



**2011/12**

**DRAFT ANNUAL REPORT**

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## Abbreviations and Acronyms

Abbreviations	Explanation
ABET	Adult Basic Education and Training
ACDP	African Christian Democratic Party
ANC	African National Congress
AZAPO	Azanian People Organization
B&B	Bed and Breakfast
BRT	Bus Rapid Transit
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
Cllr	Councillor
CBD	Central Business District
CCTV	Closed Circuit Television
CRZ	Commercial Restricted Zone
CAS	Controlled Access Site
CPMD	College of People Property Management and Development
DA	Democratic Alliance
DORA	Division of Revenue Act
ETDP	Education, Training and Development Practices
ELMDP	Executive Leadership Municipal Development Programme
EIA	Environmental Impact Assessment
EPWP	Expanded Public works Programme
EMP	Environmental Management Plan
FY	Financial Year
FBW	Free Basic Water
FIFA	Federation of International Football Associations
GIS	Geographical Information System
HR	Human Resources
HDI's	Historically Disadvantaged Individuals
IDP	Integrated Development Plan
ITS	Intelligent Transport System
IT&T	Information Technology and Telecommunications
ICT	Information and Communication Technology
IGR	Intergovernmental Relations
JMPF	Joint Municipal Pension Fund
KPA	Key Performance Area
LTP	Limpopo Tourism and Parks
LED	Local Economic Development
LGSETA	Local Government Sector Education Training Authority
MFMA	Municipal Finance Management Act
MCPF	Municipal Councillors Pension Fund
MEPF	Municipal Employee Pension Fund
MGF	Municipal Gratuity Fund
MIG	Municipal Infrastructure Grant
MC	Mayoral Committee

<b>Abbreviations</b>	<b>Explanation</b>
MIS	Management Information System
MM	Municipal Manager
MEC	Member of Executive Council
N1	National Road (Cape town-Beit Bridge)
NFMW	National Fund for Municipal Workers
OC	Organizing Committee
OHS	Occupational Health and Safety
PPU	Public Participation Unit
PTIS	Public Transport Infrastructure Support Fund
PHP	People Housing Partnership
ROD	Record of Decision
SDI	Strategic Development Initiatives
SADC	Southern Africa Development Community
SDBIP	Service Delivery and Budget Implementation Plan
SMME's	Small and Medium Enterprises
SOP'	Stand Operating Procedure
SBU	Strategic Business Unit
SABC	South African Broadcasting Corporation
SDF	Spatial Development Framework
SCADA	Supervisory Control and Data Acquisition
SAMWU	South African Municipal Workers Union
UDM	United Democratic Movement
UPVC	Unplasticized Polyvinyl chloride
VIP	Ventilation Improved Pit
VIC	Visitors Information Centre

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**CHAPTER 1:**

**MAYOR'S FOREWORD AND EXECUTIVE SUMMARY**

**COMPONENT A: MAYOR'S FOREWORD**

The Vision of the Municipality, as spelt out in the Integrated Development Plan (IDP), is for the Municipality to be *"The ultimate in innovation and sustainable development"*. As the capital city and logistics hub of Limpopo Province, Polokwane Municipality is the heartbeat of the Province. It has to take the lead in innovation and ensuring sustainable development. To achieve this goal, the Municipality committed to delivering on its constitutional mandate by ensuring that it focuses on facilitating, caring and supporting communities; creating a conducive economic environment; enhancing the revenue and assets base of the Municipality; preserving natural resources; developing and refurbishing infrastructure; planning sustainable integrated settlements; practicing good governance; and investing in human capital and retaining skills. In order to achieve these strategic objectives, the Municipality undertook to improve access by all to the day-to-day activities of the City with the view improving the socio-economic status of both the City and its feeder areas. Access requires enhanced road and telecommunication networks and services.

In order to achieve its mandate, the Municipality adopted an inclusive integrated developmental approach informed by provincial and national growth and development strategies. Programmes and projects biased towards achieving national development plans were implemented during the year under review, 2011/12 financial year. An enabling environment towards the creation of job opportunities was created through infrastructure development, maintenance, rehabilitation and refurbishment initiatives. Such initiatives enabled the Municipality to attract more investment and bring more feet into the Province.

The Municipality was, progressively, able to deliver on its pre-set objectives. Despite reducing service backlogs, it managed to implement flagship programmes and projects that focused on rehabilitation and refurbishment of infrastructure, and promoting social compact through the formalization of informal settlements. The Municipality has made huge strides in terms of enhancing community involvement through public engagements and continuous performance feedback sessions.

In furtherance of improving facilitation, care and support for communities, the Municipality commits to rolling out a massive public transport operations initiative in the next few years that will enhance access, safety and security to commuters in and out of Polokwane City.

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**Executive Mayor**  
**Cllr F Greaver**

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**Date:**

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 Municipal Manager's Overview**

In the year under review, the Municipality managed to implement the IDP by adhering to the service delivery mandates as expressed in the Service Delivery and Budget Implementation Plan (SDBIP). Flagship projects implemented include planning for the integrated transport network for the City of Polokwane; the Sebayeng / Dikgale RWS, rural electrification; rehabilitation of roads; and construction of Lawton Bridge connecting Westernburg and Nirvana.

The performance highlights on the provision of basic services in the year under review include an intensive focus on improving service delivery infrastructure. This strategy resulted in 5 769 households gaining access to basic water services. An additional 5 548 households received sanitation services, whilst 6 250 households were for the first time connected to the national electricity grid. A total of 19.1km of gravel roads were also upgraded to tar during the financial year.

Efforts were undertaken in the financial year to move towards improving the lives of people living in the Disteneng informal settlement. Public engagements were started to arrive at an approach that would lead to the formalisation of the settlement and ensuring that the residents receive basic services. A total of 2 239 jobs were created through EPWP initiatives with SMMEs and hawkers also supported through the incubation programme at the Itsoseng Centre.

The year 2011/12 has been characterised by under spending that resulted in the rollover of projects. The Auditor-General's audit opinion is evidence that the Municipality had problems with regard to financial management, record keeping and managing performance information. The increase in the debt book of the Municipality tells a sad story with regard to the financial health of the institution.

The Municipality continued its commitment to support the greening concept by participating in and winning the Greenest Municipality Competition. It also adopted and promoted energy and water saving principles amongst its employees and the community in general. The organisational structure was reviewed and a new department established to focus on strategic planning, monitoring and evaluation.

-----  
**Municipal Manager**  
**TC Mametja**

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**Date**

## 1.2 Municipal Functions, Population and Environmental Overview

According to the IDP of the Municipality, Polokwane City has powers to execute the functions as indicated in the table below:

Powers and functions of Polokwane Municipality:

<ul style="list-style-type: none"> <li>• Air Pollution</li> <li>• Building regulations</li> <li>• Child care facilities</li> <li>• Electricity and gas reticulation</li> <li>• Firefighting services</li> <li>• Municipal planning</li> <li>• Municipal public works</li> <li>• Stormwater management</li> <li>• Trading regulations</li> <li>• Water and sanitation (Both portable and bulk supply system and domestic waste water and sewage disposal system)</li> <li>• Billboards and the display of advertisements in public places</li> </ul>	<ul style="list-style-type: none"> <li>• Cemeteries</li> <li>• Cleansing</li> <li>• Control of public nuisances</li> <li>• Local sport facilities</li> <li>• Municipal parks and recreation</li> <li>• Municipal roads</li> <li>• Noise pollution</li> <li>• Pounds</li> <li>• Public places</li> <li>• Waste management ( refuse removal, refuse dumps and solid waste disposal)</li> <li>• Street trading</li> <li>• Street lighting</li> <li>• Traffic and parking</li> </ul>
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In the financial year under review, 2011/12, the Municipality made significant contributions to the lives of the residents particularly with regard to the provision of basic services. An additional 5 769 households gained access to basic water services in the 2011/12 financial year. Sanitation services were extended to an additional 5 548 households, whereas 6 250 households were connected to the national electricity grid. The Municipality managed to upgrade 19.1km of road from gravel to tar during 2011/12.

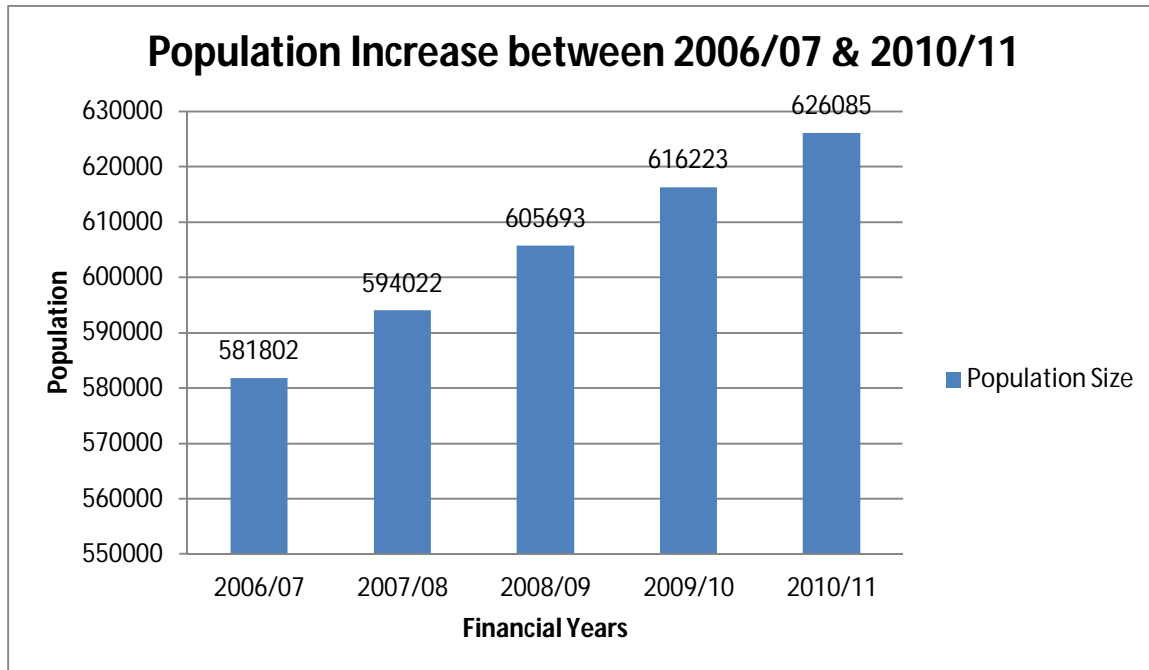
The 2007 Spatial Development Framework of the Municipality arranges the settlement patterns of Polokwane into three main settlement categories, namely the first order settlements (Growth points), second order settlements (population concentration points) and the third order settlements (local service points). The table below depicts the settlements with estimated numbers of households and populations.

An overview of settlement patterns within Polokwane Municipality

Settlement Category	Description	Population	Households
<b>1<sup>st</sup> Order Settlement</b>	Polokwane: Provincial Growth Point	130 599	24 567
	Makweng: District Growth Point	81 942	14 360
	Sebayeng: Municipal Growth Point	13 019	2 286
<b>Sub -Total</b>		<b>225 560</b>	<b>41 213</b>
<b>2<sup>nd</sup> Order Settlement</b>	Dikgale: Population Concentration Point	67 067	11 773
	Mabukele: Population Concentration Point	12 625	1 862
	Perskebult: Population Concentration Point	36 240	6 337
	Badimong: Population Concentration Point	33 156	5 811
	Ramongwane: Population Concentration Point	18 497	3 235
<b>Sub-Total</b>		<b>167 585</b>	<b>29 018</b>
<b>3<sup>rd</sup> Order Settlement</b>	Local Service Points	23 931	4 188
<b>Sub-Total</b>		<b>23 931</b>	<b>4 188</b>
<b>Total 1<sup>st</sup> – 3<sup>rd</sup> Order Settlements (82%)</b>		<b>417 076</b>	<b>74 419</b>
<b>Total 4<sup>th</sup> – 5<sup>th</sup> Order Settlements and Others (18)</b>		<b>91 891</b>	<b>22 403</b>
<b>Grand Total Population of Polokwane Municipality (100%)</b>		<b>508 967</b>	<b>96 822</b>

Source: Polokwane Municipality - Spatial Development Framework

Global Insight (2011) figures the Municipality has seen an average annual increase in population of about 1.94% between 2006/07 to 2011/12. To total population for 2011/12 was estimated at 626 085.



Source: Global Insight, 2011

### **1.3 Service Delivery Overview**

2011/12 saw an increase in the number of households receiving basic services from the Municipality. For example, access to basic water services increased by 3.95% with an additional 5 769 households getting access to at least minimum standard of water services. The backlog with regard to provision of basic water was at 14 124 households by the end of the financial year. Access to sanitation services increased by 8.10%, with 5 548 more households receiving sanitation services. The sanitation services backlog was quantified at 91 340 households at the end of the financial year. Access to electricity increased by 4.46%, where 6 250 more households were connected to the national electricity grid, leaving a backlog of 20 143 households. By the end of the financial year, the Municipality had 3 565km of road that was not surfaced, despite the 19.1 km of gravel road tarred in during the financial year.

### **1.4 Financial Health Overview**

The financial health of the Municipality remains stable besides the sudden increase in the number of defaulting debtors. Indications are, however, pointing towards a decline in the recovering rate on services rendered. Billing challenges, resulting from incorrect meter reading, systems problems and other challenges compounded revenue generation challenges faced by the Municipality. A new financial system was introduced to improve the ICT environment related to financial management.

### **1.5 Auditor-General Report**

The Auditor-General audited the financial statements of the Municipality for the period ending 30 June 2012 and was unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion and resultantly issued **a disclaimer of opinion**. The following areas of performance are cited by the Auditor-General as the bases for the disclaimer of opinion:

- Property, plant and equipment;
- Revenue;
- Trade and other receivables from exchange transactions;
- Cash flow statement;
- Employee costs;
- Expenditure;
- Cash and cash equivalents;
- Trade and other payables from exchange transactions;

- Provisions;
- Value Added Tax (VAT);
- Biological assets;
- Prior period errors; and
- Irregular expenditure.

The AG's report also highlights areas of non-compliance with legal and regulatory requirements which were, however, not for the purposes of expressing an opinion. The report raises concerns around the usefulness and reliability of reported performance against predetermined objectives as well as insufficient internal controls and inadequate risk assessment procedures implemented by the Municipality. More information on the AG's report and comments is contained in the attached AG's report.

### 1.6 Statutory Annual Report Process

The table below demonstrates the Municipality's performance on the annual report process against recommended statutory guidelines. The timelines set by the Municipality are juxtaposed against the recommended timelines. The recommended timeframes could not be followed given the practicability of compiling the Annual Report, conducting oversight on the Report, and Council adopting the Oversight Report in December 2012, whereas the Auditor General's final report only became available at the end of November 2012. The Municipality has, therefore failed to align its adopted process plan with the recommended Statutory Annual Report Process outlined in the table below. Adjustments will have to be made in the institutional process plan in order to align activities with the recommended timeframes.

No:	Activity	Recommended Timeframe	Municipality's Timelines
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).		
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year		
4	Submit draft Annual Report to Internal Audit and Auditor-General		August

No:	Activity	Recommended Timeframe	Municipality's Timelines
5	Municipal entities submit draft annual reports to MM		December
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August	October
8	Mayor tables the unaudited Annual Report		September
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.		August
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase		January
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October	September – November
12	Municipalities receive and start to address the Auditor General's comments	November	December
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report		January
14	Audited Annual Report is made public and representation is invited		February - March
15	Oversight Committee assesses Annual Report		February - March
16	Council adopts Oversight report	December	March
17	Oversight report is made public		April
18	Oversight report is submitted to relevant provincial councils		April
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January	May

**CHAPTER 2:  
GOVERNANCE**

**COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

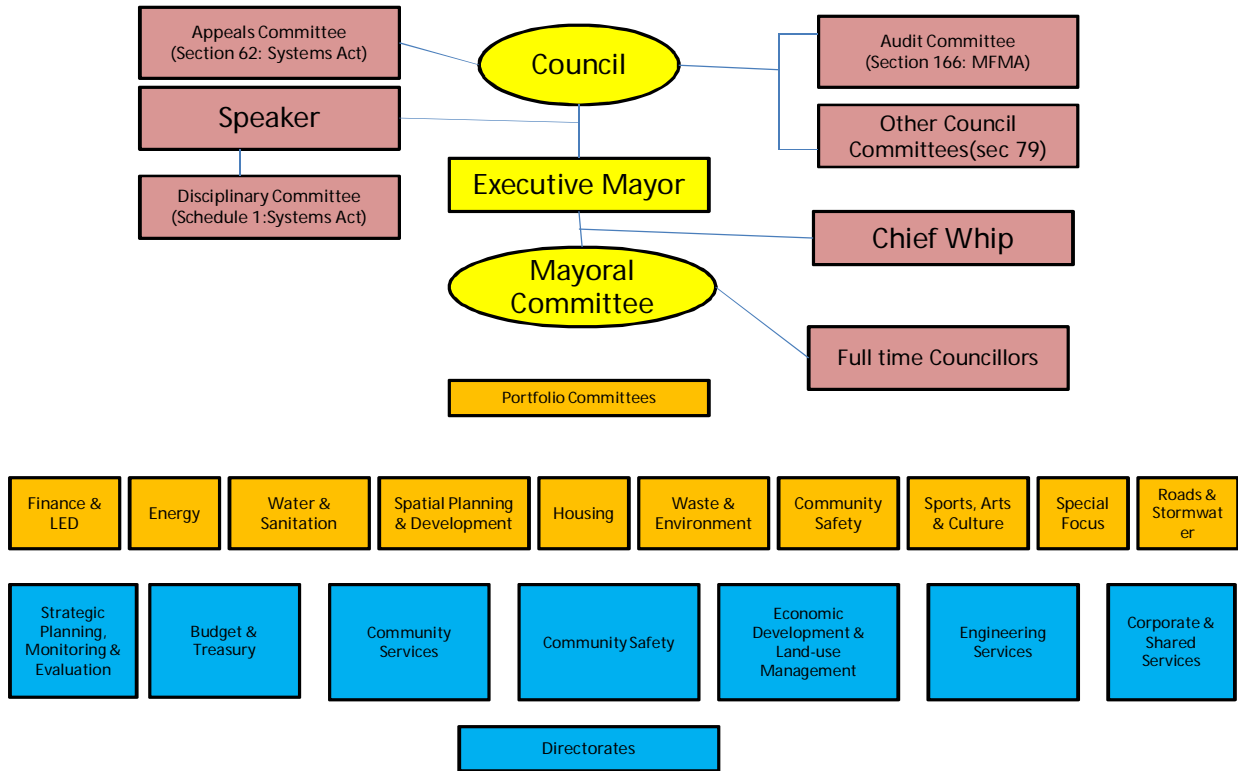
**2.1 Organisational Structure**

Section 51 of the Municipal Systems Act, 32 of 2000 stipulates that a municipality must establish and organize its administration in a manner that will enable it to:

- Be performance-oriented and focused on the objectives of local government.
- Perform its functions:
  - Through operationally effective and appropriate administrative units and mechanism and /or when necessary on a decentralized basis; and
  - Maximize efficiency of communication and decision-making within the administration;
  - Be responsive to the needs of the Local Communities;
  - Facilitate a culture of public service and accountability amongst its staff, and
  - Be performance-orientated and focused on the objects of local government as set out in Section 152 of the Constitution and its developmental duties as required by Section 153 of the Constitution.

During 2011/2012 financial year Polokwane Municipality embarked on a process to review the organogram, which was then adopted by Council. The picture below is a schematic representation of the organizational structure depicting the hierarchical order and chain of command:





## 2.2 Political Governance

The functionality of Council, in terms of decision making, informs and is dependent on the functionality of the administrative arm. Council is the body that makes policies and oversees policy implementation. Its key role is to focus on legislative, participatory and oversight roles. The Council was comprised of political representatives from the African National Congress (ANC, the ruling party) that has an overwhelming majority and representatives from eight opposition parties. The opposition parties in the Council were the Democratic Alliance (DA), Azanian People’s Organization (AZAPO), United Democratic Movement (UDM), the African Christian Democratic Party (ACDP), United Independent Front, New Vision Party; and the Vryheidsfront Plus.

The Executive Mayor, assisted by a Mayoral Committee of 10 councillors and six full time councillors, is the political head responsible for championing the strategy of the municipality. Under the leadership of the Executive Mayor, the Mayoral Committee is responsible for functionality of individual portfolio committees which independently do oversight on different administrative functional areas.

### Political Structure

The political structure of the Municipality consisted of the Council (the highest decision making body in the Municipality, led by the Speaker of Council), Political Management Team (PMT), and the Mayoral Committee (under the leadership of the Executive Mayor). The Council had committees established in terms of Sections 79 and 80 of the Local Government: Municipal Structures Act, 117 of 1998. Amongst other committees, the Council of Polokwane Municipality established a Municipal Public Accounts Committee (MPAC). Some of the political structures of Council are as indicated in the table below:

<b>Name of Structure</b>	<b>Members</b>	<b>Position</b>
Political Management team:	Cllr F Greaver	Executive Mayor
	Cllr. C Mathiba	Speaker of Council
	Cllr O Mashiane	Chief Whip
Mayoral Committee	Cllr F Greaver	Executive Mayor
	Cllr. M.J Ralefatane	Water and Sanitation
	Cllr. L.E. Hardy	Waste and Environment.
	Cllr. P.J Modikoa.	Electricity
	Cllr. M.J. Kaka	Housing
	Cllr. M.E. Maleka.	Local Economic Development and Finance
	Cllr. M.K.Teffo	Culture, Sport and Recreation
	Cllr. M.M. Peta	Special Focus
	Cllr. C. Molepo.	Spatial Planning and Development
	Cllr. M.D. Madikoto	Roads and Stormwater
	Cllr. T.J. Mogale	Community Safety
MPAC	Cllr. Morwana MH	Chairperson
	Cllr. Kubjana MF	
	Cllr. Mathabatha MA	
	Cllr. Maifala MP	
	Cllr. Mogale TJ	
	Cllr. Mehlope TS	
	Cllr. Mehlope NQ	
	Cllr. Phoshoko RH	
	Cllr. Motshega MI	
	Cllr. Mogashoa K	
	Cllr. Setjie N	
	Cllr. Botha A	
	Cllr. Raletjena MJ	

The table below shows the number of meetings held by different Council Committees in the 2011/12 financial year:

<b>Committee</b>	<b>Number of Meetings Planned</b>	<b>Number of Meetings Held</b>
Portfolio Committees		
Water and Sanitation	11	11
Housing and Environment	11	11
Culture, Sport and Recreation	11	11
Energy	11	11
Special Projects	11	11
Local Economic Development	11	11
Roads, Stormwater & Transport	11	11
Health, Safety & Emergency	11	11
Other Committees		
Land Use Management	12	14
Audit Committee	05	05
Council Meetings	04	07
Mayoral Committee Meetings	14	10

## **2.2 Administrative Governance**

The administrative component of the municipality comprises seven (7) directorates, namely; Engineering Services, Planning and Economic Development, Community Services, Corporate Services, Budget and Treasury Office, Community Development, and Strategic Planning Monitoring & Evaluation. Each directorate is headed by a Director (a senior manager appointed in terms of section 57 of the Municipal Systems Act) and consists of a number of strategic business units which are headed by Managers. All Directors report directly to the Municipal Manager, who reports to the Executive Mayor.

The following were the senior managers in the employee of Polokwane Municipality in the financial year under review:

<b>Name</b>	<b>Position and Directorate</b>
TC Mametja	Municipal Manager
C Phanyane	Director Corporate and Shared Services
K Nдавhe	Director Community Development
M Makgoba	Director Planning and Economic Development
M Rapetsoa	Director Engineering Services
G Maponya	Acting Chief financial Officer
H Lubbe	Director Community Services
Vacant Position	Director Strategic Planning, Monitoring and Evaluation

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 Intergovernmental Relations**

The Municipality, represented by the Mayor, the Speaker, the Municipal Manager and senior managers, participated in several district and provincial intergovernmental forums. The Speakers' forum, the Mayors' forum and the Municipal Managers' forum are some of the most IGR structures that the Municipality participated in.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.4 IDP Participation and Alignment**

Communities within Polokwane Municipality play a vital role by participating in the affairs of the Municipality and thereby holding the Municipality accountable. Council accounts to the community through the established ward committee system and scheduled IDP/Budget/PMS community participation meetings. These avenues were used to get community concerns and give feedback on the performance of the Municipality. The community participation processes have entrenched a culture of community involvement, and was more evident in the previous financial year in manner in which the Municipality handled the DBSA loan approval processes and in finalising the IDP, Budget and PMS of the Municipality. Through the usage of the local media, council sittings and established council committee (ward committees) communities were continuously informed on municipal governance, management and development.

Communication is an important element of good governance. It was through communication that the communities and other stakeholders were informed about the activities of the Municipality, and thereby getting empowered to participate in the affairs of the Municipality. Section 18 of the Municipal Systems Act stresses the importance of communication between councils and communities. It gives guidelines on issues that the Municipality must communicate to its community. Over the years the Municipality has utilised different strategies to encourage community participation. This included programmes of mobilising, informing and educating, engaging and empowering communities in municipal affairs.

IDP/Budget/PMS public participation process and ward committee meetings remained the cornerstone sessions that entrenched community participation and accountability to the community on municipal programmes. The IDP/Budget/PMS sessions were held in each cluster during the week and on weekends in accordance with a set time schedule. The purpose of these meetings was to give feedback and

account to the community on the implementation of the IDP/Budget of the Municipality. They were further utilised as a platform for reaching consensus on community needs.

Further than the IDP/Budget/PMS community participation processes, the Municipality involved the community using targeted consultations at ward level, with interested and affected stakeholders ( such as traditional leaders, business, etc) and through the IDP/Budget /PMS forums. Other methods used to communicate with the community included media briefings and the website.

## **2.5 Performance Management System (PMS)**

During the 2011/2012 financial year a performance management status quo report and a performance management framework were developed and approved in Council. The framework is divided into three sections, namely Theoretical Perspective on Performance Management, Performance Management Organizational Arrangement; and Performance Management Procedure Manual. The Municipal Manager and all senior managers accountable to the Municipal Manager (the directors) signed performance agreements in terms of section 57 of the Local Government: Municipal Finance Management Act. Systems were put in place to ensure that individual performance assessments are conducted with effect from the 2012/13 financial year.

## **COMPONENT D: CORPORATE GOVERNANCE**

### **2.6 Risk Management and Anti-Corruption and Fraud**

Polokwane Municipality established the Risk Management Unit which works hand in hand with the Risk Management Committee. The Risk Management Committee is comprised of the following members:

- Chairperson- independent person not in the employ of the Municipality;
- All senior Managers (Directors); and
- Manager: Risk Management- to provide secretariat services.

Section 62 (1)(c ) (i) and 95(c )(i) of the MFMA, requires the accounting officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management. To ensure that legislative requirements are met, during the financial year the

municipality reviewed the risk management committee charter, risk management strategy and the strategic risk assessment report.

As the risk management committee was established during the financial year under review, the operational risks were not reviewed and the participation of operational departments was minimal.

To curb fraud and corruption the Anti-Fraud and Corruption Strategy and Policy, the Whistle Blowing Policy was implemented. An Anti-Fraud toll free hotline was launched to help combat fraud and corruption. During the financial year there were five fraud and corruption investigations undertaken. Disciplinary processes resulted in the dismissal of four employees (one for theft), two employees resigned due to fraudulent activities and two cases were still ongoing by the 30<sup>th</sup> of June 2012.

There were various recommendations from the Audit committee; these included that internal audit and risk management units must be capacitated to improve controls within the Municipality, that the Municipality develops an action plan on policy and by-law reviews, and that the Municipality reviews its internal audit methodology, risk management strategy and risk audit committee charter.

## **2.7 Website**

The Municipality's website, accessible at [www.polokwane.gov.za](http://www.polokwane.gov.za), was updated regularly through a service provider.

**CHAPTER 3:**

**SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)**

**COMPONENT A: BASIC SERVICES**

**3.1 Water Provision**

Polokwane is a water services authority and provider. To reduce water backlog, managing the scarce resource and ensuring that communities receive reliable and sustainable water the municipal area is divided into fourteen (14) Regional Water Schemes namely; Mothapo RWS, Moletjie East RWS, Moletjie North RWS, Moletjie South RWS, Houtriver RWS, Chuene/Maja RWS, Molepo RWS, Laastehoop RWS, Mankweng RWS, Boyne RWS, Segwasi RWS, Badimong RWS, Sebayeng/ Dikgale RWS, Olifant Sand RWS.

Reduction of municipal backlog through provisioning, distribution and maintenance of water infrastructure, water demand and quality management are the priorities of the Municipality.

Through the provision of water projects 722 jobs were created.

During the financial year the total number of households with water at minimum and above standard increased to 160 134 while the total number of households with below minimum standard was reduced to 17 146. The total number of households receiving free basic water was 56 884.

In the financial year under review, none of the Municipality's water treatment plants managed to obtain the coveted blue drop certificate. Four water conservation awareness campaigns were undertaken and the Municipality adopted a council resolution to restrict water usage. A process of upgrading and safeguarding 39 boreholes was undertaken as Polokwane is a water scarce area.

The reduction of water losses remains a challenge for the municipality as it has increased to 39%.

The Municipality has 201 employees to provide, distribute and maintain all the water schemes and treatment plants. The number is limited as the population and settlements of the Municipality are increasing. With the implementation of the approved organizational structure the efficiency and effectiveness of providing the service will improve.

Performance on the implementation of water related capital projects was hampered by theft cases in the Mothapo and Houtriver RWS areas, where electricity transformers were stolen. As a result, only 12

projects water related projects were fully completed and six others were at practical completion by the end of the financial year. The thefts delayed connection of electricity to boreholes and testing of reservoirs. At the end of the financial year there was one project still waiting for an imported water meter as specified by the water service board Lepelle Northern water. Late planning, delays in administrative processes, and also reduction of budgets during adjustments budget period, have contributed negatively to the performance of the projects resulting in a bigger variance. The outstanding projects will be rolled over to the 2012/13 financial year and are expected to be finalized between November 2012 and March 2013.

### **3.2 Waste Water (Sanitation) Provision**

Sanitation is about dignity. The availability of sanitation facilities not only improves the dignity of people lives, but also promotes their health. Areas without proper sanitation systems give rise to water borne diseases like cholera, diarrhoea, typhoid, etc. It is therefore important that the Municipality prioritises the service, particularly taking into account the backlog (rural sanitation) and the national targets.

Polokwane Municipality implemented the provision of dry sanitation facilities to increase the number of households with access to sanitation services in rural areas (including households living in poverty), and connection to main sewerage facilities in urban areas. The provision of dry sanitation facilities was aimed at minimising contamination of underground water and reducing diseases. The strategy was fully adopted in the 2011/2012 financial year.

Further than the provision of the dry sanitation facility households that are in urban areas are provided with sewerage connection upon application.

Based on the high backlog in the provision of sanitation services within the municipal area, the priority of the Municipality was to increase the number of households with access to minimum service levels. Focus was therefore given to rural households without any form of acceptable sanitation service. A total of 140 jobs were created in the process of providing sanitation services to the target rural areas.

The Municipality started the 2011/12 financial year with a sanitation back log of 93 120 households. At the end of the same financial year access had increased to 95 768 households where an additional 2 648 VIP toilets were constructed and an additional 2 897 households were connected to the main municipal



sewer system. This leaves the sanitation backlog at 82 958 households by the end of the financial year under review. 5 870 households still leave without the minimal level of sanitation provision possible. The Municipality did not meet the green drop standard for the Polokwane water treatment plant.

The provision of water and sanitation is manned by different employees within the water and sanitation Strategic Business unit (SBU). The number of employees responsible for the provision, distribution and maintenance of sanitation facilities is not enough to meet the growing demand. The newly approved organisational structure expected to address the shortage in order to ensure better and quality service provisioning.

Four major projects are sewer line CBD; Rural Sanitation; Sewer Mater Plan; and Bulk Sewer SDA3. These projects are not completed; two will now be implemented in the next financial year in line with the adjustments budget. Rural sanitation project started late. Only 10 new projects were completed. Delays in the awarding of tenders resulted in projects starting late and being rolled over to the next financial year. The discovery of endangered species also contributed to a delay of a R15m project which will start in the next financial year.

### **3.3 Electricity**

The Municipality distributes electricity in the City/Seshego cluster while Eskom is the service provider in the rest of the Municipal area. The Municipality has functions to provide, distribute and maintain electricity infrastructure in the City/Seshego cluster. The Municipality has partnered with Eskom to speed up electricity provisioning in the rural areas with the view to reducing the backlog. The priority of the municipality is to minimise the electricity backlog, undertake energy efficiency programme, manage energy demand and upgrade electricity infrastructure (substations). During the financial year, a total of 120 jobs were created through the implementation of electricity projects.

The Municipality provided, during the 2011/2012 financial year, 4 156 households in rural areas with electricity and 2 094 consumer connections in the City/Seshego area. The constant increase and mushrooming of new households and settlements makes the electricity backlog to be a moving target. The partnership between the Municipality and Eskom is however gradually reducing the electricity backlog at a much faster rate.

Management of electricity demand remained a priority for the Municipality, although the 10% National target was not achieved. By the end of the financial year, electricity demand was at 12%.

The major electricity projects implemented in the financial year were the DSM Projects, Rural Electrification, and Electrification of Low Income Houses. The electrification of rural low income houses was rolled over to the next financial year. DSM project was about replacing of the 1 000 125watt MV with 70 Watt HPS streetlight fittings and make 45 municipal buildings more energy efficient whilst three other projects were aimed at electrifying rural households, which are in the Eskom area. Implementation of projects started late resulting in high variances by the end of the 2011/12 financial year.

### **3.4 Waste Management (Refuse Collection, waste Disposal, Street Cleaning and Recycling)**

Waste management is one of the key thrusts that promote sustainable development. Provision of waste removal services is found mainly in the City, Seshego, Mankweng and Sebayeng areas. The Municipality has one licensed landfill site with three transfer stations.

The priority of the Municipality was to upgrade the licensed landfill site, to collect refuse, clean streets, recycle waste and undertake waste management awareness campaigns. A total of 456 jobs were created through street cleaning initiatives.

In the year under review, the Municipality was not able to extend waste removal services to the rural areas. This remains a concern to the Municipality given the extent of the damage to the environment and possible health hazards that may result from lack of waste removal services. Informal recycling of waste is minimal at Vergelegen landfill site and it is only done at the scale of 10% of the total waste removed. During the financial year the Municipality reviewed its waste management by-law and was ready for public inputs by the end of the financial year. Four waste management campaigns were conducted in the year.

The Municipal landfill site was upgraded and that improved waste handling in the municipal area. The waste management unit had 147 staff members who could not adequately cope with waste management responsibilities of the entire area. Lack of suitable waste management fleet also worsened the situation – the municipality had to use unreliable and limited fleet to provide services. Despite all

the challenges faced with regard to waste removal services, the Municipality received obtained a second position in the Limpopo Greenest Municipality competition.

### **3.5 Environmental Management**

It is the mandate of the municipality to ensure the provision of a clean and healthy environment and strive to improve the quality of life by providing an attractive environment and protecting it for future generations. Polokwane Municipality has the following key roles to play in the development and management of environment: remaining informed on, and participating in the development of all national environmental policies and legislations; communicating and negotiating with stakeholders; promoting environmental awareness; monitoring and reporting on the status of Polokwane natural resources, and putting local By-Laws in place to manage Polokwane resources for sustainable use.

The priority of the municipality was to develop environmental management policies, strategies, continuing to provide environmental awareness campaigns, developing and maintaining parks and open spaces. Focus was placed on the protection of Rhinos find in the Municipal Game Reserve. Through environmental management programmes, the municipality created 130 jobs during the financial year.

### **3.6 Housing**

The Municipality developed an electronic housing database which was updated according to ward needs. It further applied for housing accreditation with the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs and obtained conditional approval to carry out functions relating to level 1 accreditation. A business plan for level two has been approved by Council in October 2011. The application for level two has been lodged with the Province, with the expectation that it would be granted to the Municipality by the end of 2012/2013 financial year. On attainment of level 2 accreditation, preparations will commence to apply for the final level, which will grant the Municipality full housing functions, including financial management, currently performed by the Province.

The Municipality undertook community participation at Disteneng, the biggest informal settlement in Limpopo, to find common grounds with residents on the layout plan towards establishing a township and agreeing on an approach towards identifying beneficiaries. By the end of the financial year, township planning processes had started.

The Municipality did not have large capital projects to implement as the provision of housing is still the function of the relevant provincial department. The achievement of the targets set in the IDP on level 2 accreditation of the provision of houses is dependent on the approval by both the Minister and the MEC for Human Settlement. There was no variance recorded on the expenditure side of the capital project.

## **COMPONENT B: ROAD TRANSPORT**

### **3.7 Roads and Stormwater**

Polokwane Municipality is characterised by radial road network of approximately 4 565km with 565km of roads surfaced covering its area of jurisdiction. It is situated at the point where National and Provincial roads converge from where they radiate out in all directions providing good regional accessibility.

The Municipality is faced with huge challenges in providing and maintaining the local roads at an acceptable standard which ensures accessibility at all times. Coupled with the latter, there is storm water management and control to the extent that it poses a threat to mobility, infrastructure and communities.

The long term strategy of the Municipality is to surface roads within the municipal area. Based on high road backlog different strategies are implemented, including preventative maintenance of the road infrastructure. In terms of the current analysis, City / Seshego and Mankweng Cluster have level 2 – 3 roads, which deteriorated due to limited routine and preventative maintenance. Through the provision of road infrastructure the municipality provided 403 job opportunities.

The municipality tarred 19 km of road during the financial year with the aim of improving accessibility of services to the communities with the aim of upgrading arterial roads. 135km was regavelled to at least improve accessibility to villages. To improve and rehabilitate the road infrastructure 65km of road was rehabilitated and no storm water drainage was upgraded.

A total of 32 projects were completed, with some rolled over to the next financial year. Some of the roll over budget was declared as savings during the budget adjustment after payment of last certificate. It indicates as a variance while the project has in fact been completed. 3 projects of upgrading of roads are

at practical completion and will be 100% complete by end September, 1 project cannot be completed due to low winter temperature (affecting sealing of road) but it is expected that temperature will rise by Mid August – September. EPWP projects started late contractors were appointed in the last quarter of the year. The remaining projects are implemented in two financial years (Lawton Bridge, Widening Nelson Mandela, 4 rehabilitation of streets projects).

### **3.8 Transport (Vehicle Licensing & Public Bus Operation)**

Polokwane Municipality aims to build a reliable, safe and cost-effective transport network that will offer all the comfort and efficiency of travelling and promoting the use of public transport and to improve traffic flow and green and beautify the Municipality.

In making the Polokwane Municipality transport easier and efficient to use, the Municipality is in the process of developing the Integrated Transport Plan in collaboration with the taxi industry. The process is unfolding in stages where in the 2011/12 financial year a budget was set aside to develop Business and Financial Plan for the IRT, Bus Rapid Transit (BRT) and Intelligent Transport System.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **3.9 Spatial Planning and Land Use**

The Municipality adopted the reviewed Spatial Development Plan with the aim to positively shape the way Polokwane develops into the future. The Plan includes the preparation of plans that will guide the physical development of Polokwane (where, what and when).

The municipal strategic objective was to enhance effective planning systems which support sustainable integrated human settlement with the outcome of improved liveable conditions. The strategy for planning and development was to develop settlements in accordance with their development potential in partnership with stakeholders including traditional leaders.

The priorities set were to develop town planning and land use management policies to promote development of integrated sustainable settlement, ensure enforcement and monitoring of all applications in compliance with the SDF, establish townships, and manage informal settlements.

The implementation of priorities made an impact on the management of informal settlement by consolidation of Seshego F and expropriation of land at extension 78 with the aim of the Mohlakaneng and Disteneng informal settlements. The development of policies was still at draft stage by the end of the financial year. The table below depicts the number of applications processed per land use service over the past two financial years:

<b>Applications for Land Use Development</b>						
Description	Formalization of township		Rezoning		Built environment	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
<b>Planning application received</b>	25	30	70	89	1166	1789
<b>Determination made in year of receipt</b>	20	20	43	60	1086	1555
<b>Determination made in following year</b>	24	23 (accumulative)	50 (accumulative)	69 (accumulative)	80	234
<b>Application withdrawn</b>	1	1 (put on hold)	0	1	08	04
<b>Application outstanding at year end</b>	0	7	27	20	N/a All applications were processed	N/a All applications were processed

### **3.10 Local Economic Development (Tourism & Market Places)**

Local economic development (LED) offers local government, the private and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

The priority of the Municipality is to render operational the local socio-economic environment in order to facilitate the creation and the development of local economic activities; facilitate investment promotion to retain the income of the local economy (i.e. plugging the leaks in the local economy);

develop human capital (i.e. skills development focused on the needs of the local economy); to provide community economic development (developmental support to community based initiatives, cooperatives etc.); facilitate SMME development; identify and support business clusters and business opportunities; facilitate and ensure contacts, links and or exchanges with possible local, national and international economic partners; attract inward investment and to promote Polokwane as a tourist destination.

The table below presents the number of EPWP jobs created through municipal activities in the past two financial years:

<b>Jobs Created through EPWP Initiatives</b>		
<b>Year</b>	<b>EPWP PROJECTS NO.</b>	<b>JOBS CREATED THROUGH EPWP PROJECTS</b>
<b>2011/2012</b>	70	2239
<b>2010/2011</b>	50	1257

The Municipality attracted R95 638 500 in the form of investment into the local community. An estimated 4 750 tourists visited Polokwane in the 2011/12 financial year. The Municipality adopted 75 SMMEs which were incubated at Itsoseng Center, whereas 38 co-operatives were supported through capacity buildings programmes that were implemented in collaboration with LIBSA and LEDET. The Municipality has managed to create 2 239 jobs through EPWP projects and 800 jobs through street trading.

The Municipality restored the functionality of the hawkers system in the 2011/2012 financial year. The installation and training on the utilization of the electronic hawkers system were finalised. Processes of interviewing the potential hawkers to occupy demarcated areas within the CBD are underway. The municipality updated the cooperative database.

Two exposure visits on trade missions were undertaken to Reggio Emilia and Indonesia. An agreement was renewed with Reggio Emilia. The Bulawayo (Zimbabwe) and Salina (United State of America) municipal representatives visited Polokwane with the aim of forging trade relations.

Contract for construction of African market was terminated by the end of the financial year with the aim of appointing a service provider to complete the project. The budget for Seshego hawkers' stall was reduced to planning during the budget adjustments. Through the SCM policy, the Municipality

managed to award 76.8% of tenders to the local community. Services were awarded to HDI, Women, Youth, Disabled and Locality as indicated in the table:

	HDI	WOMEN	YOUTH	DIABILITY	LOCALITY
<b>TARGET</b>	60%	10%	10%	10%	10%
<b>ACTUAL</b>	<b>62%</b>	<b>24.52%</b>	<b>16.15%</b>	<b>0.13%</b>	<b>61.9%</b>

## **COMPONENT D: COMMUNITY AND SOCIAL SERVICES**

### **3.11 Libraries; Archives; Museums; Galleries; Community Facilities; other**

The provision of arts and cultural services is an important function as it supports social cohesion within the Municipality. There are few museums in Polokwane yet they are in need of maintenance and upgrading. To promote Polokwane as a cultural hub it is imperative that more attention be given to the development of museums and that these should be distributed throughout the municipal area.

The Municipality operates library services in the City Centre, Nirvana, Westernburg, Seshego, Moletjie, and Mankweng library. Vast areas remain un-serviced and this is more problematic as literacy levels in the un-serviced areas are very low.

The priority of the Municipality is to hold arts and cultural events and maintenance of existing museums to promote social cohesion. To improve the culture of learning, the Municipality focused on increasing membership in municipal libraries.

The Municipality successfully accomplished a research on the Jackson Hlongwane's retrospective art exhibition project; held exhibition and hosted the art workshop on Jackson Hlongwane. A community survey on the effectiveness of existing libraries was also conducted in line with the requirements set by Department of Sports Arts and Culture. The results pointed out that the communities are utilizing municipal libraries and that there is a need to improve service provision levels and increase operating hours.

The Municipality completed the first phase of the cultural mapping of Polokwane Game Reserve, with the view to improving services.



### **3.12 Public Participation**

Communities within Polokwane Municipality play a vital role to ensure accountability in municipal affairs. Through established ward committee system and scheduled IDP/Budget/PMS community participation processes Council account to the community.

The community participation processes have entrenched a culture of involving communities in decision making processes during DBSA loan approval processes and finalising the IDP/Budget/PMS of the municipality.

Through the usage of the local media, council sittings and established council committee (ward committees) communities are continuously informed on municipal governance, management and development.

Communication is an important element of good governance. It is through communication that the communities and other stakeholders are informed about the activities of the municipality, and thereby getting empowered to participate in the affairs of the municipality. Section 18 of the Municipal Systems Act stresses the importance of communication between the Council and its communities. It gives guidelines of issues that the municipality must communicate about to its community. Over the years the municipality has utilised different strategies to encourage community participation. This included programmes of mobilising, informing and educating, engaging and empowering communities in municipal affairs.

IDP/Budget/PMS public participation process and ward committee meetings is the cornerstone sessions that entrenches community participation and accountability to the community on municipal programmes. The IDP/Budget/PMS sessions are held in each cluster during the week and on weekends in accordance with set time schedule. The purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the municipality. They are further utilised as a platform to agree on community needs.

Further than the IDP/Budget/PMS community participation processes, the municipality involve the community on targeted consultations at ward level, with interested and affected stakeholder (Makgoshi, business, etc) and through the IDP/Budget /PMS forums. Other methods used to communicate with the community include media briefings and utilisation of the website.

### **3.13 Performance Management System**

During the 2011/2012 financial year performance management status quo report and performance management framework was developed and approved Council. The framework is divided into three sections which are theoretical perspective on performance management, performance management organizational arrangement and performance management procedural manual. The Municipal Manager and Directors signed performance agreement in terms of section 57 of Municipal Finance Management Act.

### **3.14 Risk Management**

Polokwane municipality established the Risk Management unit which works hand in hand with the Risk Management Committee. The Risk Management Committee is comprised of the following members:

- Chairperson- independent person not in the employee of the municipality;
- All Municipal Directors ; and
- Manager: Risk Management- secretary.

Section 62 (1)(c ) (i) and 95(c )(i) of the MFMA, requires the accounting officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management.

To ensure that the legislative requirement are met , during the financial year the municipality reviewed the risk management committee charter, risk management strategy and the strategic risk assessment report.

As the risk management committee was established during the financial year under review, the operational risks were not reviewed and the participation of operational departments was minimal.

To curb fraud and corruption the Anti-Fraud and Corruption strategy and Policy, the Whistle Blowing Policy is implemented. An Anti-Fraud toll free hotline has been launched to help combat fraud and corruption.

During the financial year there were five fraud and corruption investigations undertaken. Disciplinary processes yielded the dismissal of four employees (one for theft), two employees resigned due to fraudulent activities and two cases were still ongoing.

There were various recommendations from the Audit committee; these included that internal audit and risk management units must be capacitated to improve controls within the municipality, municipality must develop an action plan on policy and by-law reviews and that the municipality must review its internal audit methodology, risk management strategy and risk audit committee charter.

### **3.15 Information and Communication Technology (ICT) Services**

The Polokwane Municipality's ICT environment had challenges which included the network infrastructure, ICT governance, limited ICT skills and other general ICT systems. The challenges rendered delivery of services in the Municipality inefficiency.

In the 2011/2012 financial year the Municipality had budgeted R 12 681 000.00 toward addressing ICT challenges. Service providers were invited to do an assessment of the ICT environment, with the aim of appointing a company that could provide a holistic solution to all ICT challenges.

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.16 Population Control**

The new establishments in Polokwane City during the reporting year are served as proof that the population is growing at a very high rate and resultantly putting strain on service delivery infrastructure. The 2011 census results of Statistics South Africa confirm the growth in population size.

### **3.17 Bio-Diversity and Landscape**

It is the mandate of the municipality to ensure the provision of a clean and healthy environment and strive to improve the quality of life by providing an attractive environment and protecting it for future generations. Polokwane Municipality has the following key roles to play in the development and management of environment: remaining informed on, and participating in the development of all national environmental policies and legislations; communicating and negotiating with stakeholders; promoting environmental awareness; monitoring and reporting on the status of Polokwane natural resources, and putting local By-Laws in place to manage Polokwane resources for sustainable use.

The priority of the Municipality was to develop environmental management policies, strategies, continuing to provide environmental awareness campaigns, developing and maintaining parks and open spaces. Focus was placed on the protection of Rhinos find in the Municipal Game Reserve. Through environmental management programmes, the Municipality created 130 jobs during the financial year under review.

**COMPONENT F: SECURITY AND SAFETY**

**3.18 Traffic**

Polokwane is the economic hub of the Limpopo Province and this has resulted in more moving into the City and its surrounding townships. In addition, there are many people who commute to the city on a daily basis to get to work. Major transport routes pass through Polokwane, Traffic safety can be linked with the existing condition of roads in the municipal area.

The priority area of the Municipality was to enforce road traffic law, promoting free flow of traffic, undertake community education and awareness, and strengthen co-operation between members of the community and law enforcement authorities. The table below presents traffic police service data over the past three financial years:

<b>Traffic Police Service Data</b>			
<b>Description</b>	<b>2009/2010</b>	<b>2011/2012</b>	<b>2011/2012</b>
<b>Number of road traffic accidents during the year</b>	836	2039	2086
<b>Number of By-laws infringements attended</b>	37 947	37 916	34 329
<b>Number of Police officers in the field on an average day</b>	56	60	60
<b>Number of Police officers on duty on an average day</b>	60	68	73

During the financial year 2086 accident scenes were attended, the rise in the number of accidents attended is caused by the increased number of forms of transport, traffic laws infringements that have

increased 34 329 and limited number of traffic employees to direct traffic during pick hours and in identified hot spots.

### **3.19 Disaster Management; Fire; Animal Licensing and control of Public Nuisance**

Community safety is a matter of concern as crime is a problem across the municipal area. One of the contributing factors is the high level of unemployment. Although there are some efforts made on policing, the crime levels remain generally high. Crime prevention cannot be the responsibility of the South African Police Service (SAPS) alone, all other government components, business and NGOs should contribute towards crime prevention.

The priority of the Municipality was to provide physical security, rendering of a 24 hour Control Centre, holding sector forums, providing integrated Fire Brigade Services by way of fire prevention, fire fighting, training of officers, and Inspection of structures.

Disaster Management means a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at reducing the risk of disasters, mitigating the severity or consequences, ensuring emergency preparedness, achieving rapid and effective response and planning for post disaster recovery and rehabilitation.

Communities in informal settlements are the most vulnerable to many of these risks. In order to be able to mitigate, be prepared and effectively respond to emergencies and disasters it is of the utmost importance that Polokwane Municipality implements the disaster management plan

The focus of the municipality was to implement immediate integrated, appropriate response and recovery measures when events or disasters occur and ensure stakeholders develop and implement integrated disaster risk management plans and risk reduction programmes through the coordination of the disaster management forum.

The following table provides fire services data of the Municipality over the past three financial years:

Fire services Data						
Details	2009/10		2010/11		2011/12	
	Actual No.	Estimates	Actual No.	Estimates	Actual No.	Estimates
<b>Total fire attended in the year</b>	617	100%	766	100%	1143	100%
<b>Total of other incidents attended in a year</b>	92	100%	128	100%	214	100%
<b>Average turn out time-Rural areas</b>	56	30 minutes	79	100%	118	30 minutes
<b>Average turn out time-Urban areas</b>	72	06 minutes	93	05 minutes	147	05 minutes
<b>Fire fighters in post at the year end</b>	46	n/a	43	n/a	39	n/a
<b>Total fire appliances at year end</b>	30	n/a	42	n/a	41	n/a

## COMPONENT G: SPORT AND RECREATION

### 3.20 Sport and Recreation

The Municipality has a large number of sport and recreation facilities, including the iconic New Peter Mokaba Stadium which was built to host the 2010 FIFA World Cup first round matches. Most of the sport facilities that are above the RDP level are found in Polokwane, Seshego and Mankweng areas. In contrast to what is found in urban and semi -urban areas, settlement far from the City, most facilities are on gravel surface. Facilities that are at RDP standard are community halls.

The priority of the Municipality was to enhance usage of sports and recreational facilities to have an impact on the local economy. This was to be achieved through hosting national games and events especially in the Peter Mokaba Sport Complex. The Municipality also focused on the provision of sport equipment and grading of rural sport facilities, conducting sport and recreation programmes and maintenance of existing infrastructure.

There has been a considerable attraction of events into most of the facilities in the municipal area, including the Peter Mokaba Sport Complex which hosted 26 Premier Soccer League (PSL) matches and competitions, 1 rugby warm-up match involving the Blue Bulls and the Cheetahs. The Old Peter Mokaba stadium hosted several first division matches, athletics events, big conferences by churches. A motor rally was held using the complex as well as other parts of the city. Overall, the usage of the facilities

including the Jack Botes Hall saw a major increase which the city plans to capitalize on in the 2012/13 financial year.

One project stopped during budget adjustments. Planning for upgrading of halls is complete, application form for MIG funding submitted and awaiting approval.

### **3.21 Cultural Services**

The provision of arts and cultural services is an important function as it supports social cohesion within the municipality. There are few museums in Polokwane yet they are in need of maintenance and upgrading. To promote Polokwane as a cultural hub it is imperative that more attention be given to the development of museums and that these should be distributed throughout the municipal area..

The municipality operates library services in the city centre, namely Nirvana, Westernburg, Seshego and Moletjie and Mankweng library. Vast areas remain un-serviced and this is more problematic as literacy levels in the un-serviced areas are very low.

The priority of the municipality is to hold arts and cultural events and maintenance of existing museums to promote social cohesion. To improve the culture of learning focus was to increase the number of membership in municipal libraries.

The municipality successfully accomplished a research on the Jackson Hlongwane's retrospective art exhibition project; held exhibition and hosted of the art workshop on Jackson Hlongwane. A community survey on the effectiveness of existing libraries was also done in line with the requirements of the Department of sports arts and culture. The results indicate the communities are utilizing libraries and need to improve service provision levels within the libraries and increase hours of operations. The first phase of cultural mapping of the Polokwane Game Reserve was also completed.

COMPONENT H: MUNICIPAL PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS AND TARGETS

3. 22 Upper SDBIP Performance

KPA	STRATEGIC OBJECTIVE	MUNICIPAL SCORECARD KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENGES	CORRECTIVE ACTIONS
<b>KPA: Local Economic Development</b>						
Local Economic Development	Planning and natural resource management	% waste collected recycled	20%	35 000 m3 of waste recycled at the landfill site		
		% reduction of water losses	10%	8%	Contractor behind schedule.	Contractor put on terms for late completion
		Number water plants compliant to blue drop standard	2	0	water supply was interrupted	Discuss with Lepelle sustainable supply for regular testing
		Number wastewater compliant to green drop	1.00	0	water supply was interrupted	Discuss with Lepelle sustainable supply for regular testing
		% reduction of electricity consumption	10%	10%		
		Ha of land disposed for integrated sustainable settlements	20 ha	0	The Policy will be completed in September	Acquire funds to purchase land
		% of building plans finalized within statutory timeframes	0.80	394 plans approved	N/A	
	Grow an inclusive local economy	Number of strategic sporting partnerships and events held	16 Major Events	Hosted 13 major football events		
		% of direct	Maintain the	The	N/A	



KPA	STRATEGIC OBJECTIVE	MUNICIPAL SCORECARD KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENGES	CORRECTIVE ACTIONS
		investment in the local economy	1.9% growth	investment value for the past quarter is R95 638 500.		
		Number of direct jobs created	500	431 jobs created through trading opportunities during events	N/A	
		% increase of tourists	10%	13495 number who visited Polokwane and came through the Information Centre	N/A	
		Number of incubated SMME's linked with markets	75	75 SMME's incubated	N/A	To add the number to 35
		% of land use applications finalized within statutory timeframe	90%	Outstanding documents on applications not received on time.	Capacity issues.	Employ more town planners
		% response time for fire and other emergency with statutory timeframe	100%	100% response time for fire and other emergency with statutory timeframe	N/A	
		Number of EPWP & CWP jobs created	2,793.00	The municipality managed to create 4058 jobs in the last quarter	N/A	
<b>KPA: Financial Viability</b>						
Financial Viability	Enhance revenue base and assets	% payment rate	100%	100%	N/A	
		% revenue	100%	100%	N/A	

KPA	STRATEGIC OBJECTIVE	MUNICIPAL SCORECARD KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENGES	CORRECTIVE ACTIONS
		collected by the municipality as a % of revenue target				
		% outstanding service debtors to revenue under 120 days	4%	4%	N/A	
		% reduction in expenditure on OPEX	0%	0%	N/A	
		% spent on capital budget	50%	50%	N/A	
		R-Value spent on repairs and maintenance	109,500,000.00	96,262,613.00	N/A	
		% of grant dependency	38.5%	38.5%	N/A	
<b>KPA: Good Governance and Public Participation</b>						
Good Governance and Public Participation	Good governance and organizational excellence	number of ward committees reports in accordance terms of reference	4.00	There was no Ward Committee report.		compile ward committee report
		Clean audit opinion	unqualified	The AG has not yet release their opinion		Await for the AG to release their opinion
		Number of indigents households receiving free basic water	420.00	7,820	N/A	
<b>KPA: Municipal Transformation and Organizational Development</b>						
Municipal Transformation and	Facilitate prevention, care and	R value spent on special focus	520000	520000	N/A	

KPA	STRATEGIC OBJECTIVE	MUNICIPAL SCORECARD KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENGES	CORRECTIVE ACTIONS
Organizational Development	support	programmes				
	Invest in human capital and retain skills	R value investment in human capital	2,034,000.00	2,034,000.00	N/A	
<b>KPA: Basic Services and Infrastructure Development</b>						
			3260	4156 households electrified	N/A	N/A
			959	1581	N/A	N/A
Basic Services and Infrastructure Development	Develop and revive infrastructure	Number households with access to water	5,240	5,533	N/A	
		Number of households with free basic water	103,172	290,499	N/A	
		Number households with access to sanitation	2,666	2648toilets completed 18toilets not build as result of hard rock excavations	N/A	
		Number of sanitation service points (toilets) installed for informal settlement customers	0(addressed on need basis)	All connection applications completed	N/A	
		Number of households receiving sewage connections	2,900	2,900	N/A	
		Number of km of roads tarred	6.5km	98% completed of 41.5 km	N/A	Speed up finishing
		Number of roads rehabilitated	60km	65 km gravel road regravelled	N/A	Appointment of service providers and approval of fleet management

KPA	STRATEGIC OBJECTIVE	MUNICIPAL SCORECARD KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENGES	CORRECTIVE ACTIONS
		Number of facilities upgraded in accordance to specific standards	3.00	Painted and changed old toilets system at waste offices, electrical rewiring of municipal hostel		Enforce adherence to the maintenance plan
		Number of households with access to electricity	3,260.00	4156 HOUSEHOLDS ELECTRIFIED	N/A	N/A
		Number of households with free basic electricity	7000 municipal area 15 000 ESKOM	7544- done by Polokwane and Eskom 24625	N/A	STILL CAPTURE NEW APPLICATIONS WHEN RECEIVED
		Number of informal settlements dwellings receiving waste removal	23.0	23 collection points	N/A	
			113912435	113912435	N/A	

### 3.30. Lower SDBIP Performance

KPA	STRATEGIC OBJECTIVE	PROGRAMME KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENGES	CORRECTIVE ACTION
<b>KPA: Local Economic Development</b>						
Local Economic Development	Planning and natural resource management	number of water schemes meeting the blue drop standard	2	All needed tests could not be done	water supply was interrupted	Discuss with Lepelle sustainable supply for regular testing
		% reduction of water losses	10.00%	8%	Contractor behind schedule.	Contractor put on terms for late completion
		number	1	Training not done	Training of	Training of

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		waste water plant that meet the green drop standard			people on plants delayed	operators to be completed
		Number of street lights fittings replaced	2000	Project completed	none	N\A
Local Economic Development	Planning and natural resource management	% of waste collected/% of recycled waste	35 000 cubic meter/255 0 cubic meter	35 000 m3 of waste recycled at the landfill site		
	Enhance effective planning systems which support sustainable integrated settlement	Number of parks developed	2	Project abandoned during adjustment budget		
		% fire and emergency incidents responded to	0			
		Inspections done	0			
		Road Safety Awareness campaigns conducted	144	172 Road Safety Awareness campaigns conducted		
		number of community safety forums				
		number of heritage and cultural events held	19	19		
		number of libraries open according to minimum planned open hours, including ad-hoc	6	6		

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		unforeseen closing hours				
		number of refuse kerbs removed once weekly in informal settlements	23 collection points	23 collection points covered		
		Number of ambient air quality analysis that meet the standard	469	0	No equipment available since Nov. 2011	Budget for new equipment
		Number of food samples analyzed	240	763 Food samples taken		
		Number of food premises inspected	1400	1664 Food premises monitored		
Local Economic Development	Enhance effective planning systems which support sustainable integrated settlement	number of combo fields upgraded in accordance to standards	2	no facilities were graded		Ensure that a contractor is appointed.
		number of sports events held	70	more events were held at different municipal sport facilities		N/A
		number of recreation events held	100	more recreational events were held in the municipality		N/A
	Grow an inclusive local economy	Hosted 15 Major events in the financial year 2011/2012	Host 3 Major events	Hosted 13 major football events		
	Planning and natural resource management	Number of Council buildings compliant to energy efficiency	45 Municipal buildings	45 Municipal buildings		
	Enhance	Number of	Refurbish	Project at 60% ,to be		Ensure and

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
	effective planning systems which support sustainable integrated settlement	municipal facilities maintained in accordance to standard		completed mid July		adhere to contract period.
		number of heritage and cultural events held	19	7 Arts competitions were held as follows: Moletje Cluster August 2011;Mankweng cluster September 2011;City/Seshego cluster October 2011;Sebayeng/Dikgale cluster November 2011;Final competitions (2) April 2012; 1 Workshop on Jackson Hlungwani;2 Heritage related events: Heritage day celebrations; International museum day celebration; 1 art training workshop;2 Cultural workshops (arts administrator's);Polokwane Beach part festival; Executive Mayoral debate competition;4 Art exhibitions: Chinese paper cutting art exhibition(first quarter);Majak Bredell Alter Images ;Exhibition by Andrew Nhlangwani; women exhibition (2nd quarter);Chinese print art exhibition (4th quarter)		
		number of libraries open according to minimum planned open hours,	6	6		

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		including ad-hoc unforeseen closing hours				
Local economic development	Enhance effective planning systems which support sustainable integrated settlement	Ha of land disposed	20	no Ha of land acquired and disposed as there is no policy	The Policy will be completed in September	Acquire funds to purchase land
		number of townships established and proclaimed	5	1. Polokwane Extension 79	Limited funding	Acquire funds to establish
		Number of ervens registered	565	365	Some properties are still registered under public works	Complete registration
		Number of ervens rezoned	80	265	Capacity challenges	Appoint personnel
		% of updated spatial information	100	50	Capacity challenges	Appoint personnel
		number of informal settlements managed	5	6 Informal settlements managed		
		% accreditation to provide houses	Level 1 accreditation	The certificate has already g		
	Grow an inclusive local economy	R-value of investment	1.90%	The investment value for the past quarter is R95 638 500.		
		number of direct jobs created	100	154 jobs created through trading opportunities during events		



KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		number tourists visiting Polokwane	21%	4750 number who visited Polokwane and came through the Information Centre		
		number of SMME incubated	75	75 SMME's incubated		To add the number to 35
		number of cooperatives supported	50	38 cooperatives supported- capacity buildings in collaboration with LIBSA and LEDET		To support an additional 12 cooperativ es in the first quarter of the next financial year
		number of network agreements concluded	Sign 1 agreement and renewal of 1 agreement	no agreement signed	The scheduled dates have not been hounered	To reschedule an inward mission that was postponed to sign the agreement
		% approved building plans	80%	394 plans approved		
		% of violation orders issued	60%	52 violation orders issued		
		number of permanent jobs created through LED initiatives	200	About 800 jobs created (through street trading)		
		number of EPWP & CWP jobs created	2793	The municipality managed to create 4058 jobs in the last quarter		
		number of transport plans developed	3		Delays in the appointment of the Service providers	Finalise transport plans by October 2012
		Reports of the transport forum	4	3 forum meetings held		Monthly meetings to be held

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
<b>KPA: Basic Services and Infrastructure Development</b>						
Basic Services and Infrastructure Development		number km of roads tarred	6.5km	98% completed of 41.5 km	none	Speed up finishing
		number of km tarred roads rehabilitated	28km	Approximately 42.5 km completed	none	Finishing - weather permitted
		number of km gravel roads rehabilitated	50km	135 km gravel road regavelled	Lack of sufficient plant	Appointment of service providers and approval of fleet management
		number of households with access to electricity	3260	4156	none	N/A
		number of low cost houses with electricity connection (City/Seshego)	959	3001	none	N/A
		% of electricity meters serving domestic customers	100%	100%	none	still do follow ups
		number of indigent households with access to electricity	n/a	7544 (Polokwane) 1803 (Eskom)=9347	Some people does not register as indigent	Still capture new applications when received
		number of informal settlements with	0	n/a	n/a	n/a

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		illumination				
Basic service and infrastructure development	Develop and revive infrastructure	number of households with access to once a week daily door to door refuse removal	92 000	92 000		
Basic services and infrastructure	Develop and revive infrastructure	Rand value spent on operation and maintenance	113912435	96262613		
Basic Services and Infrastructure Development	Develop and revive infrastructure	number of municipal facilities maintained according to standard	Maintain seven (7) cluster offices and Civic centre	Painted and changed old toilets system at waste offices, electrical rewiring of municipal hostel		Enforce adherence to the maintenance plan
<b>KPA: Good governance and Community Participation</b>						
Good governance and community participation	Good Governance and Organizational excellence	% Council resolution implemented	100%	100%		
		Report o on illegal land cases finalized	4	4		
		Report on disciplinary processes finalized	10	10		
		Report on legal cases finalized	4	4		
		Number of By-Laws rationalized	8	2 by laws reviewed	SBU's did not submit request for review of their By-Laws	follow up with directorates, all by laws will be reviewed with coghsta
Good governance and public	Good governance and	Adoption of the IDP	Adoption of the 2012/2013	IDP adopted by Council		

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
participation	organization al transformati on					
		number of internal audit findings resolved	Depends on the annual plan to be approved			
		Number of internal audit reports	8	1 Risk based Report/ 1 Performance Information Audit Report		
		Report on risks mitigated	4 Reports from Risk managemen t Committee	2 Risk Management Committee meeting held and 2 reports		
		number of fraud and corruption cases resolved	4 Quarterly reports to Audit Committee	All cases reported were investigated		
		Number of fraud and corruption workshops undertaken	4	No formal workshop was held, however as part of the awareness other activities were done as part of the fraud and corruption awareness.		
<b>KPA: Financial Viability</b>						
Financial Viability	Enhance revenue base and assets	r-value of revenue generated	176477700 0	233657561		
		number of outstanding debtors longer than 90 days as %	15.00%	20%		
		% variance on collected and billed revenue	5.00%	12%		
		%GRAP compliance of the asset report	1	Complied		

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		number of physical asset verification conducted per annum	2	Contractor Busy		Completi on date 31/07/201 2
		Adoption of the budget	1	1		
		% budget variance	5%	4%		
		R-value of capital budget spent /r-value of capital budget approved by council	65%	56%		
		% of applications for indigent support verified(number of applications received /number of applications checked)	100%	100%		
		% of bids awarded within 5 weeks of advertisement	80%	80%		
<b>KPA: Municipal Transformation, Organizational Development and Community Participation</b>						
Municipal transformati on and organization al developmen t	Invest in human capital and retain skills	% of employee complaints responded within 14 days of receipt	1	100% of cases and grievances lodged are being resolved through dispute resolving processes.	N/A	N/A
		number of OHS inspections defaults resolved	1		N/A	N/A

KPA	STRATEGIC OBJECTIVE	PROGRAMM E KPI	ANNUAL TARGET 2011/2012	ACTUAL PERFORMANCE	CHALLENG ES	CORRECTIV E ACTION
		Number of EAP programme undertaken	20	1 activity done for the quarter.	No funds. Budget not adequate for the activities.	More funds needed
		Number vacancies successfully filled	130	21 positions filled. Due to budget constrains only critical positions filled.	Financial Constraints and restrictions due to the placement process	Provision of adequate budgets
		number of employees trained	600	102 employees trained.	No funds for the quarter	Budget adequately in the next financial year
		Number of bursaries for staff members awarded	20	16 Bursaries awarded	no enough funds	Increase budget in the new financial year.
		Number of bursaries for students awarded	10	10 awarded , Training Committee did not approve, Review policy first		Finalise the review of the policy

### 3.23. Performance of Service Providers

**LEGEND:**

- 1 = Failure
- 2 = Very little success
- 3 = Limited Success
- 4 = Successful
- 5 = Very Successful
- N/A = Service provider just appointed or project done internal

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
Refurbishment of Satellite office	Internal	Not yet appointed	Not appointed	
Civic centre alterations	MEG Architects	MEG turnkey appointment	4	4
Plant & equipment	N/A	N/A	Internal	
Furniture for council support	N/A	Internal	Internal	
1 x 22m3 Compactor truck (Waste)	N/A	Not yet awarded	Not Implemented	
3x Tipper trucks for roads	N/A	Not yet awarded	Not Implemented	
2x Water tankers	N/A	Toyota SA	N/A	2
1 x 22 Seater game viewer vehicle (Parks)	N/A	Christata BB Motors	N/A	2
2 x Small tractors and trailers for 2010 stadium(Sport)	N/A	Tzaneen swaar voertuie	Not Implemented	
Fleet management system	N/A	Kguthatso Consultingworx Services	N/A	3
1 x Grab (Waste)	N/A	Not yet awarded	Not Implemented	
3x Tar cutters for roads and stormwater	N/A	J&D Fasteners	N/A	3
6x1Ton LDVs for electrical	N/A	General Motors of SA	N/A	4
1x1Ton LDV for mechanical workshop	N/A	Not yet awarded	Not Implemented	
2x 3 Ton trucks for roads	N/A	Not yet awarded	Not Implemented	
1x Horse for loadbed	N/A	Not yet awarded	Not Implemented	
2xWalk behind roller for roads and stormwater	N/A	Omosa Trading Enterprise		2
1x Water carts for roads	N/A	Not yet awarded	Not Implemented	
1x SUV	N/A	Audi SA	N/A	3
1x Bomag for roads	N/A	Thelele Farming and	N/A	4

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
		General Trading		
Construction of access road SDA1	T2Tech	Motlokwa Trnpt	4	4
EPWP Projects	Phindulo Engineers	6 x learnership Contractors	3	3
Lawton Bridge construction Westurnburg	Leporogo	KPMM	4	4
Rehabilitation of roads in Mankweng	Tshashu	MacP	4	4
Rehabilitation of streets in Pol & upgrading	DMV & Tshepega	MacP & Hillary	4	4
Rehabilitation of Streets in Seshego & upgrading of Signs	TM Consulting	MacP	4	4
Upgrading of Arterial Road Ga Mamaphaka	Tshino consulting eng	Not yet awarded	3	
Upgrading of Arterial Road Mamatsa	Tshino	Lawmak Consulting	3	3
Upgrading of Arterial Road Mashobohlang	T2Tech	Tshidaho Construction	4	4
Upgrading of Arterial Road Makotopong	Nyeleti	David Diva & Limpopo RR JV	4	3
Upgrading of Arterial Road Paledi	D & D Consulting	HL Matlala Project / Gorogang Plant Hire	4	4
Planning Mig road projects	Not yet Appointed	n/a		
Widening of Nelson Mandela Drive	Ingerop	Blue Dot Genl	4	4
Ablution facility & store room Workshop	Indigo Architecture and Planning	Nare Moleboge	4	4
Arterial roads(From Dendron road to Mashobohlang)	T2-Tech Consulting Engineers	Tshidaho Construction	4	4
Arterial roads(Gilead to Matlala road)	DMV Limpopo	Lawmak Construction	4	3
Arterial roads(R71 to Ga-Mamphaka)	Tshino consulting engineers		3	2
Arterial roads planning	Not yet Appointed	Not yet appointed		
Contribution to Private Developments	Partially Appointed (DMV Limpopo for SBV Ext 12) PDNA appointed for	Partial expenditure (SBV Magnavia) Ekageng appointed for MoTN	3	3



Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
	MoTN			
Labour intensive gravel roads: Maja /Chuene/Molepo	Tshino consulting engineers	Lawmak Consulting	3	3
Provision and upgrading of Storm Water Infrastructure(Mankweng)	Aphane/Arup Joint venture	Arup/Aphane J/V	2	2
Provision of Storm Water Infrastructure (Seshego)	Nyeleti	Blue Dot General Services	4	3
Re-sealing of Marshall and Suid streets	Munyai Malaka Consulting Engineers	KPMM,		
Rehabilitation of Bombay street Nirvana	Afri Infra Group	Tarman/Ngungwa JV	3	2
Suid from Kerk to Dorp and traffic circle in Webster	Appointed	Mivami		
Tsebela Taxi Rank	NPC Civil Engineers	Filipe 2 trading	1	5
Tshware bridge	Mokete Consulting	Sebokuboku Contractors	2	2
Tarring of Blaauberg street	AM Consulting	N/A	3	3
Thokgoaneng bridge(Feke)	SMV Consulting	Star Miris Developers	3	3
Private development contribution (Munnik street)	PDNA & associates	Ekageng Construction (Appointed by Developer)	3	3
Interlinking bridge	ARUP SA	ARUP/WBHO JV	4	
Arterial roads Paledi	D & D Consulting	HL Matlala Project / Gorogang Plant Hire	3	3
Arterial roads Paledi	D & D Consulting	HL Matlala Project / Gorogang Plant Hire	4	3
Tarring of streets in Mankweng Unit C	Masututsa consulting	Komico Trade	3	3
Car wash facility	Eyesizwe Consulting	Mashapa Construction	3	3
Plant & equipment	N/A	N/A		
Arterial roads: Ga Thoka, Makotopong, Mokgokong, Bloodriver Matlala	Dombo & Du Plessis, Nyeleti consulting, Kwezi V3 & DMV linkages	Lawmak, Blue Dot, and Batlagae Investment & Patric Makgoka	4	3
Construction roads SDA1	T2 Tech	Motlokwa Transport & Construction	4	4
Construction of Thembi Hani road (link N. Mandela	Maponya Consulting	ALC Maponya Pty (Ltd) appointed by	4	

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
& Monama)		developer		
Tarring streets in Mankweng (Unit G) Patching of Arterial street	Masututsa consulting	KPMM, Motlokwa, Frinic	4	4
Tarring streets in Seshego Zone 4	Nyeleti Consulting	Blue Dot General Services	4	3
Tarring of Streets in Sebayeng	Murango Consulting	Paledi contractor (Gorogang)	4	4
Rehabilitation of Streets in Polokwane	Afri Infra Group	Tarman / Ngungwa JV	3	2
Upgrading of railway and witklip Intersection (Planning)	Phindulo Engineers	N/A	3	3
Stormwater infrastructure Mankweng	not yet appointed	Komico Trade	3	3
Arterial roads Molepo/Maja/Chuene (Mamatsa)	not yet appointed	Lawmak Consulting	3	3
Arterial roads Makotopong	not yet appointed	David Diva Limpopo RR JV	4	3
Arterial roads Mamphaka Phase 2	not yet appointed	Not Yet awarded	3	3
Rehabilitation of street in Polokwane.	Dombo & Du Plessis	Rethabile	3	3
(Tarring of street Seshego zone 4)	Nyeleti Consulting for Seshego/ Masututsa for Mankweng	Blue Dot General Services/ Komico trade	3	3
Gravel management system	Vela VKE	N/A		
None motorized transport	Arup/Aphane	N/A		
Street lights 2010	ASEP	Van's Electrical		
<b>Sanitation</b>				
Building of new overnight standby accommodation	Internal	Cancelled	N/A	N/A
Hand rails PWWTP and SWWTP	Internal	Not yet awarded	N/A	N/A
Inductively Coupled Plasma instrument	Internal	Life and analytical sciences	N/A	N/A
Lab accreditation	Internal	Not yet awarded	N/A	N/A
Rehabilitation of retention ponds	Phala/ TWR consulting	Star Miris Construction and Development	3	3
Replace sewage pumps	Internal	Not yet awarded	N/A	N/A

<b>Project Name</b>	<b>Name of Consultant or EIA Consultant</b>	<b>Construction Tender awarded to</b>	<b>Assessment of Service provider (Engineer) (Scale 1-5)</b>	<b>Assessment of service provider / Contractor (Scale 1-5)</b>
Rake screen SSPP	Internal	Not yet awarded	N/A	N/A
Storm water management planning	Phala/ TWR consulting	Seripele	3	3
Consumer connections	Internal	done internally or by annual contractors	N/A	N/A
Master Plan Sewer		N/A	3	3
Mechanical Sewer Cleaning Machine	Internal	Not yet awarded	N/A	N/A
Plant and equipment	Internal	Internal	N/A	N/A
Rural house hold Sanitation	Internal	Malekoto/SelemaJV, Sebokuboku,LBMC	N/A	N/A
Sewer line servitudes	Internal	Not yet awarded	N/A	N/A
Upgrading of networks for Subdivision	Internal	Annual Contractors	N/A	N/A
Upgrading of Sewer line in CBD and Mankweng	Phala/ TWR consulting	Lulama Women Investments	3	3
Water Services and Development Plan	EVN	N/A	3	3
<b>Sub total Sanitation</b>				
Badimong RWS	UWP Consulting	Matakanye Construction	3	3
Boyne RWS	4MR Consulting	Take Note Trading	3	3
Chuene Maja RWS	SGL	Betsekgadi Community Development	combined with previous financial year project	
Consumer connections	Internal	Internal	N/A	N/A
Houtrivier RWS	Glematile Consulting	Gorogang Plant Hire	3	3
Laastehoop RWS	Nyeleti Consulting	Mminatshipi Trading Enterprise	4	4
Mankweng RWS	Sekhula Du Plooy	MA & Sons Development Property	4	4
Mmotong wa Perikisi	Endecon Ubuntu	N/A	4	4
Molepo RWS	Dombo Du Plessi	Not yet awarded	3	3
Moletje East RWS	Murango Consulting	Khulela Letele Trading	4	4
Moletje North RWS	Tlou & Mallory	Mokgaetsi/ Kimberly JV	3	3
Moletje South RWS	MOT Professional Service	Mmakoto/Mekerong JV	3	3

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
	Consultancy			
Mothapo RWS	BKS	LBMC Consulting	3	3
Plant and Equipments	Internal	Internal	N/A	N/A
Pressure reservoir SDA3	Phala/ TWR Consulting	N/A	3	3
Revamping of Matlala road Hostel	Internal	Project cancelled	N/A	N/A
Safeguard Doornkraal Reservoir	Internal	N/A	N/A	N/A
SCADA system		Not yet awarded	N/A	N/A
Sebayeng / Dikgale RWS	S & W Limpopo and Zigidi Civils	BMK Electronics	3	3
Planning Mig water projects	not yet appointed	N/A		
Upgrading / Replacing of water line in CBD	Internal	Star Mills	3	3
Palisade Fence DWTP	Internal	Ngwalema Construction	N/A	N/A
Seshego dam safety	EVN			3
Water bottling machine	Internal	Internal	N/A	N/A
Water LAB equipment	Internal	Internal	N/A	N/A
Bulk water supply to SDA3	EVN	Shuma Civils	3	0
Moletjie North RWS	Tlou & Mallary	Maseno General Trade	4	4
Mmotong wa Perkisi	Endecon Ubuntu Engineering	Nkelina Projects	4	4
Moletjie East RWS	Murango Consulting Engineers	Makeyise Trading/ Sebata Sebatana Business Enterprise JV	4	2
Laastehoop RWS	Nyeleti Consulting	Mmaeshibe General Trade	3	3
Moletjie South	MOT professional	Kwena Mokone Trading	3	4
Mothapo RWS	BKS	KM3 Civils	2	2
Boyne RWS	4MR consulting engineers	Mmakoto Business Enterprise		
Houtriver RWS	Glematile projects	Daily Double Trading 612 JV	4	4
Chuene/ Maja RWS	SGL Consulting Engineers	Betsekgadi Community Projects	2	3
Molepo RWS	Dombo Duplesis	Betsekgadi Community Projects	3	4
Mankweng RWS	Sekhula du plooy	Mmakoto Business Enterprise	4	4

<b>Project Name</b>	<b>Name of Consultant or EIA Consultant</b>	<b>Construction Tender awarded to</b>	<b>Assessment of Service provider (Engineer) (Scale 1-5)</b>	<b>Assessment of service provider / Contractor (Scale 1-5)</b>
Badimong RWS	UWP Engineers	Selelo Lide JV	3	2
Sebayeng/ Dikgale RWS	Zigidi Civil Engineers	H & H Civils	3	4
Booster pumpstation elevated watertank ivypark develop	Phala/TWR Consulting	Seakiri Civil Works	3	2
Bulk water supply SDA3	EVN	Maduludi CC	3	0
Molepo RWS	Aurecon	Matebele Dinare		
Sebayeng/ Dikgale RWS	S&W Limpopo & Aphone Consulting	Mosama Building & Civil Enterprise		
Upgrade of pump stations	Phala/ TWR Consulting	Mmakoto Business Enterprise	3	3
Upgrading laboratory	Aspire Architect	Malumash Enterprise	3	2
Rural sanitation Mankweng,Chuene/Maja/ Molepo,Moletjie		Appointed		
Upgrade CBD sewer	EVN	Phetlakgo Keamokgotso	3	2
Bulk sewer SDA3		Mosama Building	3	2
Rural household sanitation		Turnkey contractors	project is completed	
Sewer line servitudes		N/a	N/A	N/A
Additional feeder cable Zone 8	Inhouse	Tumishi and Silchembe electrical service providers	N/A	5
Plant and Equipment	Inhouse	Trappers trading	N/A	N/A
Consumer connections	Inhouse	Annual service providers.Silchembe, Tumishi, Mohale electrical, and Electrical workshop	N/A	5
Contingency Capital Expenses	Inhouse	Annual service providers.Cilchembe, Tumishi, Mohale electrical, and Electrical workshop	<b>N/A</b>	<b>5</b>
Delta substation additional TR	Pienaar and Erwee Consulting Eng	CONCO	<b>5</b>	<b>5</b>
DSM Projects (NER for energy Efficiency)	MVM Africa	Kinki Electrical,BASH Electrical,Tshabalala multi services	<b>5</b>	
Electricity low income houses rural	Lefokane,Morwa Matso,Pienaar and Erwee, BVI Consultants	Malesela transmission.Tumushi electrical.Uncle Benny	<b>5</b>	<b>5</b>

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
		electrical.Segokara electrical.Trade avail.M&M Nefas.Xiverenge		
Electricity low income houses Urban	Inhouse	kennys electrical,Denhe Electrical,Silchembe Electrical	5	5
Electrification planning for The following financial years	Lesovu and Lesedi Consulting Eng	Lesovu and Lesedi Consulting Eng	5	5
Nirvana EXT.3 192 stands	Inhouse Clive Wiggill	Internal	N/A	5
Tweefontein 66KV Substation (B	BVI Consultants	BVI Consultants	5	
Electricity projects NER (DSM)	Goba JV EHL	Contract extended to complete allocated grant	5	3
Electrification planning following fin. years	Appointed	INGPLAN	3	5
Electrify low income houses (Ext.73, 75, 76)	Appointed	Mohale Electrical contractor for additional 45 connections	1	3
Electrify low income houses (Rural)	Pienaar, Lefukane	S & R electrical,Bash electrical	5	5
Ablution facilities (Electrical workshop)	Admin and Maintenance	Phuta Bogale Construction	n/a	3
Security - substations	Internal	GEO Vision	N/A	1
Upgrade Beta Sub	Pienaar & Erwee	CONCO	5	5
Plannng electrification of households	Ingplan consulting engineers	INGPLAN	3	5
Consumer connection	Inhouse	Annual service providers	5	5
Rural electrification of households as per priority list		Maite Molatelo business Enterprise, Omphile electrical, Trade Avail 401CC,	5	5
Ramongoana 1,Semenya,Ralema	Ingplan consulting engineers	Mohale Electrical and Maitemolateloelectrical contractors	3	5
Electrification of low cost housing (urban ,Ext.76 )	Inhouse	Kennys electrical	5	5
Energy efficiency on streetlights and Municipal	University of Johannesburg	Annual service providers	5	5

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
buildings in Polokwane and Seshego(DSM)				
Eskom check meters	Internal	Internal	N/A	N/A
Upgrading driving licence waiting room		not yet appointed		
Furniture and equipment		N/A		
Upgrading of CCTV cameras and access control systems		not yet appointed	<b>Not Implemented</b>	
Bristol breathing apparatus compressor		Implemented by Admin and Maintenance	<b>Not Implemented</b>	
Upgrade fire fighting training building		not yet appointed	<b>Not Implemented</b>	
Design Park		Internal	Internal	
Park upgrade		Internal	Internal	
Phase 2 Park development		Internal	Internal	
Upgrading of Parks around city		Internal	Internal	
Zone 5 park development		Internal	Internal	
G&Landscape Westenburg/seshego/man kweng	Internal	internal	Internal	
Development of new cemetary Seshego	N/A	Internal	Internal	
Replacement of cemetary New Pietersburg	N/A	Diges Environmental	<b>4</b>	
Nursery Relocation and development phase 3	N/A	Sophy and Jack trading	<b>0</b>	<b>5</b>
Green Goal	N/A	Internal	<b>1</b>	Internal
Fencing SABC Park	N/A	Internal	Internal	
Park development Bendor	N/A	Internal	Internal	
EIA Westenburg transfer staion		Not Yet Appointed	<b>Not Implemented</b>	
Plant and equipment for transfer stations	N/A	Quotations through SCM	<b>N/A</b>	<b>N/A</b>
Skip containers	N/A	SANIBONANI	<b>N/A</b>	<b>4</b>
Provision for upgrading of halls	KC Maiwashe QS	not yet appointed	<b>Not Implemented</b>	
Upgrading of Halls	KC Maiwashe QS	not yet appointed	<b>Not Implemented</b>	
Mankweng sport complex upgrade	N/A	internally implemented	<b>Internal</b>	
Seshego stadium upgrade	N/A	internally implemented	<b>Internal</b>	

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
Sport field lighting	N/A	Mohale Electrical. Annual Contractor from electrical unit.		
Ngoako Ramathlodi swimming pool	Afro Architectural	Blue lagoon pools and garden centre		
Sport equipment (Ngoako Ramathlodi)	N/A	Out Touch trading		
Disaster recovery site	N/A	N/A	Internal	
E-Governance	N/A	N/A	Internal	
Electronic content management	N/A	N/A	Internal	
Facility management and booking system	N/A	N/A	Internal	
Fibre connection to remote sites	N/A	N/A	Internal	
ICT equipments	N/A	CSS	5	5
ICT governance model	N/A	N/A	Internal	
MSTPreview	N/A	N/A	Internal	
Network infrastructure upgrade	N/A	Business Connexion	5	5
Open source Migration	N/A	N/A	Internal	
Upgrade of network security	N/A	Meso ICT Solutions	4	4
Infrastructure consolidation project	N/A	TCM	5	5
Disaster recovery site	N/A	TCM	5	5
Network / Security analysis	N/A	Purple Blue	3	3
Furniture and equipment	Internal	N/A	Internal	
Hawkers stalls at Seshego	Tarch Architects	N/A	2	Internal
Planning and Feasibility study and Bus plan for convenience centre		N/A		Internal
African Market	Mams Architects and planning	Mpheuane Business enterprise	3	0
Game Reserve (Service delivery model)	PWC	N/A		
Itsoseng Entrepreneurial Centre Phase 4	Internal	Different Contractors according to the different bids adjudicated	In House	5
Mankweng Hawkerc Centre Phase 4	DMV Linkages	Betsy Building construction	5	Inhouse
Mankweng Taxi Rank & Hawkerc Centre	Mams Architect	Not appointed	4	Not appointed
Limpopo Mall	Kulani Indigo	Atumedi general	5	5



Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
		trading 79		
Touch Pad Screens	N/A	appointed	<b>Internal</b>	
CCTV Pipe monitoring System	Internal	Not yet appointed		
CCTV Pipe monitoring System	Internal	Not yet appointed		
Implementation of financial system	Bytes Technology Group	Bytes Technology Group		<b>N/A</b>
Office furniture and equipment	Internal	Internal	<b>Internal</b>	
1 x Camera	Internal	Internal	<b>Internal</b>	

### 3.24. Planning Service Providers

Project Name	Name of Consultant or EIA Consultant	Construction Tender awarded to	Assessment of Service provider (Engineer) (Scale 1-5)	Assessment of service provider / Contractor (Scale 1-5)
Development of framework plan for the built up area	N/A	Not yet appointed		
Integrated rapid transit (IRT)	N/A	AM Consulting Engineers for Project Management	<b>4</b>	
Mankweng development framework	N/A	Plan Associates Business Trust	<b>3</b>	
Revision of Town planning scheme	N/A	Appointed	<b>4</b>	
Sebayeng development framework	N/A	Hannes Lerm and Associates	<b>3</b>	
Township establishment Ext 78	N/A	Polokwane Planning Consortium. And Pieterse Du Toit Town Planners	<b>5</b>	
Acquisition of land in Pietersburg X 78 ( New Petersburg)	N/A	De Bruin Oberholzer Attorneys	<b>5. project complete</b>	
Proclamation and opening of township register for Polokwane Ext 106	N/A	Maboku Mangeni Attorneys	<b>3</b>	

<b>Project Name</b>	<b>Name of Consultant or EIA Consultant</b>	<b>Construction Tender awarded to</b>	<b>Assessment of Service provider (Engineer) (Scale 1-5)</b>	<b>Assessment of service provider / Contractor (Scale 1-5)</b>
Proclamation and opening of township register for Polokwane Ext 107	N/A	Maboku Mangena Attorneys	<b>3. Challenge with department of agriculture</b>	
Township establishment Pietersburg X 46	N/A	Diamond Attorneys	<b>1. Project to be terminated</b>	
Integrated transport plans	N/A	ITS engineers	<b>4</b>	
Business and financial plan for the IRT	N/A	Pegasys	Service provider just appointed	
Proclamation and opening of township register for Seshego F	N/A	Lamola Incorporated Attorneys	<b>5. Project complete</b>	
Land acquisition	N/A	N/A	<b>Internally</b>	
Layout Plan: Rezoning, Subdivision. Consolidation on R293 Townships	N/A	N/A	project done internal	
Township development SDA 1 & 4	Internal	N/A	<b>4 Project complete</b>	
Intelligent Transport system	N/A	Elect Assure	<b>4. Project complete</b>	

**CHAPTER 4:**

**ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)**

**COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL**

**4.1 Employee Totals, Turnover and Vacancies**

**COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

**4.2 Policies**

**4.3 Injuries, Sickness and Suspensions**

**4.4 Performance Rewards**

**COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

**4.5 Skills Development and Training**

The Municipality spent R 2 500 000 on skills development during the 2011/12 financial year. Management development programmes were introduced to capacitate middle managers and supervisors. The Municipality sent 31 employees, ranging from Top Management, Middle Management as well as accountants, from Budget and Treasury Office to attend a Municipal Finance Management Programme recommended by the National Treasury and SALGA. The programme forms part of the minimum competency requirements for staff members in Supply Chain Management and senior managers in all municipalities in the country.

The table below indicates the planned Skills Development Programme for the Municipality:

Skills Matrix						
Management level	Gender	Employees in post as at 2011/2012	Skills Programmes & other short courses		other forms of Training	
			Target 2011/2012	Actual end Dec 2011	Target 2011/2012	Actual end Dec 2011
MM and S57	Female	2	4	2	3	1
	Male	5	4	2	3	1
Councillors, Senior Official and Managers	Female	32	3	2	2	1
	Male	44	3	2	2	1
Technicians and Associate Professionals	Female	29	6	3	3	1
	Male	72	6	3	3	1
Professional	Female	14	4	2	4	1
	Male	25	4	2	4	1
Sub total	Female	77	17	9	12	4
	Male	146	17	9	12	4
<b>Total</b>		<b>446</b>	<b>68</b>	<b>36</b>	<b>48</b>	<b>16</b>

The table below shows the number of staff per function expressed as total positions and current vacancies (as at the end of June 2012):

<b>Employees</b>			
<b>Functional Unit</b>	<b>2011/2012</b>		<b>2011/2012</b>
	<b>Number Employees</b>	<b>Approved Post No</b>	<b>End June 2012</b>
Water	14	72	58
Waste Water (Sanitation)	16	75	59
Electricity	21	132	111
Waste Management	15	155	140
Housing	13	39	26
Waste Water(Storm water Drainage)	8	28	20
Roads	16	84	68
Transport	24	98	74
Planning	3	19	16
Local Economic Development	7	17	10
Community & Social Services			
Environmental Protection	62	214	152
Health	12	26	14
Security and Safety	21	129	108
Sports and Recreation	12	76	64
Corporate Policy Offices and others	123	585	462
<b>Total</b>	<b>367</b>	<b>1749</b>	<b>1382</b>

#### **4.6 Medical Aid**

The Municipality had five accredited medical aids, namely;

- Munimed/Key Health,
- Bonitas,
- LA Health,
- Samwu Med & Global Health,

- Hosmed.

Employees joined medical aids of the choice with the employer and employee contributing 60% and 40%, respectively.

#### 4.7 Employee Pension Fund

The Municipality had the following pension funds to choose:

MCPF (Municipal Councilor’s Pension Fund)	15%
JMPF (Joint Municipal Pension Fund)	22%
MEPF (Municipal Employees Pension Fund)	22%
MGF (Municipal Gratuity Fund)	22%
SNPF (SAMWU National Pension Fund)	22%
NFMW (National Fund for Municipal Workers)	22%
Group Life Insurance Scheme (Not compulsory)	2%

#### 4.8 Salary Disclosures

The following table discloses the salaries of senior political office bearers and senior managers:

<u>Position</u>	<u>Package (per person)</u>	<u>Number of Incumbents</u>	<u>Total Expenditure</u>
<u>Council:</u>			
Executive Mayor	R 744,200	1	R744, 200
Speaker	R 595,360	1	R595, 360
Chief Whip	R 558,150	1	R558, 150
Full Time Councillor	R 558,150	4	R 2,232,600
Part Time Councillor	R 306,983	68	R 20,874,844
<u>Senior Managers:</u>			
Municipal Manager	R 1,432,080	1 (Vacant from April)	R 1,432,080
CFO	R 1,103,274	1	R 1,103,274
Director Engineering Services	R 923,072	1	R 923,072
Director Planning and Econ Dev	R 923,072	1	R 923,072
Director Corporate Services	R 923,072	1	R 923,072
Director Community Services	R 923,072	1	R 923,072
Director Community Development	R 923,072	1	R923, 072

**CHAPTER 5:**  
**FINANCIAL PERFORMANCE**

**COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

**5.1 Statements of Financial Performance**

Financial Summary						
Description	2010/11	Current year 2011/12	2011/12 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget
Financial Performance	211929612	228355000	228355000	229422699	0.47%	0.47%
Property Rates	620813560	766139000	766139000	781281433	1.94%	1.94%
Service charges	8732113	8000000	8000000	24554093	67.42%	67.42%
Investment revenue	358908609	397087000	417263000	367484803	-8.06%	-13.55%
Transfers recognised – operational	123419083 - 1323802977	75998000 1475579000	75998000 1495755000	145586436 1548329464	47.80% 4.70%	47.80% 3.40%
Other own revenue	362171819	401386000	401386000	399033020	-0.59%	-0.59%
<b>Total revenue (excluding capital transfers and contributions)</b>	19778889 176460819 13072740 513702952	20435000 119455000 33714000 722210000	20435000 119455000 33714000 744030000	20614731 231254348 29426803 615677932	0.87% 48.34% -14.57% -17.30%	0.87% 48.34% -14.57% -20.85%
Employees costs	240000	400000	6282000	6121695	1430.42%	-2.62%
Remuneration of councillors	288774952 1374202171	162680000 1475280000	168680000 1508982000	321330676 1623459205	49.37% 9.13%	47.51% 7.05%
Depreciation & asset impairment	-50399194 131082976	299000 289198000	-13227000 446314000	-75129741 250160034	-15.60%	-78.41%
Finance charges	80683782	289497000	433087000	175030293		
Materials and bulk purchases	0 80683782	0 289497000	0 433087000	0 175030293		
Transfers and grants						
Other expenditure						
<b>Total Expenditure Surplus (deficit)</b>						
Transfers recognised – capital Contributions recognised – capital & contributed assets						
<b>Surplus (deficit) after capital transfers &amp; contributions</b>						
Share of surplus (deficit) of associates						

Financial Summary						
Description	2010/11	Current year 2011/12	2011/12 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget
<b>Surplus (deficit) for the year</b>						
<b>Capital expenditure &amp; funds sources</b>	287886097	389198000	640566000	354503404	-9.79%	-80.69%
<b>Capital expenditure</b>	121955775	289198000	446314000	216313179	-33.69%	-106.33%
Transfers	0	0	0	0		
recognised – capital	0	0	0	0		
Public contributions & donations	165930322	100000000	194252000	138190225	27.64%	-40.57%
Borrowing	287886097	389198000	640566000	354503404	-9.79%	-80.69%
Internally generated funds						
<b>Total source of capital funds</b>						
<b>Financial position</b>						
Total current assets	528645260	409473000	409473000	646161938	57.80%	36.63%
Total non- current assets	5648172406	5945284000	6196652000	5829489585	-1.99%	-6.30%
435285053	286485000	286485000	493463098	41.94%	41.94%	
Total current liabilities	415888228	344654000	431503000	476339665	27.65%	9.41%
5325644385	5723617000	5888136000	5505848761	-3.96%	-6.94%	
Total non-current liabilities						
Community wealth/equity						
<b>Cash flows</b>						
Net cash from (used) operating	312839662	423952000	567542000	355908072	-19.12%	-59.46%
Net cash from (used) investing	-44341916	-389198000	-640566000	-403719056	3.60%	3.60%
Net cash from (used) financing	232393808	-19188000	67811000	53843206	64.36%	3.60%
<b>Cash/cash equivalents at the year end</b>	5241310	50780000	28000	11273530	-350.44%	-25.94%
						99.75%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	225234532	67057000	67057000	294081000	77.20%	77.20%
Application of cash and investments	-13476000	-62420000	-62420000	-43852000	-42.34%	-42.34%
<b>Balance – surplus (shortfall)</b>	238711000-	129477000-	129477000-	337933000-	61.69%-	61.69%-
<b>Asset management</b>						



Financial Summary						
Description	2010/11	Current year 2011/12	2011/12 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget
Asset register summary (WDV)	5181102000 176461000	5932919000 119455000	6184287000 119455000	5753604930 2324565420	-3.12% 94.86%	-7.49% 94.86%
Depreciation & asset impairment	95301000	113912000	113912000	96881394	-17.58%	-17.58%
Repairs and maintenance						
<b>Free services</b>						
Cost of free basic services provided	16139113 45824000	15990000 47000000	15990000 47000000	18741578 48573000	14.68% 3.24%	14.68% 3.24%
Revenue cost of free services provided	7691	7691	7691	7691	-	-
<b>Households below minimum service level</b>	10819	10819	10819	10819		-
Water	79761	79761	79761	79761	-	-
Sanitation/sewerage	81997	81997	81997	81997	-	-
Energy					-	-
Refuse					-	-
Variances are calculated by dividing the difference between actual & original /adjustments budget by the actual. Table is aligned to MBRR table 1						

Financial performance of operational services R `000						
Description	2010/11 Actual	2011/12		2011/12 variance		
		Original budget	Adjustment budget	Actual	Original budget	Adjustment budget
Operating cost						
Water	180662	195305	195423	197888	1.32%	1.25%
Waste water (sanitation)	41464 387162	51691 480304	51572 495304	51431 487047	-0.50% 1.38%	-0.27% -1.70%
Electricity	53237	57503	63503	70247	18.14%	9.60%
Waste management	5067	8764	8764	6947	-26.16%	-26.16%
Housing						
Component A: sub- total	667593	793566	814566	813560	2.46%	-0.12%
Waste water (storm water drainage)						
Roads	77611	71702	71702	95913	25.24%	25.24%
Transport						
Component B: sub- total	77611	71702	71702	95913	25.24%	25.24%

Financial performance of operational services						
R `000						
Description	2010/11	2011/12			2011/12 variance	
	Actual	Original budget	Adjustment budget	Actual	Original budget	Adjustment budget
Planning Local Economic Development	30141	41953	41953	31861	-31.68%	-31.68%
Component B: sub-total	30141	41953	41953	31861	-31.68%	-31.68%
Planning (strategic & regulatory) LED						
Component C: Sub-total						
Community & social services	32307	66948	66948	53237	-25.75%	-25.75%
Environmental protection	6286	7933	7933	555	1329.37%	1329.37%
Health	4094	5693	5693	5370	-6.01%	-6.01%
Security & safety	112040	119981	119981	74769	-60.47%	-60.47%
Sport & recreation	171696	103040	107040	135608	24.02%	21.07%
Corporate policy offices & other	272434	264464	273166	412586	35.90%	33.79%
Component D: sub-total	598857	568059	580761	682125	20.08%	14.86%
<b>Total expenditure</b>	<b>1374202</b>	<b>1475280</b>	<b>1508982</b>	<b>1623459</b>	<b>10.04%</b>	<b>7.59%</b>
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

## 5.2 Grants

Grant Performance						
R `000						
Description	2010/11	2011/12			2011/12 variance	
	Actual	Budget	Adjustments budget	Actual	Original budget %	Adjustments budget %
Operating transfers and grants National Government:	358908	365856	365856	365856	0	0
Equitable share Municipal systems improvement	307859	350705	350705	350705	0	0
Department of Water Affairs Finance Management Grant	750	790	790	790	0	0
	14667	13111	13111	13111	0	0
	632	1250	1250	1250	0	0
	35000					

Grant Performance R' 000						
Description	2010/11	2011/12			2011/12 variance	
	Actual	Budget	Adjustments budget	Actual	Original budget %	Adjustments budget %
Public Transport Infrastructure Grant Other transfers/grants (insert description)						
Provincial Government						
Health subsidy Housing Ambulance subsidy Sports & recreation Other transfers/grants (insert description)						
District municipality (Insert description)						
Other grant providers: (Insert description)						
<b>Total operating transfers &amp; grants</b>	<b>358908</b>	<b>365856</b>	<b>365856</b>	<b>365856</b>	<b>0</b>	<b>0</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by actual						
T5.2.1						

### 5.3 Asset Management

Repair and maintenance expenditure 2011/12 R' 000				
	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	113912000	113912000	96881394	-17.58%

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

**5.4 Capital Expenditure and Sources of Finance**

Capital Expenditure – funding sources 2010/11 -2011/12						
R' 000						
Details	2010/11	2011/12				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<i>Source of finance</i>						
External Loans						
Public contributions and donations						
Grants and subsidies	121956	289198	446314	216313	-33.69%	-106.33%
Other	165930	100000	194252	138190	27.64%	-40.57%
<b>Total</b>	<b>287886</b>	<b>389198</b>	<b>640566</b>	<b>354503</b>	<b>-9.79%</b>	<b>-80.69%</b>
<i>Percentage of finance</i>						
External Loans						
Public contributions and donations						
Grants and subsidies	42.36%	74.31%	69.67%	61.02%	-21.78%	-14.18%
Other	57.64%	25.69%	30.33%	38.98%	34.09%	22.19%
<b>Capital Expenditure</b>						
Water and Sanitation	59959	123790	249673	126350	2.03%	-97.60%
Electricity	51788	59700	84068	58652	-1.79%	-30.23%
Housing	0	0	0	0	0	0
Roads and storm water	72818	108444	172857	114099	4.96%	-51.50%
Other	103321	97264	133968	55402	-75.56%	-141.81
<b>Total</b>	<b>287886</b>	<b>389198</b>	<b>640566</b>	<b>354503</b>	<b>-9.79%</b>	<b>-80.69%</b>
<i>Percentage of expenditure</i>						
Water and Sanitation	20.83%	31.81%	38.98%	35.64%	10.75%	-9.37%
Electricity	17.99%	15.34%	13.12%	16.54%	7.26%	20.68%
Housing	0	0	0	0	0	0
Roads and storm water	25.29%	27.86%	26.99%	32.19%	13.45	16.15%
Other	35.89%	24.99%	20.91%	15.63%	-59.88%	-33.78%

**5.5 Capital Spending on 5 Largest Projects**

Capital expenditure of 5 largest projects* R' 000					
Name of project	Current year	Variance current year			
	Original budget	Adjustment budget	Actual expenditure	Original variance (%)	Adjustment variance (%)
Rural household sanitation	20,000,000	24,000,000	8,485,094.71	42%	35%
Sebayeng/Dikgale RWS	20,000,000	24,000,000	14,329,876.69	72%	60%
Badimong RWS	10,000,000	16,099,110	3,665,576.83	37%	23%
Planning MIG water projects	0,000	12,600,000	0,000	0%	0%
Construction of access road SDA 1	2,800,000	12,335,000	9,689,148.63	346%	79%

**Projects with the highest capital expenditure in 11/12**

<b>Name of project</b>	<b>Integrated Rapid Transit (IRT)</b>
Objective of project	Planning of integrated transport for city of polokwane
Delays	Late appointment of consultants for designs
Future challenges	None
Anticipated citizen benefits	Well integrated transport for citizens of Limpopo

<b>Name of project</b>	<b>Sebayeng/Dikgale RWS</b>
Objective of project	Extend bulk water supply to all villages in scheme
Delays	None
Future challenges	None
Anticipated citizen benefits	Un interrupted water supply to Sebayeng/Dikgale area

<b>Name of project</b>	<b>Rural electrification of households as per priority list</b>
Objective of project	Electrification of 2848 rural households
Delays	Delays by ESKOM to energize completed projects
Future challenges	None
Anticipated citizen benefits	2848 Households will be having electricity by end of the project

<b>Name of project</b>	<b>Rehabilitation of roads and upgrading of road signage, Lawton bridge construction Westernburg to Nirvana</b>
Objective of project	To rehabilitate roads that have reach end of their life cycle

Delays	Delays experience during cold seasons, warm temperature is needed when sealing the road
Future challenges	Availability of budget to rehabilitate other roads
Anticipated citizen benefits	Good roads without potholes or structural defects.

Name of project	Lawton bridge construction Westernburg to Nirvana
Objective of project	Construction of bridge linking Westernburg and town
Delays	The road is being constructed over railway line, therefore extra care is needed when working.
Future challenges	None
Anticipated citizen benefits	Citizens will be able to use the shortest route to town

5.6 Basic Service and Infrastructure Backlogs – Overview

Municipal Infrastructure Grant (MIG) *Expenditure 2011/12 on service backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major Conditions applied by donor (continue below if necessary)
				budget	Adjustments budget	
<b>Infrastructure –Road transport</b>				%	%	
Roads, pavements & bridges	81200	82957	51846	-36.15%	-60.01%	
Storm water				%	%	
<b>Infrastructure Electricity</b> –				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street lighting				%	%	
<b>Infrastructure Sanitation</b> –				%	%	
Reticulation	20000	24513	8606	-132.40%	-184.84%	
Sewerage purification				%	%	
<b>Infrastructure other</b> –				%	%	
Waste management				%	%	
Transportation				%	%	
Gas				%	%	
<b>Other Specify</b>				%	%	
<b>Water reticulation</b>	79000	183859	97054	18.60%	-89.44%	
<b>Community halls/market</b>	2407	9798	3294	26.93%	-197.45%	
				%	%	
<b>Total</b>	<b>182607</b>	<b>301127</b>	<b>160800</b>	<b>-13.56%</b>	<b>-87.27%</b>	

**COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**

**5.7 Cash Flow**

Cash Flow Outcomes R' 000				
Description	2010/11	Current Year 2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>Cash Flow From Operating Activities</b>				
<b>Receipts</b>				
Ratepayers and other	970087	1075492	1075492	949491
Government – operating	358909	372087	392263	367485
Government – Capital	131083	289198	446314	250160
Interest	28922	28000	28000	42233
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	-1163088	-1307111	-1340813	-1224034
Finance charges	-13073	-33714	-33714	-29427
Transfers and grants	0			
<b>Net Cash From (Used) operating activities</b>	<b>312840</b>	<b>423952</b>	<b>567542</b>	<b>355908</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	1847			
Decrease (increase) in non-current debtors	2690			13599
Decrease (increase) other non-current receivables	-160993			-59000
Decrease (increase) in non-current investments	-287886	-389198	-640566	-3815
<b>Payments</b>				
Capital Assets				-354503
<b>Net Cash From (Used) investing activities</b>	<b>-444342</b>	<b>-389198</b>	<b>-640566</b>	<b>-403719</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/ refinancing	226634		86849	49367
Increase (decrease) in consumer deposits	5760	5000	5150	4476
<b>Payments</b>				
Repayment of borrowing		-24188	-24188	
<b>Net Cash From (Used) financing activities</b>	<b>232394</b>	<b>-19188</b>	<b>67811</b>	<b>53843</b>
<b>Net Increase/(Decrease) in cash</b>	<b>100892</b>	<b>15566</b>	<b>-5213</b>	<b>6032</b>
Cash/cash equivalents at the year begin	-95650	35214	5241	5241
Cash/cash equivalents at the year end	5241	50780	28	11274



**5.8 Borrowing and Investments**

<b>Actual Borrowings 2009/10 – 2011/12</b>			
<b>R' 000</b>			
<b>Instrument</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Municipality</b>			
Long –term loans (annuity/reducing balance)	50000	280277	333879
Long-term loans (non-annuity)			
Local registered stock	782	782	517
Installment Credit			
Financial leases			
PPP liabilities			
Finance Granted by Cap Equipment Supplier			
Marketable Bonds			
Non-marketable bonds			
Bankers acceptances			
Financial derivatives			
Other securities			
<b>Municipality Total</b>	<b>50782</b>	<b>281059</b>	<b>334396</b>

<b>Municipal and Entity investments</b>			
<b>R' 000</b>			
<b>Municipality</b>			
Securities – National Government			
Listed Corporate Bonds			
Deposits –bank	<b>59000</b>	<b>219993</b>	<b>223808</b>
Deposits public investment commissioners			
Deposits- corporation for public deposits			
Bankers acceptance certificates			
Negotiable certificates of deposit – banks			
Guaranteed endowment policies (sinking)			
Repurchase agreements – banks			
Municipal bonds			
Investment in municipal entity	<b>8217</b>	<b>8217</b>	<b>8217</b>
<b>Municipality sub-total</b>	<b>67217</b>	<b>228210</b>	<b>291025</b>

**CHAPTER 6:**

**AUDITOR GENERAL AUDIT FINDINGS**

**COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS 2010/11**

**6.1 Auditor-General Report 2010/11**

The Auditor-General (AG) issued a **qualified opinion** after auditing the 2010/11 financial statements of the Municipality. The basis for the opinion was on investment property; property, plant and equipment; and consumer debtors. With regard to predetermined objectives, the AG raised concerns on the reliability of performance information. There was also a finding raised with regard to the Municipality's to enter into a service delivery agreement with its municipal entity, Thabatshweu Housing Company (pty) Ltd.

It was indicated in the AG's report that the Municipality did not comply with laws and regulations pertaining to:

- Strategic planning and performance management;
- Budgets;
- The preparation of annual financial statements, performance and annual reports;
- Procurement and contract management;
- Expenditure management; and
- Asset management

**COMPONENT B: AUDITOR-GENERAL OPINION ON 2011/12**

**6.2 Auditor General Report 2011/12**

The Auditor-General audited the 2011/12 financial statements of the Municipality, but could not express an opinion as a result of lack of sufficient appropriate audit evidence. The AG's report (attached as Appendix A) locates the basis for the disclaimer of opinion on the financial statements on:

- Property, plant and equipment;
- Revenue;
- Trade and other receivables from exchange transactions;
- Employee cost;
- Cash and cash equivalents;
- Trade and other payables from exchange transactions;
- Value added Tax (VAT);
- Prior period errors;
- Irregular expenditure; and
- Cash flow statement.

### **6.3 An Assessment by the Accounting Officer**

Section 121 of the Local Government: Municipal Finance Management Act, 56 of 2003; requires the accounting officer of a municipality to conduct an assessment on:

- Municipal taxes and service charges;
- The municipality's performance against the measurable objectives in the municipality's approved budget;

The accounting officer's assessment on municipal taxes and service charges as well as an assessment on the municipality's performance against measurable objectives in the approved budget are as contained in the 2011/12 audited financial statements. The Municipality has further developed and adopted an action plan with corrective measures and targets on how to address the issues raised in the Auditor-General's audit report. The action plan is adopted as an annexure to this annual report and progress on the implementation of the action plan will be traced through the approved system of in-year reporting.

**APPENDICES:**

APPENDIX A: Auditor General Report 2011/12

APPENDIX B: Annual Financial Statements

APPENDIX C: Third Tier Administrative Structure

APPENDIX D: Recommendations of the Municipal Audit Committee 2011/12

APPENDIX E: Long Term Contracts

APPENDIX F: Disclosures of Financial Interests

APPENDIX G: Conditional Grants Received – Excluding MIG

APPENDIX H: Declaration of Loans and Grants made by the Municipality