



# **MOPANI DISTRICT MUNICIPALITY HALF YEARLY REPORT 2008/09**



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## **CHAPTER ONE: INTRODUCTION AND OVERVIEW**

### **EXECUTIVE MAYORS FOREWORD**

In our annual report we have made an indication of how the system in the District Municipality is gradually reaching its peak. During the first six months of our financial year 2008/9, we have achieved some of the things that have eluded us for many years, thanks to the early completion of our audit by the Auditor General's Office. This aspect gives our administration a clear picture of where the grey areas and the opportunity to correct them whilst they still have time.

It is well known fact that as the district municipality we have during our previous years indicated our ambition to improve the welfare of our communities and we believe that this report begins to reflect some of the issues that we have made some enroutes into with a hope of implementing the final products. One such activity is the development of the Fresh Produce Market whereby our subsistence farmers, commercial farmers, retailers and other stakeholders stand to benefit once this has been finalised. With the programme having produced the market study that seeks to demonstrate the economic opportunities of the project and highlighting key strategic partners, this is but one of the projects our people will not afford to miss. In the main once we have concluded the establishment process, the project has a good potential of reducing the unemployment rate within the district. Our appreciation goes to the administration that has responded to the call by Council to find ways and means to improve the socio-economic status of our people.

Once more we would like to invite everyone to go through our report with a view to add value since we are still building an institution which everyone will sincerely be proud of. As you go through the report, you should also be mindful of the monitoring and evaluation that has been provided by our performance management system which in return assist Council to determine areas of excellence and those that require urgent attention.



## **REPORT BY THE MUNICIPAL MANAGER**

One of the objects of local government as enshrined in the Constitution of the Republic is to provide democratic and accountable government for local communities. As Mopani District Municipality we have lived up to the Constitutional provisions. Our major priorities for the 2008/9 financial year were to work on the following key areas: improving the systems of the municipalities, improve on our project management, work on the financial viability and accelerating service delivery. All of this talks directly to the key performance areas which also informs the service delivery budget and implementation plan as well as the performance contracts of the Accounting Officer and the other section 57 managers of the municipality.

Following a thorough assessment process which started early in January 2009, we were able to identify areas of performance and non performance so that we are able to put in place some measures to correct them. In this regard, we believe that the performance of the municipality is a fair reflection of what happened during the first six months.

During the period in review, we were able as a municipality to develop and review a number of critical policies. Amongst the policies we can give reference to the delegation system that we had in the past but had some gaps which made our administrative system not to function very well. We also managed to come up with the anti-corruption policy which is also supplemented by our strategic risk management strategy which was not in place previously.

On the other hand, we also managed to fill most critical positions such as the ones in the Budget and Treasury Office so as to ensure that the segregation of duties is achieved in order to strengthen our ability to achieve a clean audit report. This is one great achievement that we believe will add some value towards organisational excellence. Since the establishment of the municipality, we never had a fully fledged Internal Audit Unit with personnel but we are very proud to confirm that we now have a fully fledged Internal Audit Unit which has already started showing some serious impact on the work we do even within the one month they have been with the municipality.



As we present the performance report of the municipality, we would like to indicate that all the projects and programmes highlighted in yellow, green and red colours, they are the main areas of concern to us because our target in terms of performance is exceptional performance which we hope that it will enhance our goal to be the best performing district municipality country-wide come the 2009 Vuna Awards. We also want to take pride of our achievement in the 2008 National Vuna Awards whereby we have been declared National Champions on the Local Economic Development and for that we would like to thank all our municipalities, sector departments for the contribution they continue to make and a specific words of appreciation to both the Department of Local Government and Housing and the Office of the Premier for the support they gave us throughout. Our improved performance would be so visible if it was not for the contribution and support we continue to receive and what we would like to indicate is that given the resources, we are still going to do well.



## **CHAPTER TWO          PERFORMANCE HIGHLIGHTS PER KPA**

The focus of the report is going to be on the five key performance areas as per five year local government strategic agenda which are municipal transformation and organisational development, basic service delivery, local economic development, municipal financial viability and management and good governance and public participation.

## 2.1.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 2 <sup>nd</sup> QUARTER	VARIANCES	KEY CHALLENGES
<b>1.</b>	<b>Organisational Design and Human Resource Capacity</b>				
1.2	Filling of all vacant section 57 managers posts	Section 57 posts filled	<i>All section 57 managers appointed</i>	None	None
1.3	Signing of employment contracts by all Section 57 managers for the 2008/09 fy	Signing of performance contracts by section 57 managers	<i>All section 57 contracts signed and are submitted.</i>	None	None
1.4	Review of the organogram of the municipality to ensure alignment with the IDP/ Budget	Increase the capacity of the municipality	<i>Currently 159 posts out of 283 have been filled</i>	None	None
1.5	Completion of the placement of staff in terms of Section 78 of the Municipal Systems Act (2000)	Placement of all identified as a result of section 78 process.	<i>There are processes on the go to respond to the provision of the section 78.</i>	None	None
<b>2.</b>	<b>Employment Equity</b>			None	None
2.1	Employment Equity Plan in place	Conduct an evaluation of employment targets and review the Employment Equity	<i>Two female section 57 managers appointed. Other categories have also been catered for.</i>	None	None
2.2	Number of Women representation in Section 57 Managers	Increase the number of women managers in the municipality.	<i>Two women section 57 managers appointed</i>	None	None
2.3	Total number of woman employed by the municipality against total staff	Improve the gender balance in the entire municipality	<i>There are currently 80 women employed out of 148 total staff.</i>	None	None
2.4	Total number of disable staff in management level	Appoint people with disability in senior	<i>There is currently one disabled person though not</i>	None	None

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 2 <sup>nd</sup> QUARTER	VARIANCES	KEY CHALLENGES
		positions	as section manager		
<b>3.</b>	<b>Skills Development</b>				
3.1	Work Place Skills Development Plan submitted to LGSETA	Implement training programmes for councilors; officials and traditional leaders.	<i>Currently all councilors and traditional leaders have been taken for leadership courses under the auspices of logola.</i>	None	None
3.2	Section 57 Managers development program	Implement a development programme to capacitate section 57 managers	<i>Section 57 managers have undergone leadership</i>	None	None
3.3	Skill Levy Rebate	Verify and assess the levy received by the municipality.	<i>The municipalities have not as yet received levy in the quarter under review.</i>	None	None
<b>4.</b>	<b>Integrated Development Planning</b>				
4.1	Appointment of IDP officers			None	None
4.2	2008/09- 2012/13 IDP Approved	IDP development	<i>Projects for MTEF identified as captured in the IDP.</i>	None	None
4.3	Core sector plan included in the IDP (Spatial Development Framework, Disaster Management, MTIEF; Environmental Management Plans etc)	Compliance with the legislation	<i>Core sector plans developed and captured in the IDP</i>	None	None
<b>5.</b>	<b>Functionality of the Performance Management System in compliance with Chapter of 6 of the MSA</b>	<b>Compliance with the legislation</b>	<b><i>The system is developed and implemented</i></b>	None	None
5.1	Approved PMS policy and implementation framework in place	Review of PMS policy and frame work	<i>Policy and framework approved by council</i>	None	None



NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 2 <sup>nd</sup> QUARTER	VARIANCES	KEY CHALLENGES
5.2	Conducting of institutional performance review on periodic basis	Compliance with guidelines on implementation	<i>Corporate performance reports are prepared on quarterly basis</i>	None	None
5.3	Conducting of individual performance review on a periodic basis	Section 57 managers and down shop floor	<i>Assessment tools developed to embark on individual assessments.</i>	None	None
5.4	Compliance with the Performance Regulation on Section 57 managers	Compliance with the regulation	<i>Signed Performance agreements and contracts. Assessments done.</i>	None	None

**Table 1.1 SUMMARY OF THE EXPERTISE AND QUALIFICATIONS OF SECTION 57 MANAGERS**

Position	Requisite Skills (as outlined in the Section 57 Regulations )	Incumbent Skills	Incumbent's Qualifications	Gaps Identified	Proposed training and support measures
Municipal Manager	Strategic Capability, Performance management, Programme & Project management, People and Diversity Management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Mediation & Conflict Management, Partnership and Stakeholder management, Accountability and ethical conduct, Communication, Client Management, Supply Chain Management, Service Delivery Innovation, Knowledge and Change Management.	Strategic Capability, Performance management, Programme & Project management, People and Diversity Management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Mediation & Conflict Management, Partnership and Stakeholder management, Accountability and ethical conduct, Communication, Client Management, Supply Chain Management, Service Delivery Innovation, Knowledge and Change Management.	BADMIN. DIPLOMA IN FINANCIAL MANAGEMENT; EXECUTIVE LEADERSHIP MANAGEMENT AND DEVELOPMENT PROGRAMME; ACCELERATED DIRECTORSHIP PROGRAMME AND MASTER IN PUBLIC ADMINISTRATION	None	Leadership programme

Position	Requisite Skills (as outlined in the Section 57 Regulations )	Incumbent Skills	Incumbent's Qualifications	Gaps Identified	Proposed training and support measures
Chief Financial Officer	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Intermediate Degree Qualifications in Commerce, Bookkeeping and Business Administration	Strategic Management	Executive Leadership Programme
Director Technical	Strategic Capability, Performance management, Programme & Project management, People and Diversity Management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Mediation & Conflict Management, Partnership and Stakeholder management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct,	N2 in Water Purification, National Diploma Water Care, Diploma in Development Leadership and Management	Project Management; Strategic Management	Executive Leadership Programme; Advanced Project Management

Position	Requisite Skills (as outlined in the Section 57 Regulations )	Incumbent Skills	Incumbent's Qualifications	Gaps Identified	Proposed training and support measures
	Client Management, Supply Chain Management, Service Delivery Innovation, Knowledge and Change Management.	Communication,			
Director Community	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Management Training Programme, Primary Health Care, Master of Education	Strategic Management.	Executive Leadership Programme
Director Planning	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving &	Bachelor of Arts, Bachelor of Education, Master of Education	Strategic Management; Development Economics.	Executive Leadership Programme; Development Economics.

Position	Requisite Skills (as outlined in the Section 57 Regulations )	Incumbent Skills	Incumbent's Qualifications	Gaps Identified	Proposed training and support measures
	Management, Accountability and ethical conduct, Communication,	Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,			
Director Corporate Services	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	BAdmin	Financial Management, Supply Chain Management, Project Management and strategic management	Financial Management, Project management and supply chain management.

## 2.1.2 BASIC SERVICE DELIVERY

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1st QUARTER	VARIANCES	KEY CHALLENGES
<b>1.</b>	<b>Water Services</b>				
1.1	Free Basic Water Services	Provide free basic to 96876 people	There is a provision of free basic water to the mentioned people above	None	Funding is not enough
1.2	All communities have access to clean water and decent sanitation by 2010	Adhere to the national target of 2010	The municipalities are able to ensure the supply of sanitation and clean water to people with the 2008/9 allocation	The backlog is still huge	Funding is not enough
1.3	Verification of municipal backlog	Conduct a verification backlog	The backlog verification was conducted with the assistance of Dwaf for proper allocation and response.	None	Funding for implementation
1.4	Water and sanitation at all schools	Supply water and sanitation to all schools	All schools are serviced with water and sanitation through the interaction of affected sector departments. (Dwaf/education).	None	None
1.5	Water and sanitation at all clinics	Supply water and sanitation	All clinics are serviced with water and sanitation through the interaction of affected sector departments. (dwaf/health)	None	None
1.6	Reduction of unaccounted for water	Develop maintenance plan for water infrastructure and demand management	Engagements have been on the go with Dwaf to start the water demand management process.	Plan to be adopted.	
<b>2.</b>	<b>Electricity</b>				
2.1	Access to Free Basic Electricity	Assess and update the data of beneficiaries for free basic electricity	<i>Register developed and people connect tokens at identified vendors.</i>	The regular update of indigent register	Funding is not enough
2.2	New electricity connections	Assist municipalities in soliciting funding for new connections	<i>The locals were able to make new connections to the sites previously not attended.</i>		Funding to address the new developments.

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1st QUARTER	VARIANCES	KEY CHALLENGES
2.3	National Target : Electricity for all by 2012	Adherence to national target	<i>There have been regular interactions with locals to verify and update backlog so as to meet the targets.</i>	Small percentage of backlogs	Funding for implementation
<b>3.</b>	<b>Waste Removal</b>				
3.1	Waste Removal Policy	Support locals in developing systems	<i>Assisted locals to perform on their mandates</i>	Disposal sites	Funding and land
3.2	Waste Removal Strategy	Support locals in developing systems	<i>Assisted locals to perform on their mandates</i>	Strategy to be rolled out	None
<b>4.</b>	<b>Roads and storm water</b>	<b>Develop a maintenance plan for road networks and storm water drainage</b>	<b><i>Total value of roads and storm water for 2008/9. The maintenance plan for each road is developed as a package with Business plan for each road.</i></b>		
4.1	Roads Infrastructure Strategy	Develop and implement roads infrastructure plan	<i>23% progress of planned roads infrastructure has been recorded.</i>	None	None
4.2	New roads planned	Confirm all municipal roads and cost them	<i>To assist municipalities in addressing the new roads infrastructure.</i>	None	None
4.3	Maintenance and Rehabilitation of roads and storm water drainage	Develop a maintenance plan for road networks	<i>Maintenance plan for all roads and storm water drainage done for 2008/9.</i>	Adoption	None
<b>5.</b>	<b>Indigent Policy Implementation Framework</b>	<b>Compliance with the policy</b>	<b>Indigent policy and framework developed</b>		
5.1	Development of indigent policies in municipalities	Review indigent policy	<i>Indigent policies are available in all the locals.</i>	None	None
5.2	Development of indigent registers	Update indigent register	Indigent registers developed in all the locals	None	Regular validation of the register
<b>6.</b>	<b>Municipal Infrastructure Grant</b>	<b>Review and implement corrective measures on the management of MIG</b>	<b>District office has well managed the MIG allocation</b>		<b>Expenditure by locals on MIG</b>

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1st QUARTER	VARIANCES	KEY CHALLENGES
			<b>on behalf of locals</b>		
6.1	Development of Municipal Infrastructure Investment Framework Strategy	Adherence to Municipal Infrastructure Investment Frame work	Strategy developed and awaiting approval by council	None	None
6.2	Development of Land Use Management Planning system	Develop land use management system	<i>Draft LUMS in place in all the locals inclusive of the district</i>	LUMS to still be approved by council.	
6.3	Improving expenditure on MIG	Ensure compliance with provisions of MIG allocation	<i>Locals were assisted in the management of MIG allocation and expenditure.</i>	MIG expenditure has improved	Spending on the allocation
6.4	Alignment of MIG with EPWP	Ensure that projects implemented through EPWP are registered with relevant sector department	<i>Relevant stakeholders will be engaged to ensure compliance</i>	None	None
<b>7.</b>	<b>Municipal Housing Plan &amp; strategy implementation</b>				
7.1	Municipal Housing Plan	Develop municipal housing plan	<i>The department has been engaged to assist the in the development process of the housing plan.</i>	Not approved	The development of housing chapter.
7.2	Housing Beneficiary List	Identify and register beneficiaries for housing	<i>No progress has been done pending the other processes</i>	None	None



**Table 2.2 MIG EXPENDITURE AND DELIVERABLES**

<b>Project / Initiative</b>	<b>08/09 Budget</b>	<b>Actual Expenditure</b>	<b>% of Total Allocation</b>	<b>Remaining Budget</b>	<b>Projected Exp by June 2009</b>	<b>Key Milestones/ Outputs achieved</b>
Thabina RWS	10,000,000.00	9,196,016.60	92%	803,983.40	803,983.40	99%
Maruleng Central Bulk	5,200,000.00	3,624,989.49	69%	1,575,010.51	1,575,010.51	85%
Mametja Sekororo RWS	18,998,892.00	13,029,353.91	68%	5,969,538.09	5,969,538.09	56%
Extension to Modjadji Water Works	5, 000, 000.00	R 7,785,078.97	155%	-R 2,899,239.0		70%
Giyani Sewage Works Phase III	2,992,114.82	R 1,171,034.08	39%	R 2,102,000.9	R 2,102,000.9	5%
Extension to Middle Letaba Water Works	R1,500, 000	R 7,454,607.72	496%	-R 2,699,607.42		62%
Middle Letaba Mamaila/Soetfontein RWS	10,000,000.00	R 15,122,435.00	151%	-R 5,122,435.0		93%
Mopani Rural Household Sanitation	70,000,000.00	51, 651, 034.20	73%	18, 348, 965.80	18, 348, 965.80	45%
Water Reticulation to villages in GGM: Extensions and upgrading	7,000,000.00	1, 280, 031.74	18%	5, 719, 968.26	5, 719, 968.26	85%
<b>TOTAL</b>	<b>155,323,750.00</b>	<b>137' 053' 295.40</b>	<b>88%</b>	<b>18' 270' 454.62</b>	<b>18' 270' 454.62</b>	<b>88%</b>

**Table 2.3 EXTENDED PUBLIC WORKS PROGRAMME**

EPWP PROJECTS	2008/09 BUDGET ALLOCATION	EXPENDITURE TRENDS				NUMBER OF JOB CREATED AGAINST PLANNED TARGETS
		ACTUAL SPENT	% OF TOTAL ALLOCATION	REMAINING BUDGET ALLOCATION	PROJECTED EXPENDITURE BY JUNE 2009	
Modjadji Outfall Sewer	R4, 333,376	R2, 621, 354.69	60%	R1,712,021.31	R1,712,021.31	5,981
Modjadji Sewer Reticulation	R12, 000, 000	R15, 339, 055.77	127%	-R3,339,055.77		6,145
Thabina RWS Bulk Water Supply	R21,127,679	R18, 730, 254.05	88%	R2,397,425.00	R2,397,425.00	8,549
Lulekani RDP Houses	R907 981.00	R907, 981.00	15%	R0.00	R0.00	3,478
Namakgale D Sewer &Water Reticulation	R1,586,489	R1, 586, 489.00	100%	R0.00	R0.00	6,138
Water Reticulation in Various Villages	R7, 000, 000	R5, 405, 044.00	77%	R1,594, 956.00	R1,594, 956.00	4,988
Benfarm - Lulekani road	R4,200,000	R4,200,000	100%	R0.00	R0.00	8,008
Kgapane WTP, Pump Station and Outfall	R10, 000, 000	R9, 908, 541.07	99%	R91,458.93	R91,458.93	5,981

### 2.1.3 LOCAL ECONOMIC DEVELOPMENT

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1st QUARTER	VARIANCES	KEY CHALLENGES
<b>1.</b>	<b>LED STRATEGY</b>				
1.1	Alignment of the District LED strategy with Local Municipalities LED Strategies	<i><b>Develop an LED integrated implementation plan</b></i>	<i><b>The alignment is done through IDP regular interaction with locals</b></i>	None	None
1.2	Alignment of LED Strategy with PGDS, EPWP, ASIGISA; PPP; NSDP;	Ensure alignment and integrated implementation	Alignment has been done on the indicated strategic programmes	None	None
1.3	Implementation of District LED Summit Action Plan	Summit resolutions implemented	Summit resolutions are implemented	None	Funding for the fresh produce market
1.4	Functionality of LED District Forum	Establishment of LED forum	LED forum is established and functional	None	None
1.4	LED units	Establishment of the unit	LED unit is currently awaiting appointment of two officers. Recruitment process is at an advanced stage and appointments will be made soon.	None	None
1.5	LED job creation initiatives	Creation of jobs	9 jobs created through Moshupatsela	None	None

#### 2.1.4 MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1 <sup>st</sup> QUARTER	VARIANCES	KEY CHALLENGES
<b>1.</b>	<b>MFMA Institutional compliance</b>				
1.1	Budget and Treasury Office	Compliance to MFMA	<i>Section 71 reports are produced monthly and read with financial statements.</i>	None	None
1.2	MFMA implementation, monitoring and compliance plan	Compliance to MFMA	Implementation, monitoring and compliance plan developed. Progress reports submitted to council.	None	None
1.3	Audit Committee in place	Support and sustain the Audit Committee	<i>Audit committee operating as a shared service district wide. They have prepared their half yearly report to council since appointed.</i>	None	None
1.4	Internal Audit Unit in place	Establish Internal Audit Unit	<i>The Internal Audit unit is established and manned by 5 people.</i>	None	None
<b>2.</b>	<b>Implementation of financial systems, policies, and controls and regulations</b>				
2.1	Fraud Prevention and Anti Corruption mechanism and strategies	Implementation of the strategy	<i>Anti-corruption strategy in place still to be internalized</i>	None	None
2.2	Delegation of financial powers and functions	Compliance	<i>Delegation system developed and approved by council</i>	None	None
2.3	Supply Chain Management policy	Compliance	<i>Policy in place and implemented. The three bid committees also in place and perform as per the guidelines. Namely: Bid specification; evaluation and adjudication.</i>	None	None

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1 <sup>st</sup> QUARTER	VARIANCES	KEY CHALLENGES
2.4	BEE scorecards	Conduct w/shop on the BEE scorecards and develop them	<i>BEE scorecard developed.</i>		Affirming of the vulnerable group or people living with disability.
2.5	Credit control and debt Policy	Review of credit control and debt policy	<i>Plans are in place to develop revenue enhancement strategy</i>	None	None
2.6	Revenue collection strategies & targets for cost recovery	Develop revenue collection models	<i>Revenue collection strategy still to be developed for council to approve.</i>	Approval	None
2.7	Implementation of valuation rolls	To assist the locals in the implementation	<i>Programmes developed to assist the locals.</i>	None	None
2.8	Improvement of billing strategies and systems	To assist locals in the implementation	<i>Programmes developed to assist the locals.</i>	None	None
2.9	Compliance with accounting standards and systems	Conduct assessment and review the current accounting systems.	<i>Plans are in place to improve the accounting systems in the municipality.</i>	Full utilisation	Funding for correcting gaps
<b>3.</b>	<b>Budget and Expenditure Management</b>				
3.1	Preparation, and adoption of budget in compliance with MFMA	Develop a budget process	<i>There is an IDP/Budget/PMS process plan develop to augment the budget process in response to alignment matters. This also helps on matters of compliance.</i>	None	None
3.2	Monthly and Quarterly Financial Reports	Compliance to MFMA	<i>Section 71 reports produced monthly and on quarterly basis.</i>	None	None
3.3	Financial Statements	Compliance to MFMA	<i>Financial statements produced on monthly basis and opened for management scrutiny before engaging council committees.</i>	None	None
3.4	Implementation Plan to address audit reports of the Auditor General	Compile and submit reports to Auditor General	<i>Internal control and improvements measures are developed to address audit reports from Auditor General.</i>	None	None

### 2.1.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1 <sup>st</sup> QUARTER	VARIANCES	KEY CHALLENGES
<b>1.</b>	<b>Running of municipal council</b>				
1.1	Ordinary and special Council sitting	Develop a schedule of Council meetings	<i>Corporate diary developed and all council activities captured and followed as per the itinerary.</i>	None	None
1.2	Functionality of Mayoral committee & portfolio committee	Develop a schedule of Mayoral/Portfolio committee meetings	<i>Corporate diary developed which captures all council activities and it is adhered to as such.</i>	None	None
1.3	By-Laws, Policies and Strategy approval	Develop and conduct public hearings on all outstanding by-laws	<i>All the developed by-laws were taken out for public participation and similar approach will be adopted with all those outstanding once the process is activated.</i>	Only five by-laws outstanding for promulgation.	Promulgation
1.4	Conducting of by-laws in compliance with Municipal Electoral Act 2002	Submit by-laws for promulgation	<i>The developed by-laws have been promulgated and the outstanding ones will take same direction.</i>	Only five by-laws outstanding for promulgation.	Promulgation
<b>2.</b>	<b>Public Participation, Ward Committees</b>				
2.1	Establishment and Functionality of Wards committees	Support to local municipalities ward committees and the District ward committee forum	<b><i>District Ward Committee forum established. Developed a schedule of meetings. Support is given to local municipalities and Speaker's forum.</i></b>	None	None
2.2	Budget and administrative support for ward committee	Implement training programmes to all ward committees	<i>Ward Committees district wide are budgeted for as support. Training programme still to be developed for all ward committees.</i>	Some municipalities have already started with training programmes for their ward	Funding

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1 <sup>st</sup> QUARTER	VARIANCES	KEY CHALLENGES
				committees. E.g. GLM.	
2.3	Ward IDP Plan	Develop a ward process plan for IDP	<i>The development of ward IDP is catered for in the activity plan for PMS development in all municipalities.</i>	Locals will also develop their plans to augment.	None
2.4	Involvement of CDW	Involvement/Support to CDW	<i>CDW's involved at local municipal level and they report to Mayors' offices</i>	None	None
<b>3.</b>	<b>Corporate Governance</b>				
3.1	Implementation of Communication Policies and Strategies			Review of the policies	Lack of internal capacity
3.1.1	Communication Strategy	Develop a district wide communication strategy	<i>Strategy developed district wide and all locals participate in it.</i>	Review of the policies	Lack of internal capacity
3.1.2	Communication unit	Ensure establishment of communication unit	<i>There are posts advertised to resource the communication unit which will coordinate district wide activities.</i>	The unit is not yet staffed.	Qualified personnel
3.1.3	Community satisfaction surveys	Develop survey strategy	<i>Two municipalities will benefit from service provider appointed by DLGH to assist in the development of survey strategy.</i>	Development of the survey questionnaires	Lack of internal capacity
3.1.4	Functional complaint management systems	Develop and review an effective and efficient complaint management system.	<i>There is currently no effective complaint system in place. However, the system will be developed as part</i>	Not in place.	Lack of internal capacity
3.2	Municipal Information Technology	Conduct an assessment on the current information technology	<i>The municipality has plans to have the system up and running.</i>	None	None
3.2.1	Municipal Information Masters Systems Plan	Compile a Municipal Information Management System Plan	<i>The system now needs to be fully employed.</i>	None	None
3.2.2	Municipal website functional and updated	Updating of municipal website	<i>Website functional and updated</i>	Not updated	Lack of internal capacity

NO	PLANNED INTERVENTIONS	2008/09 TARGETS	PROGRESS MADE BY 1 <sup>st</sup> QUARTER	VARIANCES	KEY CHALLENGES
3.2.3	Provision of municipal services via electronic communication	Investigate the options and possibilities for providing municipal services via electronic communication.	<i>The municipality will still take the process further to eventuate in having a response to communication methods.</i>	Not updated	Lack of internal capacity
<b>4.</b>	<b>Fraud and Anti Corruption Implementation</b>				
4.1	District Fraud Prevention and Anti-Corruption Strategies and mechanism	Establish a shared anti-corruption forum	<i>Anti-corruption Strategy developed and approved by council.</i>	None	None



## SECTION B.2: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN PROGRESS REPORT

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
Finance	Computers	New computers for identified staff members	1	01-Jan-09	31-Jan-09						
Finance	Furniture	Furniture for new Fire Station and new staff	2	01-Dec-08	31-Dec-08						220 095
Finance	Safe	Safe to secure petty cash and financial records	3	01-May-09	31-May-09						
Finance	Switches	Switches purchased for IT network	4	01-Nov-08	30-Nov-08					135 125	135 125
										<b>135 125</b>	<b>355 220</b>
LED	Greater Giyani Natural Resource Development Programme (GGNRDP)	Equipment fro Bee-keeping and Mopani Worm projects	5	01-Sep-08	30-Sep-09			150 000	150 000	150 000	150 000
LED	Moshupatsela Programme	Needed Equipment for Moshupatsela Farm purchased	6	01-Jul-08	30-Jun-09	266 667	533 333	800 000	1 066 667	1 333 333	1 600 000
<b>TOTAL</b>						<b>266 667</b>	<b>533 333</b>	<b>950 000</b>	<b>1 216 667</b>	<b>1 483 333</b>	<b>1 750 000</b>
Technical	Extension to Mopani Municipal Offices	Mopani Municipal Offices completed	7	01-Jul-08	30-Jun-09		2 083 333	4 166 667	6 250 000	9 250 000	11 333 333
Technical	Kgapane Stadium	Planning, design, tender	8	01-Jul-08	30-Jun-09			151 000	303 000	303 000	303 000
Technical	Lenyenye Stadium	Planning, design, tender	9	01-Jul-08	30-Jun-09			151 000	303 000	303 000	303 000

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
Technical	Namakgale Stadium	Review designs, tender, appointment of SP, upgrading commenced	10	01-Jul-08	31-May-09		550 000		940 000	1 162 857	1 385 714
Technical	Maruleng Fire Station	Completion of construction of a fire station	11	01-Jul-08	31-Jan-09					660 000	660 000
Technical	Disaster Management Centre	Augment Disaster Management Centre to include Fires Station in Tzaneen	12	01-Jul-08	31-Jan-09				1 000 000	3 000 000	3 000 000
<b>TOTAL</b>							<b>2 633 333</b>	<b>4 468 667</b>	<b>8 796 000</b>	<b>14 678 857</b>	<b>16 985 047</b>
Water and Sanitation	Thabina RWS	Designs finalised. Construction of pipeline completed	13	01-Jul-08	30-Jun-09	750 000	2 750 000	3 475 000	4 200 000	4 925 000	5 650 000
Water and Sanitation	Maruleng Central Bulk	Reticulation network construction continued	14	01-Jul-08	31-Mar-09	1 500 000	1 962 500	2 425 000	2 887 500	3 350 000	3 812 500
Water and Sanitation	Modjadji Outfall Sewer	Sewerage bulk connector completed	15	01-Jul-08	30-Jun-09			362 000	1 369 000	1 731 000	2 093 000
Water and Sanitation	Modjadji Sewer Reticulation	Sewer reticulation for eradication of semi bucket system	16	01-Jul-08	30-Jun-09		4 500 000	5 000 000	6 500 000	8 000 000	9 500 000
Water and Sanitation	Water Reticulation to villages in GGM: Extensions and upgrading	Reservoir, bulk supply and metered household reticulation	17	01-Jul-08	30-Jun-09	787 500		1 408 750	2 030 000	2 651 250	3 272 500

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
Water and Sanitation	Upgrading of Kgapane Sewage Plant and Modjadjiskloof Outfall Sewer	Kgapane Sewage Plant and Modjadjiskloof Outfall Sewer constructed	18	01-Jul-08	30-Jun-09	2 148 465	4 296 930	6 445 395	8 593 860	10 742 325	12 890 790
Water and Sanitation	Mopani Rural Household Sanitation	14,000 VIP toilets constructed	19	01-Jul-08	30-Jun-09	5 800 000	11 600 000	17 400 000	23 200 000	29 000 000	34 800 000
Water and Sanitation	Mametja Sekororo RWS	Bulk supply line constructed	20	01-Jul-08	30-Jun-09	1 583 080	3 166 160	4 749 240	6 332 320	7 915 400	9 498 480
Water and Sanitation	Sekgosesa Ground Water Development Water Scheme (Township Connection)	Sekgosesa Ground Water Development Water Scheme - pipelines and ground water development	21	01-Jul-08	30-Jun-09			431 250	862 500	1 293 750	1 725 000
Water and Sanitation	Lenyenye Sewage Works (Plant and Outfall Sewer)	Sewage works constructed in Lenyenye	22	01-Jul-08	30-Jun-09			221 361	442 722	664 083	885 444
Water and Sanitation	Extension and Upgrading of Giyani Water Works	Planning, design, tender	23	01-Jul-08	30-Jun-09			194 250	388 500	582 750	777 000
Water and Sanitation	Boyelang Water Supply and Reticulation	Planning, design, tender	24	01-Jul-08	30-Jun-09	145 278	290 556	435 834	581 112.00	581 112.00	581 112.00
Water and Sanitation	Giyani System N (Mapuve) and Bulk Supply Main to Siyandani	Planning, design, tender and construction of bulk supply	25	01-Jul-08	30-Jun-09			199 500	399 000	598 500	798 000

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
Water and Sanitation	Sefotse to Ditshosine/Ramahl atshi Bulk Line and Reticulation	Planning, design, tender and construction of bulk supply	26	01-Jul-08	30-Jun-09			346 500	693 000	1 039 500	1 386 000
Water and Sanitation	LP002 Tours Bulk Water Scheme(Upgrading of pump station and reservoirs Linking Lephepane	Planning, design, tender	27	01-Jul-08	30-Jun-09			350 000	446 250	542 500	638 750
Water and Sanitation	LP149 Ritavi RWS (Upgrading and Extension to Existing Plant, raising weir, additional pump mains)	Planning, design, tender and construction of bulk supply	28	01-Jul-08	30-Jun-09			315 000	455 000	595 000	735 000
Water and Sanitation	Jopie - Mawa Block 12 - Ramotshinyadi Bulk Pipeline and Reticulation (MorapalalaMabye pelong)	Planning, design, tender	29	01-Jul-08	30-Jun-09			325 000	375 000	425 000	475 000
Water and Sanitation	Kampersrus Water Supply	Planning, design, tender	30	01-Jul-08	30-Jun-09			320 000	358 125	396 250	434 375
Water and Sanitation	Hoedspruit Bulk Water Supply	Planning, design, tender	31	01-Jul-08	30-Jun-09			344 400	498 400	652 400	806 400
Water and Sanitation	Upgrading and Extension to Hoedspruit Sewage Plant	Planning, design, tender	32	01-Jul-08	30-Jun-09			403 500	478 500	553 500	628 500

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
Water and Sanitation	Kampersrus Sewage Plant	Planning, design, tender	33	01-Jul-08	30-Jun-09			440 000	540 000	640 000	740 000
Water and Sanitation	Upgrade of Water Reticulation and Extensions:GLM	Planning, design, tender	34	01-Jul-08	30-Jun-09			520 000	915 000	1 310 000	1 705 000
Water and Sanitation	Upgrade of Water Reticulation and Extensions:BPLM	Planning, design, tender	35	01-Jul-08	30-Jun-09			410 000	570 000	730 000	890 000
Water and Sanitation	Upgrade of Water Reticulation and Extensions:GLM	Planning, design, tender	36	01-Jul-08	30-Jun-09			525 000	1 050 000	1 575 000	2 100 000
Water and Sanitation	Upgrade of Water Reticulation and Extensions:GLM	Planning, design, tender	37	01-Jul-08	30-Jun-09			417 900	696 500	975 100	1 253 700
<b>TOTAL</b>						<b>12 714 323</b>	<b>28 566 146</b>	<b>47 464 880</b>	<b>64 862 289</b>	<b>81 469 420</b>	<b>98 076 551</b>
Roads and Storm water	Matsotsoesela Bridge and Access Road	Construction completed	38	01-Jul-08	31-Dec-08		720 000	1 440 000	2 160 000	2 880 000	3 600 000
Roads and Storm water	Dzumeri Kheyi Road	Planning, design, construction of upgrading from gravel to tar	39	01-Jul-08	30-Jun-09		550 000	862 000	1 174 000	1 486 000	1 798 000
Roads and Storm water	Modjadji to Mavele Road Upgrade	Construction of upgrading of gravel road to tar	40	01-Jul-08	31-May-09		500 000	1 000 000	1 500 000	2 000 000	2 500 000
Roads and Storm water	Kgweetsi-Tours Access Road	Planning, design, construction of upgrading from gravel to tar	41	01-Jul-08	31-Jan-09			118 050	285 288	452 526	619 764
Roads and Storm water	Maseke Road Phase III	Construction of upgrading of gravel road to tar	42	01-Jul-08	31-May-09		560 000	1 120 000	1 680 000	2 240 000	2 800 000

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
Roads and Storm water	Lephepane Khujwane Road	Planning, design, construction of upgrading from gravel to tar	43	01-Jul-08	31-May-09		565 000	1 130 000	1 695 000	2 260 000	2 825 000
Roads and Storm water	Metz Bismark Road	Construction of upgrading of gravel road to tar	44	01-Jul-08	31-May-09		400 000	800 000	1 200 000	1 600 000	2 000 000
Roads and Storm water	Calais Julesburg Road	Planning, design, tender	45	01-Jul-08	30-Jun-09			361 250	461 250	561 250	661 250
Roads and Storm water	Xikukwane Xivulana Road	Planning, design, tender	46	01-Jul-08	30-Jun-09			404 250	808 500	1 212 750	1 617 000
Roads and Storm water	D1329 (Near Rabothata)	Planning, design, tender	47	01-Jul-08	30-Jun-09			250 000	367 500.00	367 500.00	367 500.00
Roads and Storm water	D1330 (Moshakga-Limokwe)	Planning, design, tender	48	01-Jul-08	30-Jun-09			300 000	420 000	420 000	420 000
Roads and Storm water	D1331(Mothobeki-Moshakga)	Planning, design, tender	49	01-Jul-08	30-Jun-09			325 000	525 000	525 000	525 000
Roads and Storm water	Moshate Balloon Trichardtsdal Road	Planning, design, tender	50	01-Jul-08	30-Jun-09			525 000	660 000	795 000	930 000
Roads and Storm water	Thabina to Maake Upgrade	Planning, design, tender	51	01-Jul-08	30-Jun-09			480 000	560 000	650 000	787 500
Roads and Storm water	Harmony to Gravelotte	Planning, design, tender	52	01-Jul-08	30-Jun-09			525 000	660 000	795 000	930 000
Roads and Storm water	Makhushane-Namakgale	Planning, design, construction of upgrading from gravel to tar	53	01-Jul-08	30-Jun-09		450 000	900 000	1 350 000	1 800 000	2 250 000
Roads and Storm water	Lephepane Khujwane Road (Bridge)	New Bridge constructed	54	01-Jul-08	30-Jun-09			250 000	500 000	750 000	1 000 000

VOTE	CAPTIAL ITEMS	DELIVERABLES	sort number	PLANNED START DATE	PLANNED COMPLETION DATE	Jul/08	Aug/08	Sep/08	Oct/08	Nov/08	Dec/08
<b>TOTAL</b>							<b>3 745 000</b>	<b>10 790 550</b>	<b>16 006 538</b>	<b>20 795 026</b>	<b>25 631 014</b>
Disaster Management	Radio, Communication, Info. Management System	Radio, Communication, Info. Management System established by Africon	55	01-Dec-08	31-Dec-08						2 400 000
Disaster Management	Equipment	Tents and relieve equipment	56	01-Aug-08	31-Jan-09		25 000	25 000	50 000	50 000	50 000
Disaster Management	Furniture	Fridge, lawn mower, microwave, chairs and tables	57	01-Sep-08	30-Sep-08			24 100	24 100	24 100	24 100
<b>TOTAL</b>							<b>25 000</b>	<b>49 100</b>	<b>74 100</b>	<b>74 100</b>	<b>2 474 100</b>
Corporate Services	Electronic Filling System	Electronic Records Management System	58	01-Sep-08	30-Oct-08			500 000	1 000 000	1 000 000	1 000 000
Corporate Services	Security Services	Security Services	59	01-Aug	30-Jun-09		20 000	20 000	75 556	151 111	226 666
Corporate Services	Conference System	Conference System	60	01-Aug-08	30-Oct-08		20 000	20 000	150 000	150 000	150 000
Corporate Services	Aqua Cooler	Aqua Cooler	61	01-Jul-08	31-Jul-08	10 000	10 000	10 000	10 000	10 000	10 000
<b>TOTAL</b>						<b>10 000</b>	<b>50 000</b>	<b>550 000</b>	<b>1 235 556</b>	<b>1 311 111</b>	<b>1 386 666</b>

## SECTION B. 3: HALF YEAR FINANCIAL ASSESSMENT REPORT

Most of the departments are within their budgets, only a few are above their budgets for this period. These over expenditure need to be addressed during the second half of the financial year to ensure that expenditure stay within the budgets. The departments need to submit motivation for an adjustment on their budgets.

The departments with over-expenditure are:

DEPARTMENT	% <i>SPENT</i>	% <i>VARIANCE</i>
GENERAL COUNCIL	58	8
TECHNICAL SERVICES	53	3
WATER SERVICES	79	29
ROADS & TRANSPORT	63	13
HUMAN RESOURCE	69	19
LEGAL SERVICES	173	123

### Reason for variances

#### GENERAL COUNCIL

- The unbudgeted Expenditure on the purchase of Executive Mayor's vehicle effected in July.

#### TECHNICAL SERVICES

- Some projects for the previous financial year were claimed during the current financial year.
- Maruleng projects which were not on the budget.
- Over-expenditure on Disaster management centre and on subsistence & traveling.

#### WATER SERVICES

- There is an over- expenditure on Infrastructure Water (O&M).
- Unbudgeted expenditure on Draught Relief Programme.
- Projects for the previous financial year were claimed during the current financial year.

#### ROADS & TRANSPORT

- Over- expenditure on Metz Bismark Road and Matsotsoela Bridge.
- Expenditure on Previous year's projects which were claimed during the current financial year.

#### HUMAN RESOURCE

- There has been a previous year's claim which was paid during the current financial year on PMS.
- Over-expenditure on Subsistence and Traveling.



## LEGAL SERVICES

- Over-expenditure on Legal Expenses.

## CASH FLOW

The projected cash flow for the 1<sup>st</sup> half of the Financial Year is R313, 058,522.

### ➤ INCOME

During the first half of the financial year the department managed to collect income of R285, 006,758 which is less than what was anticipated for the period as per the Service Delivery Budget Implementation Plan.

The actual deficit for the period amounts to R28, 051,767 which is 9, 84% less than the budgeted amount.

### ➤ GRANTS INCOME

Besides the budgeted grants, the Municipality also received two additional grants of R2, 582,884.80 & R2, 951,500 from Office of the Premier meant for Ext. Giyani Water Works & Lenyenye Sewerage Plan respectively.

DESCRIPTION	BUDGET	AMOUNT RECEIVED
Ext. Giyani Water Works	0	R2, 582,884.80.80
Lenyenye Sewerage Plan	0	R2, 951,500.00
<b>Total</b>	<b>0</b>	<b>R5,534,384.80</b>

## EXPENDITURE

Description	Budget	Actual Expenditure	Percentage
	R	R	%
Salaries & Allowances	73,006,977	20,704,943	28
General Expenses	116,071,522	55,027,110	47
Repairs and Maintenance	45,368,577	55,225,350	122
Contribution to Capital	38,774,715	20,509,648	53
Infrastructure	237,837,328	162,329,910	68

## DEPARTMENTAL ANALYSIS

DESCRIPTION	BUDGET	EXPENDITURE
General Council	7,432,455	4,314,776
Municipal Manager	5,930,994	1,495,318
Finance	76,496,469	26,517,616
Planning and Development	4,444,435	1,066,625
LED	18,926,552	8,710,294
IDP	1,188,261	590,734
Communication & Marketing	2,442,792	833,760
Technical Services	37,386,596	19,900,973
Water Services	245,507,187	194,652,040
Health, Environment & Waste Man.	4,736,910	1,002,004
Electrical Services	962,218	156,613
Roads, Transport & Elect	44,151,028	27,732,042
Community Services	3,037,913	997,715
Fire Services	15,246,023	6,967,033
Disaster Management	9,960,049	1,379,276
Corporate Services	4,314,350	554,991
Human Resource Man.	10,038,211	6,963,864
Administration	8,888,494	2,700,930
Legal Services	2,462,959	4,257,793
Office Of the Executive May	3,607,829	1,584,572
Office Of the Speaker	945,835	360,006
Office of the Chief Whip	527,835	117,864
Disability Desk	623,658	193,160
Gender Desk	1,022,908	447,141
Youth Desk	777,158	299,824
<b>Total</b>	<b>511,059,119</b>	<b>313,796,961</b>

## STAFF BENEFITS

Salaries	14,389,215
Annual Bonus	720,863
Overtime	770,254
Housing Subsidy	216,579
Medical Aid	698,364
Pension	2,094,915
Locomotion Allowance	1,306,264
UIF	362,897
Skills Development Levy	157,662

## COUNCILORS BENEFITS

DESCRIPTION	AMOUNT
Basic Allowance	R2,059,236,39
Medical Aid	R49,772,00
Cell Phone Allowance	R142,116,87
Locomotion Allowance	R601,039,75
<b>Total</b>	<b>R 2,852,164,01</b>

The rate of Expenditure as a percentage of Budget is only satisfying in terms of service delivery i.e. Expenditure on Infrastructure is 68.25% as opposed to the rest of the items where the Expenditure is a bit slow hence the Adjustment.

## **SECTION B.4: ADJUSTED BUDGET**

Please refer to the attached document named: Adjustment Budget 2008/09.

### 3. CONCLUSIONS

In terms of the half year performance review, we have done well in the areas of service delivery planning, local economic development, financial viability and management; municipal transformation and organisational development. However we still need to improve in the area of good governance wherein matters of the audit outcome tend to affect the entire image of the district for which work to address issues raised in the 2007/8 audit has started. The signs are beginning to show it is just a matter of time the impact of the programmes and systems we have developed will soon be enjoyed.