type: none"> • Developing integrated and sustainable human settlements 	
District Strategic Objective	To ensure the Health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure its disaster management, municipal health and environmental management	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
planning and implementing housing projects with government funds, GAP housing, managing emerging settlements	DHS, Human Settlement Projects	Human Settlement Plan & Housing Pipeline

SFA 5: LOCAL ECONOMIC DEVELOPMENT

Strategic Goal	Investor Ready and LED
Municipal Strategic Focus areas	Local Economic Development
Strategic Objective	SO 8: Creating and enabling environment favorable for economic and human development in a sustainable manner
Challenges	<ul style="list-style-type: none"> • High level of unemployment • Lack of interest of local labour in working in the Agricultural sector • Poor quality of education • Not enough housing stock in the area to attract paying residents • High level of imports into the municipal area increasing costs. • High level of substance abuse among youth
Outcome / Impact	<ul style="list-style-type: none"> • Improved economic growth • Improved social conditions
Strategic Risks	<ul style="list-style-type: none"> • Poor or No Economic Competitiveness
Municipal Directorate	Development Services

Departmental Objectives	<ul style="list-style-type: none"> • Replication of the methodology used to successfully attract private sector investment to Elgin/Grabouw to at least one other area in the Theewaterskloof jurisdiction • Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project • Facilitate the establishment of partnerships that will result in the improved social conditions of certain communities (vulnerable groups) • Establish an investor and developer institutional friendly environment within the Municipality • Contracting and Implementation of the Grabouw Investment Initiative
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Alignment with National and Provincial Strategies

Sphere	Description
National KPA	Local Economic Development
National Outcome	Decent employment through inclusive economic growth
National Development Plan (2030)	Economy and Development
Provincial Strategic Objective	Creating opportunities for growth and jobs
District Strategic objective	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy

Main Functions and Sector Plans associated with this SO

Municipal Functions	Other spheres	Specific Plans
Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning Health and Safety,, everything to do with soft services and recreation, human development, education and training	DEADP, DoEDT Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development	SDF, LED strategy Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan

2.3 Financial planning

2.3.1 Capital projects (attached annexure)

2.3.2 Revenue (attached annexure)

2.3.3 Cash flow (attached annexure)

MONITORING AND REPORTING PROCESSES

3. Monitoring and reporting processes

The Municipal Systems Act, 2000 and the Municipal Financial Management Act, 2003 requires from municipalities to establish a performance management system. The performance management systems should enable the municipality to collect, process, organise, analyse, audit and report on performance information. In terms of the monitoring and reporting requirement for performance management Theewaterskloof Municipality utilises the different governance structures established in terms of applicable legislation and reports in term of national guidelines.

3.1 Monthly and Quarterly Reporting to Portfolio Committees and Council:

Theewaterskloof Municipality has 25 Councillors of which 13 are directly elected ward councillors, and 12 are proportional representative councillors. Theewaterskloof Council and Executive Mayoral Committee meet on a monthly basis. The municipality has five Section 79 Portfolio Committees namely:

- Financial Services
- Corporate Services
- Development Services
- Technical Services
- Operational Services

The Portfolio Committees perform an oversight role by monitoring the delivery and outputs of the executive and they are entitled to request departments to account for their functions. The Portfolio Committees do not have any delegated decision-making powers and their functions include the following:

- Review, monitor and evaluate departmental policies
- Review plans and budgets
- Consider monthly quarterly and annual departmental reports
- Monitor the implementation of plans

Each department submits a quarterly departmental performance report to the applicable portfolio Committee. The portfolio committee will make recommendation to be considered by the Executive Mayoral Committee and Council.

The Executive and Council will review and report in the following manner:

Review	Report
Reviewing of the IDP, including the review of key performance indicators and performance targets	Reviewed IDP submitted to full council for approval and reviewed performance indicators submitted to Mayor for approval and to full council for notification.
Review annual performance measures of the municipality as part of the new municipal strategic scorecard.	Receives performance reports twice a year from the Performance Audit Committee.
Review priorities, objectives, key performance indicators and performance targets of the municipality.	Receives quarterly reports from the Municipal Manager on the performance of Directors
Quarterly evaluates the performance of the municipality against adopted KPI's and targets.	Reports to Council on the performance of the municipality 4 times a year.
Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality.	Reports to Council on the recommendations for the improvement of the performance management system.
Quarterly and annually evaluates the performance of the Municipal Manager.	Annually reports on the performance of the Municipal Manager and Directors

3.2 Internal Auditing of Performance Information

Municipalities must develop and implement mechanisms, processes and systems for auditing the results of performance measurements and information as part of the internal auditing processes. This will ensure that performance information collected by the municipality is verifiable, reliable and correct. The internal audit function responsibilities include:

- Review the functionality of key performance indicators and targets
- Assesses Compliance with the Systems Act
- Evaluates reliability of targets
- On a continuous basis measure cost, resources and time to produce outputs in accordance with inputs
- Access the extent to which activities and processes produced output in accordance with output indicators
- Detect early indications of underperformance
- Submit Quarterly Report to Municipal Manager and Performance Audit Committee

The Internal Audit function will review and report in the following manner:

Review	Report
Measures the performance of departments according to KPIs and performance targets set in the municipal scorecard and departmental performance plans	Submit quarterly reports to the Municipal Manager.
Assess the functionality of the PMS.	
Ensures that the system complies with the Act.	Submit quarterly reports to the Performance Audit Committee.
Audit the performance measures in the municipal scorecard and performance plans	

3.3. Quarterly reporting to Performance Audit Committee

Theewaterskloof have a functional Performance Committee that meets quarterly. The roles and responsibilities of the Committee are the following:

- Review the quarterly reports submitted to it by internal-audit
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality
- In its review of the system, focus on economy, efficiency, effectiveness and impact of the KPI's and targets set
- Submit an audit report to the municipal council twice during a financial year

3.4 Quarterly reporting to Service Level Agreement forums

A quarterly review of the SLA's is done with the Service Level Agreement Advisory Forum (SLAAF) and the results are reported on a quarterly basis to the Ward committees and the portfolio committee.

3.5 Monthly section 71 Reporting to Mayor and Provincial Treasury

Section 71 of the Municipal Finance Management Act requires monthly budget statements to be submitted to the Mayor and relevant provincial treasury department. These reports are submitted on a monthly basis to the Financial Services Portfolio Committee and to the Executive Mayoral Committee for notice and approval. The monthly report is also circulated to all Directorates to inform them on the financial results. The purpose of the Section 71 report is:

- To monitor and report to Council the actual budget performance of Directorates for a specific month
- To identify possible problem areas and to take timeously remedial action when and where necessary.

3.6 Section 72- Mid Year Budget and Performance assessment by 25th January.

In terms of section 72 (1) (a) of the MFMA, the accounting officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account the following:

- The monthly statements referred to in section 71 of the first half of the year
- The municipalities service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators as set in the SDBIP
- The past year's annual report, and progress on resolving problems identified in the annual report

The report must be submitted to the Mayor, National Treasury as well as Provincial Treasury. As with all other reports this is a crucial report for the Council to consider mid-year performance and what adjustments should be made, if necessary. If needed the SDBIP will be adjusted if an adjustment budget is tabled and actual revenue or expenditure amounts are different from the projections contained in the budget or the SDBIP.

3.7 Performance - and Annual Report

a) Performance report

Section 46 of the Municipal Systems Act states that a municipality must prepare for each financial year, a performance report that reflects the following:

- The performance of the municipality and of each external service provided during that financial year;
- A comparison of the performances targets set for and performances in the previous financial year; and
- Measures to be taken to improve on the performance

The performance report must be submitted at the end of the financial year and will be made public as part of the annual report in terms of chapter 12 of the MFMA. The publication thereof will also afford the public the opportunity to judge the performance of the municipality against the targets set in the various planning instruments.

b) Annual Report

Municipalities are in accordance with the Municipal Systems Act and the Municipal Finance Management Act required to report on the performance of the municipality and must submit a draft Annual Report to Council annually by latest 25 January.

MFMA circular 63 provides guidance to municipalities on the Annual Report format and its contents as well as timeframes.

The format of the Annual Report is as follows:

Chapter 1: Mayors foreword and Executive summary

Chapter 2: Governance

Chapter 3: Service Delivery Performance

Chapter 4: Organizational Development performance

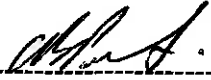
Chapter 5: Financial Performance

Chapter 6: Auditor Generals Findings

Appendices; and

Volume 11: Annual Financial Statements.

It is with pleasure that I, Executive Mayor, hereby approve in terms of section 53 (1) (c) (ii) of the MFMA the Service Delivery and Budget Implementation Plan for 2014/2015 as set out below.



----- (20 June 2014)

**ALDERMAN CB PUNT
EXECUTIVE MAYOR**