

TURN-AROUND STRATEGY 4:15

TAS 4:15



“A road map towards transparent and accountable management in Umzimvubu Municipality.”

CHAPTER 1

1. FOREWORD BY THE MAYOR

Since its inception the Municipality has gone some strides to be where it is. The past three years however have been a real challenge.

First it was the re-demarcation of the Municipality which spelt some material changes in the Municipality including some financial implications. This coupled with some serious political instability in the Municipality might have caused us to loose focus of our goals. This instability has manifested itself into the lowering of standard and performance of the Municipality. As an example over the past two financial years the Municipality has been receiving disclaimers of opinion from the Auditor General.

Through the strategic session held in Margate (20th to 22nd March 2009) we have identified the following as some of the problems that might have put us to this situation;

- Extension of politics into the administration,
- Lack of proper planning around the preparation of financial statements,
- Improper management of the auditing process and
- No follow up on prior year audit queries.

Throughout the three day session we were joined by mayors, municipal managers and Chief Financial Officer from other the Municipalities. As we sat as an extended family we looked at the above causes of the slack and we all agreed that unless the following occurs, we will not be in the position to turn around the tide;

- A clear leadership and commitment by council and all the structures,
- The council shall enforce down this commitment to the administration,
- A cordial and professional rapport with the auditors shall be established and maintained,
- Audit queries shall be responded to promptly and adequately and
- The organizational structure of the Municipality shall be reviewed to be sensitive to the current challenges

Without prejudice to other points I would like to however stress the point of commitment as central to us changing the tide. The commitment to assist us, shown by the honourable majors of Alfred Nzo District Municipality and Greater Kokstad Municipality, the Municipal Managers of Alfred Nzo District Municipality UMzimkhulu Municipality, Greater Kokstad Municipality and the Chief Financial Officer of Greater Kokstad Municipality, is an example that we will have to follow.

In closing I would like to pass a word of gratuity to all who assisted in the crafting of this document. The aforementioned people from neighbouring Municipalities have shown a real spirit of brotherhood, to them we are heavily indebted. We hence dare not fail them.

CHAPTER 2

2. BACKGROUND BY THE MUNICIPAL MANAGER

The Umzimvubu Municipality was promulgated into a Municipality in 2000 and incorporated the former Mount Frere, Mount Aylif TLC's and a vast rural area. This resulted in a situation where at one point the Municipality was one of the biggest Municipalities in terms of geographical coverage.

Since its inception the Municipality faced numerous transformational challenges in the first five years. Most of the ground was covered and some results could be seen. However the resent instability at a political level, which had an impact even on administration, has undermined some of these gains. An example in the recent past there has been major changes in the management team of the Municipality. The Municipal Manager, Manager Corporate Services and the Chief Financial Officer are the notable positions where there has been some major changes.

These changes resulted in a situation whereby for a period of almost two years the advent of people acting in positions has been the order of the day. This coupled with a total collapse in the entire control environment has had devastating effects, leading to the Municipality getting a disclaimer of the Auditor General's report for two consecutive years. The council has taken some drastic steps to create a stable environment for the Municipality to get back to its progressive path towards making the Municipality to be '*known to put community development first*'.

Municipality has engaged in a process of intricate introspection and coming up with a comprehensive strategy to turn the situation around. The turn around strategy has the following objectives/goals;

- Ensure that the municipality is best positioned to fulfil all its legal strategic mandates and
- To lease out a clear program of action to dealing with issues raised by the Auditor General and monitoring and evaluating mechanism thereto
- To draw a clear program to put the organization back on track in terms of compliance
- Review the structure to ensure that there is adequate and competent human capital for the municipality to achieve its objective.

This turn around strategy covers four areas and shall be implemented over a period of fifteen months emanating to a clean Audit General's report in the 2009/10 financial year. The four areas covers by the strategy are;

- Recovery Plan for issues raised in the 2007/08 Audit Report,
- Readiness for 2008/09 Annual Financial Statements preparations and audit thereto,
- Organizational compliance turn around plan and
- Organizational Structure review.

Through a strategic turnaround session held in Margate from the 20th to the 22nd these sections of the TAS 4:15 were discussed with all the relevant structures of council. Present were the members of the Executive Committee, Oversight Committee, The Speaker and all members of the Senior Management Team. This document is only a manifestation of all the discussions and the plans that were threshed out in that workshop.

Over and above the four area identified, the strategy also covers the monitoring and evaluation mechanisms to ensure that this strategy is promptly and vigorously implemented on the ground within the next fifteen months.

CHAPTER 3

3. RECOVERY PLAN FOR ISSUES RAISED IN THE 2007/08 AUDIT REPORT

On introspection, a few common causes for the kind of a report were identified.

Chief to these was an improper planning for the actual preparation of the financial statements, due to the CFO only being placed in June and subsequently acting as the Municipal Manager. This led to the late appointment of the service provider, who had to prepare the financial statements for submission, with the hope that certain changes would be effected later. This plan however backfired as the auditors did not allow such material changes in the financial statements.

The other reason that is common in almost all the queries and the general nature of a disclaimer is information not being provided to auditors. As to whether the information was not available or was not provided that is still to be adequately checked within the next two months. The thrust of the TAS 4:15 in this area is that all issues shall be addressed within the next two months, at the end of which an Audit Committee meeting shall be convened to table the corrective measures. The Auditor General shall be invited into that meeting.

Below is Table A that deals with the matters that were raised by the Auditor General that led to the disclaimer opinion. It is in this section that the Municipality ought to put more emphasis on as if not addressed, the audit opinion for the 2008/09 will also be qualified as the opening balances would still be questionable. Table B deals with the 'emphasis of matter'. What is critical with 'The emphasis of matter' is to ensure that at least they are not reported again in the next financial year.

Table C deals with the issues emanating from the system of internal control. It is critical that the system of Internal Control be properly developed. The system of Internal Control shall entail detailed procedure manuals for all processes within the Municipality. The manual shall clearly outline who are the responsible people for different duties in line with their respective job descriptions.

Even though raised in different parts of the recovery plan it is critical to mention that one of the most critical interventions to change the tide is a comprehensive policy review or development. The following are some of the key policies that would require development or review;

- Property rates policy
- Credit control policy
- Indigent policy
- Fixed assets maintenance policy and
- Cash and Investment management policy

If all of the issues are addressed in terms of the recovery plan there is no doubt that the Municipality will get an improved audit opinion for the 2008/09 financial year

TABLE A: RECOVERY PLAN- QUALIFYING MATTERS

Audit Query No	AUDIT QUERY	CAUSE	REMEDIAL ACTION	RESPONSIBLE PERSON	TIME FRAME	STATUS QUO/ PROGRESS
1	<p>Monthly Reconciliations Bank</p> <p>Maintenance of grants register</p>	<p>Backlog from the 1st of July 2009</p> <p>No files for grant registers</p>	<p>Appoint a service provider to do reconciliation (transfer skill) and existing capacitate finance staff</p> <p>Avail files for each grant</p>	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p>	<p>28 February 2010</p> <p>31 January 2010</p>	<p>Reconciliation have been done up to January 2010 by Munsoft, Ducharme Consulting and ULM staff</p> <p>Filling is done,</p>
Audit Query No	AUDIT QUERY	CAUSE	REMEDIAL ACTION	RESPONSIBLE PERSON	TIME FRAME	STATUS QUO/ PROGRESS

6	Property Valuation		<ul style="list-style-type: none"> Interim property rates valuation 	Chief Financial Officer	31 March 2010	Interim valuation project has commenced and is in progress
Audit Query No	AUDIT QUERY	CAUSE	REMEDIAL ACTION	RESPONSIBLE PERSON	TIME FRAME	STATUS QUO/ PROGRESS
9	Bar coding of fixed assets	•	<ul style="list-style-type: none"> Update and maintenance of asset register (bar coding); Consolidate the whole fixed asset register (for entire institution) infrastructure related assets etc 	Chief Financial Officer	28 February 2010 30 May 2010	<p>All assets are bar coded currently finalising movable asset register update.</p> <p>Ducharme Consulting has been commissioned to all FAR issues (identification & valuation of infrastructural assets)</p>

10	Debtors age analysis	Debtors age analysis is not in place	System to be up and running	Chief Financial Officer	30 April 2010	Age analysis has been produced from system. Currently being audited and fine tuned by Munsoft
14	Rehabilitation of Landfill sites in terms of National Environmental Management Act		Engineering Dpt shall estimate restoration costs.	Manager Infrastructure & Planning	30 May 2010	Project started
16	VAT returns and reconciliation		All VAT 201 forms collected from the service provider VAT 201 forms reconciled to the VAT control account and VAT receipts	Chief Financial Officer	April 2010	VAT 201 forms are submitted and reconciliations are being done
	<ul style="list-style-type: none"> Signing of declaration forms by councillors 				11 January 2010	Done

TABLE C: RECOVERY PLAN- INTERNAL CONTROL MATTERS

Audit Query No	AUDIT QUERY	CAUSE	REMEDIAL ACTION	RESPONSIBLE PERSON	TIME FRAME	STATUS QUO/ PROGRESS
	Audit Committee		<ul style="list-style-type: none"> • Appointment of audit committee; • Establishment of internal audit committee (Internal audit services) • Appointment of Internal Auditor 		01 February 2010	<p>Audit Committee appointment has been approved by council</p> <p>Appointment to be finalised 19 Mar 2010</p>

	<p>Appointment of Budget & Treasury Staff</p>		<ul style="list-style-type: none"> • Appointment of staff (budgeted positions) • Creation of a Deputy CFO position, budgeted for and thereafter appointment; • Capacitation of budget & treasury staff/cllrs 		<p>01 February 2010</p> <p>31 March 2010</p>	<p>Interviews process to finalised by 1st Mar 2010</p> <p>Post included in adjustment budget</p> <p>Training to be done during March 2010</p>
	<p>IT Infrastructure & Support</p>		<ul style="list-style-type: none"> • Fixing of network cabling/infrastructure • Appointment of IT Manager 		<p>15 March 2010</p>	<p>Project underway and being finalised</p>

4. READINESS FOR 2008/09 AFS

There are four areas that need to be critically looked at and planned for, for the Municipality to be able to turn around the tide regarding the Audit Report.

The first is the conversion from the IMFO basis of presentation to GRAP/GAMAP. The Municipality as a medium capacity municipality would be expected to submit the 2008/09 Annual Financial Statements in GRAP/GAMAP format. This is a major challenge as this process alone may lead to some technical qualifications. A clear plan of action is presented hereafter in Table D.

The second challenge, covered in detail in Table E, is the fact that the Municipality is implementing migration from PASTEL to MUNSOFT. This would come with most challenges that normally come with any migration process. However what seems to make matters worse is that as of the end of March this process would not even have commence, only to commence beginning of April. The envisaged risks that shall be carefully managed are as follows;

- Poor familiarity of the system by the members of the Budget and Treasury Office, particularly during the auditing phase,
- As the new system is being implemented the Municipality may experience some serious technical problems before it is properly stabilised,
- The late commencement will require that backlog capturing from beginning of the financial year be completed in a period of only two weeks,
- Take on balances from the old system may be inadequately taken on

The third challenge is dependent on the efforts that would be put in terms of section 3 above regarding the previous year audit queries. Once the corrective measures have been discussed with both the Auditor General and the Audit Committee some changes in the opening balances may be required. If such changes are to be effected systems should be put in place to ensure that such changes may be reconciled back to the Audited Annual Financial Statements 2007/08.

Lastly the actual plan for the preparation of the financial statements shall be put in place. The Chief Financial Officer shall assess the internal capacity of the Budget and Treasury Office to prepare the financial statements and if external service providers will be utilised, they shall be appointed by the end of May.

5. ANAGEMENT TURN-AROUND STRATEGY

This section deals with an overall organizational turnaround to ensure that the Municipality is run within an Excellency Governance Model.

This turn around strategy covers all the Key Performance Areas and all departments within the Municipality. Through this model the Municipal Manager will be in a great position to use this tool in all management committee meetings to track the progress of the implementation of the Municipality's Service Delivery Budget and Implementation Plan.

This too I will also go a long way in the remaining months to act as a Performance Management System for the Municipality. From this tool an annual Performance Report will be developed to assess progress made during the year and submitted accordingly with the Annual Financial Statements. Table F below is the aforementioned strategy

TABLE F: MANAGEMENT TURN-AROUND STRATEGY

STRATEGIC THRUST	COMPONENT	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Strategic Objectives</i>	MUNICIPAL MANAGER	Development of the Municipal SDBIP for '09/10 with realisable & measurable goals	Approved SDBIP	Alignment Synergy Strategic Leadership	Municipality to have an approved SDBIP that is aligned to the IDP	Draft: April 2009 Final: 31 May 2009	Municipal Manager
		Development of Components/ Sectional SDBIP's	Approved Component/Sectional SDBIP's	Enhanced synergy	Components plans aligned to the Municipal IDP and budget	Draft end of 15 April '09 Final: end of April '09	Executive Managers
		Review of SDBIP's	Reviewed SDBIP's	Performance Management and mid-term budget review	Achievement (review) of targets falling prior to the review date	Jan. 2010	Municipal Manager & Executive Managers
		Compliance to set Norms and Standards	Periodic Reports according to MFMA CALENDAR	Improved efficiency & Service Delivery	100% compliance with all the reporting requirements	Monthly	Municipal Manager
		Improve effectiveness & Efficiency: Strategic Diary and Extended MANCO Meetings	Implementation of meeting resolution	Improved efficiency & Service Delivery Project monitoring and oversight	Implement all resolutions	Weekly - S57 Monthly - MANCO	Municipal Manager
		Improve effectiveness & efficiency: Departmental Budget Committee	Implementation of meeting resolutions	Improved efficiency & Service Delivery	Implement all resolutions	Within timeframes	Municipal Managers

TURN-AROUND STRATEGY 4:15 | 2009

STRATEGIC THRUST	COMPONENT	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Strategic Objectives</i>	MUNICIPAL MANAGER	Submission of monthly reports (to Exco, Council, etc.)	Relevant Report	Performance management; Quality of work	Monthly	4 th day of the following month	Municipal Manager
		Implementation of the Municipal PMS in line with DPLG performance regulations	Compliance with regulations	Employee satisfaction, Enhanced employer/employee relations Enhanced image	100% Compliance	31 July 2009	Municipal Manager
<i>Protocol & Policy review</i>		Drive the policy review/development program and establish procedures to implement policies	Review policies and procedures to establish a framework for decision making	Enhanced capacity	All policies, rules of order and by-laws reviewed	Management April '09 Council May '09	Municipal Manager
		Implement all policies, procedures and processes	Compliance	Enhanced image	100% Compliance	1 July '09	Municipal Manager

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Service Delivery Improvement Program</i>	MUNICIPAL MANAGER	Establishment of the Municipal profile, identification of the service backlogs and linking of the targets with Millennium Development Goals (MDG)	Compliance	Improved service delivery	100% access to free basic services by the indigent;	Immediately	Municipal Manager
					Access to services as per millennium development goals	Clean water - '2010 Electricity - '2012	
		Set-up of Monitoring and Evaluation methods	Monitoring and Evaluation Process Plan	Improved service delivery Enhanced image	Developed M&E Process Plan	June 2009	Municipal Manager
			Compliance	Improved service delivery Enhanced image	100% compliance	Monthly	Municipal Manager
Meeting with local business and other stakeholders	Turnaround time in addressing queries, business needs and requests	Enhanced image Enhanced client relations Information /knowledge sharing	Conduct monthly meetings with established business fora and other stakeholders	Monthly	Municipal Manager (Executive Managers to attend)		

STRATEGIC THRUST	COMPONENT	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY	
			OUTPUT	OUTCOME				
<i>Ensure compliance with the Service Level Expectations</i>	SOCIAL COMMUNITY SERVICES	& Monitor and report to clients and stakeholders	Reports	All SDBIP targets achieved and the budget spent Client satisfaction	Submission of Reports	Monthly	Manager: Social & Community Services	
<i>Effective Management of Traffic and law enforcement with the Municipality</i>			To ensure the safety of the citizens of the Municipality	Reports	Enhanced quality	Accurate Reports	Monthly	Manager: Social & Community Services
<i>Ensure effective efficient and timely responses to disasters taking place within the Municipality</i>			To ensure that the Municipality has in place, plans, mechanisms and capacity to respond to all forms of Disaster and emergencies that could occur	Disaster Management Strategy and Disaster Mngt. Plan	Disaster Management Strategy and Disaster Management Plan	Submission of Reports	Strategy June '09 Plan July '09	Manager: Social & Community Services
	% Expenditure on budget	Service Delivery		100% expenditure	June '09	Manager: Social & Community Services		

STRATEGIC THRUST	COMPONENT	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Effective and efficient local environmental Management program</i>	SOCIAL COMMUNITY SERVICES &	Implement Annual waste management program and ensure compliance with environmental requirements	Achieving of project milestones as per plan	Service Delivery	All project milestones achieved	June '09	Manager Infrastructure & Planning
<i>Effective stakeholder management</i>		Improved efficiency & effectiveness: Local Liaison with Safety and Security Stakeholders and Transport	Implementation of resolutions	Service Delivery & client Satisfaction	All resolutions implemented	Monthly	Manager: Social & Community Services
		Submission of Reports: Municipal Manager	Reports	Information sharing	All liaison meetings to be reported to the Municipal Manager, relevant Council Committees and the Council	4 th day of the following month	Manager: Social & Community Services

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY	
			OUTPUT	OUTCOME				
<i>Internal Compliance with legislative requirements</i>	CORPORATE SERVICES	Conduct Hazard identification and risk assessments	Procedures	Improved safety	Identify and develop safe working procedures	1 July '09	Manager: services	Corporate
		Conduct OHS inspections in all municipal offices	OHS Reports	Improved safety	Report findings on OHS	1 July '09	Manager: services	Corporate
		Draft and implement necessary legal (SHE Reps) appointments in all municipal workplaces	Appointments made in all municipal workplaces and/or departments	Improved safety Safety skill capacity building	Appoint all line managers as section 16(2) of the OHS Act	1 July '09	Manager: services	Corporate
		Establishment of OHS Committees in municipal Workplaces	Established OHS Committees	Improved safety & shared responsibility	All workplaces with +20 staff to have OHS Committees	1 July '09	Manager: services	Corporate
		Ensure that employees performing high risk tasks have adequate equipment and facilities	Equipment, training and facilities	Employee satisfaction and improved safety s	Provision of necessary equipment	1 July '09	Manager: services	Corporate
<i>Emergency evacuation plan and procedures</i>		Design emergency evacuation plans and procedures	Plans and Procedures	Improved safety	Conducting of emergency drills	1 July '09	Manager: services	Corporate

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Effective management of consultants and contractors</i>	INFRASTRUCTURE AND PLANNING	Monitoring of consultant and contractors implementing capital projects of the Municipality	Monthly monitoring and evaluation of services provided by the Consultants and Contractors	Quality control Service Delivery Implementation of the SDBIP	Timely implementation of all projects Accurate consultants database	Monthly	Manager : Infrastructure and planning
		Ensure contractors and consultants' compliance to norms and standards	Quality and standard of service	Quality control	100% Compliance to norms and standards	Monthly	Manager : Infrastructure and planning
		Preparation of bid documentation in line with generally accepted Contracts agreements (penalty clauses)	Bid Documents	Service Delivery & quality control	Complete Bid Documentation	Within the set timeframes	Manager : Infrastructure and planning
<i>Finalisation of Final Accounts</i>		Reduce the number of outstanding final accounts	No. of final accounts cleared/finalised	Quality of data	Final Accounts of completed projects to be closed within three months	Monthly	Manager : Infrastructure and planning

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Provision of Technical Support and reporting on progress to the Council through the relevant Committee</i>	INFRASTRUCTURE & PLANNING	To ensure that the Municipality and its Council is kept abreast on the level of service regarding infrastructure and repairs	Meetings	Leadership Service Delivery Client satisfaction	Implement Council & committee resolutions	Monthly	Manager : Infrastructure and planning
<i>Fast - track the provision of repairs and renovations</i>		Ensure Implementation of the repairs and renovations according to the SDBIP, especially civil work;	Repairs completed	Service delivery Client satisfaction	All requested R&R Finalised	Within set timeframes	Manager : Infrastructure and planning
<i>Provision of ad-hoc services minor new works and repairs</i>		Ensure the implementation of ad-hoc capital project requests (minor new works)	Ad hoc project requests completed	Service delivery Client satisfaction	All requested minor new works completed on time	Within the set timeframes	Manager : Infrastructure and planning
<i>Utilisation of emerging contractors in line with the BBBEE</i>		To empower emerging contractors	% of procurement value to emerging contractors	Job creation and enhanced BBBEE	Initial 30% of the Municipal R&R Services shall be allocated to BEE companies thereafter escalating at 20% p.a.	July. '09	Manager : Infrastructure and planning

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Effective reporting</i>	INFRASTRUCTURE & PLANNING	Ensure effective and accurate reporting on EPWP	Monthly reports	Quality reports	Provision of the report	4 ^h day of the following month	Manager : Infrastructure and planning
<i>Creating an enabling environment for targeted groups (BBBEE)</i>		To empower the BBBEE Contractors	% Rand Value spent on BBBEE Groups	Job creation and enhanced BBBEE	80% of Technical Services 60% of Program Management	Ongoing	Manager : Infrastructure and planning
<i>Training of emerging contractors</i>		To capacitate (skilling) the emerging contractors	Number of emerging contractors trained	Job creation and enhanced BBBEE	100 emerging contractors	July '09	Manager : Infrastructure and planning
<i>Promotion of labour intensive construction Methods</i>		To increase the number of job opportunities	No of jobs created	Job creation	500 labour intensive job opportunities	June 2010	Manager : Infrastructure and planning
<i>Special projects</i>		To ensure successful completion of special projects	No. of special projects completed	Job creation and enhanced BBBEE	To complete all special projects	June 2010	Manager : Infrastructure and planning
<i>Stakeholder facilitation</i>		Enhance and improve the efficiency and effectiveness of the regional contractors forum	Report on resolutions taken	Stakeholder satisfaction Enhanced image	All resolutions recommended to Head Office for consideration	Within set timeframes	Manager : Infrastructure and planning

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Fleet Management</i>	BUDGET & TREASURY	To ensure effective and efficient management of municipal vehicles	Checked log returns	Enhanced asset utilisation	100% Compliance to Transport handbook	4 th of each subsequent month	CFO
<i>Moveable asset management</i>		To ensure effective management and efficient utilisation of movable municipal assets	Completed movable asset register	Enhanced asset utilisation	All movable assets are bar-coded , registered and reconciled to the GL	May '09	CFO
<i>Manage loss and theft of state assets</i>		To ensure the safeguarding of movable state assets	<i>Internal Controls</i>	Enhanced asset utilisation	100% Compliance to internal controls	Monthly	CFO
<i>Security & ICT Management</i>		Ensure management of security and ICT to safeguard municipal assets and information	Installed security system	Improved safety (documents and staff) & time mngt.	Install security system by July '09	July 2009	Manager Corporate services
	Improved documents security and storage systems		Improved safety (documents and staff) & time mngt.	100% compliance to security standards	July 2009	Manager Corporate Services	

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Compliance with Supply Chain Management</i>	BUDGET & TREASURY (SUPPLY CHAIN MANAGEMENT)	To ensure that the Municipality's Supply Chain operates in compliance with the MFMA , SCM Regulations and Internal audit report recommendations	Compliance	Enhanced efficiency	100% Compliance	Monthly	CFO
			Contracts administration	Enhanced efficiency	<i>Effective management of deposits, guarantees and variation orders</i>	Monthly	CFO
<i>Effectiveness and efficiency of bid committees</i>		Enhance and improve the efficiency and effectiveness of the Committees	Report on resolutions taken (Minutes)	Service delivery	Implementation of all resolutions of the bid committees	Within set timeframes	CFO
<i>Norms and Standards</i>		To develop SCM Components' Norms and Standards	Norms and Standards	Service delivery	Developed Norms and Standards	June 2009	CFO

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY		
			OUTPUT	OUTCOME					
<i>Revenue and expenditures control</i>	BUDGET & TREASURY	To ensure effective and efficient control of revenue and expenditure	Monitoring of revenue/expenditure	Increased revenue and costs reduction	100% utilisation of budget	June '09	CFO		
					100% Collection of revenue/debts due	June '09	CFO		
					Reduction of operational expenditure by 10% from previous year	June '09	CFO		
<i>Compliance with MFMA and Treasury Regulations</i>		To ensure Compliance with MFMA and SCM Regulations	Compliance	Unqualified audit reports	100% compliance	June '09	CFO		
					Payment of creditors within 30 days	Supplier satisfaction	100% compliance	Monthly	CFO
					Reduced Audit queries	Unqualified audit report	Reduction of audit queries by 30% from the previous financial year	Within specified timeframe	CFO
					To ensure proper allocation of expenditure/revenue	Cleared suspense accounts	Quality control	Clearance of all suspense accounts	June'09

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Cash management</i>	BUDGET & TREASURY	To ensure effective control of municipal cash resources	Bank reconciliations	Risk reduction	Conduct bank reconciliations on a weekly basis and submit to the Mayor and MM	Weekly	CFO
			Improved cash management	Risk reduction	100% Compliance	Monthly	CFO
			Reconciliation of all grants	Compliance & proper management	100% Compliance	June '09	CFO
<i>Internal Controls and Internal Audit Support</i>		To ensure that the municipality has effective internal controls to detect and prevent Fraud and Risks related thereto	Effective Internal audit	Risk reduction	Approved Policy /Plan	May '09	CFO
			Effective audit committee	Compliance	100% Compliance	Monthly	CFO
<i>Risk Management and fraud prevention</i>		To ensure effective implementation of Fraud and Risk Prevention Policy/Plans	Developed Municipal Policy/Plans	Risk reduction	Approved Policy /Plan	May '09	CFO
			Compliance		100% Compliance	Monthly	CFO

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>HR Management</i>	CORPORATE SERVICES	Reduction of Vacant Posts	No. of posts filled	Service delivery	Filled all critical vacant posts (no ...identified)	April '09	Manager Corporate services
		Development of Municipal Induction Programme	Induction Programme for all new employees	Reduced learning curve	All new employees taken through the Induction Programme	Program start: April '08 Within a month of new appointment	Manager Corporate services
		Implementation of the EAP Programme	Staff assistance (social issues) provided by EAP	Employee satisfaction Enhance staff performance Harmonious working environment	Awareness program	May '09	Manager Corporate services
					Provision of EAP assistance to all staff members referred /Volunteer	As and when needed	Manager Corporate services
		Reduction of the Payroll as a % of total budget	Reduction of payroll expenditure	Service delivery	30 % of total budget	Monthly	Manager Corporate services
<i>Performance Management</i>		To enhance PMS capacity within the Municipality	Municipal PMS & Training	Employee satisfaction	All relevant HR Staff Trained on PMS (Local Govt. Guidelines)	June '09	Manager Corporate services
		To implement the PMS	Compliance to Local Govt. Implementation guidelines	Performance management Service delivery	100% Compliance	June '09	Manager Corporate services

STRATEGIC THRUST	PERSPECTIVE	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR / MEASURE		TARGET	TIMEFRAME	ACCOUNTABILITY
			OUTPUT	OUTCOME			
<i>Training and skills development</i>	CORPORATE SERVICES	To conduct a skills audit in order to identify the skills gap To implement the Workplace skills plan by providing training	Training on Identified skills gaps	Enhanced Capacity	All training on identified skills gap completed	June '09	Manager Corporate services
		To implement the ABET Training Programme	No. of people trained	Enhanced capacity	60% of employees as per the skills audit to be trained by the end of the financial year	June '09	Manager Corporate services
<i>Labour relation matters</i>		To improve employer employee relations	Grievances lodged and DC matters	Harmonious working environment	Finalisation of all outstanding grievances by the end of the financial year	June '09	Manager Corporate services
					Compliance to grievances and DC procedures for new cases	Monthly	Manager Corporate services
<i>Transformation</i>		To ensure Municipal recruitment and selections processes take into account the approved Employment Equity Plan & targets	Developed Municipal EE Plan & Targets	Transformed work environment	Approved Municipal EE Plan & targets	June '09	Manager Corporate services
					Compliance to approved EE Plan & targets	Transformed environment	100% Compliance

6. ORGANIZATIONAL STRUCTURE

The Municipality also underwent a comprehensive review of the Organizational Structure to ensure that the Municipality is geared towards fulfilling all its developmental mandates.

The structure has been prepared taking into consideration the following;

- The allocated powers and functions,
- The impact of the structure to the financial viability of the Municipality,
- Any relevant Shared Services Initiatives in place and
- Issues raised by the Auditor General with respect to the segregation of duties

This organizational structure was also discussed at the strategic review workshop and will be formally taken through the council processes before the end of March. The report on the organizational structure is attached herewith as Annexure A.

7. MONITORING AND EVALUATION

7.1. Key Milestones

▣ *Phase 1:- April to May 2009*

- Clearing of prior year issues report submitted to Audit Committee by end of May (AG invited)
- Back log information already captured on Munsoft by end of May

▣ *Phase 2: June to August 2009*

- Preparation and submission of AFS

▣ *Phase 3: September to November 2009*

- Vibrant participation during the Audit process

▣ *Phase 4: December to June 2009*

- Clearing of all outstanding issues

7.2. Proposed Structures

- *Exco to be responsible for monitoring the TAS on a monthly bases*
- *Municipal Manager to monitor the implementation of the Plan*
- *Based on the Municipal Manager's weekly assessment the MM shall submit the report to the Mayor*
- *The TAS 2:15 shall be submitted to the Audit Committee before end of March 2009*
- *The Audit committee shall sit within 7 days after the end of each phase*

8. BUDGET

Once the conditional grants have been properly unbundled unspent grants that may be used to fund the turn around strategy will be identified and a proper budget will be designed for each area.