**INTERNAL AUDIT UNIT**

**FINAL AUDIT REPORT**

**PERFORMANCE INFORMATION**

**(THIRD QUARTER)**

**PROJECT NUMBER: 00.4-15/16**

|  |  |  |
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1. **DISTRIBUTION LIST**

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| **Name & Designation** | **For**  **Information** | **For**  **Action** | **Secure**  **Action** |
| **INTERNAL STAKEHOLDERS** | | | |
| Mr. T Panyani  Municipal Manager | X |  | X |
| Ms. T Ravele  Manager: PMS | X | X |  |

Our report has been prepared for the information of the management of Mohokare Local Municipality. Accordingly we do not accept responsibility to any other party to whom the contents may be disclosed or who on their accord may decide to rely on it.

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**Ms. T Macala Ms. T Ravele**

**INTERNAL AUDITOR MANAGER: PMS**

**DATE: DATE:**

1. **BACKGROUND**

The audit is performed in terms of the 2015/2016 Annual Internal Audit Plan that was submitted to the Audit Committee for approval.

The report represents the audit results of tests on the adequacy, efficiency and effectiveness of systems of internal controls relating to Performance Information (Third Quarter) in Mohokare Local Municipality.

1. **MANAGEMENT’S RESPONSIBILITY**

The audit has its premise that Management is responsible for the establishment and maintenance of an effective system of internal control and risk management processes. The objective of the system of internal control and risk management processes are inter alia, to provide management with reasonable but not absolute assurance that:

* + Risks are properly managed;
  + Assets are safeguarded from unauthorised access and use;
  + Applicable laws, regulations, contracts, policies and procedures are complied with;
  + Financial and non-financial information is of integrity and reliable;
  + Resources are procured economically, utilised efficiently and effectively; and
  + Operations are effective and efficient.
  + Strategic objectives are achieved.

The Internal Audit Unit is charged with the responsibility for ascertaining that the on-going processes for controlling operations throughout the municipality are adequately designed and are functioning in an effective manner. Internal auditing is also responsible for reporting to management and the Audit Committee on the adequacy and effectiveness of the municipal’s systems of internal control, together with ideas, counsel, and recommendations to improve the systems of operations.

The Audit Committee is responsible for monitoring, overseeing, and evaluating the duties and responsibilities of management, the internal audit, and the external auditors as those duties and responsibilities relate to the municipal’s processes for controlling its operations. The Audit Committee is also responsible for determining that all major issues reported by the Internal Audit , the Auditor General South Africa, and other assurance providers have been satisfactorily resolved. Finally, the Audit Committee is responsible for reporting to Council all-important matters’ pertaining to the Municipal’s controlling processes.

1. **AUDIT SCOPE AND OBJECTIVES**

The review was limited to the examination of the below mentioned units’ performance information from 01 January 2016 to 31 March 2016:

* Municipal Manager’s office (Performance Management System, Risk Management, Human Resources, Internal Audit, Information Technology and Integrated Development Plan)
* Town Planning,
* Technical Services,
* Community Services
* Finance including Supply Chain Management
* Local Economic Development,
* Corporate Services.

The primary objective of the audit was to review the achievement of set targets as indicated the Service Delivery Business and Implementation Plan.

The specific objective of the audit was to determine whether controls are adequate and effective to ensure/follow-up that:

* + Organization’s objectives are met;
  + Risks are properly managed;
  + Assets are safeguarded (unauthorised access and use);
  + Applicable laws, regulations, contracts, policies and procedures are complied with;
  + Financial and non-financial information is of integrity and reliable;
  + Resources are procured economically, utilised efficiently and effectively; and
  + Operations are effective and efficient.

1. **INTERNAL AUDIT REVIEW OPINION**

The departments’ performance is unsatisfactory. There was a total 58 targets, 25 were achieved – 43.10% and 33 were not achieved – 56.89%.

It noted with concern that the Human Resources Unit did not submit any Portfolio of Evidence (PoE) for the third quarter and the Performance Management System (PMS) Unit was unable to evaluate the Unit’s performance.

Subsequent to the second quarter’s performance, the PMS conducted sessions with the different department to revise the target initially set. Based on the results of the third quarter, the exercise was fruitless as departments failed to achieve revised targets. This may be due to managers did not comply with availing themselves for the revision of targets or setting unattainable target during the sessions.

It is advised that when departments set targets, that they apply the SMART principle. The application thereof will assist in setting targets that are attainable.

It should be noted that the role of the PMS Unit is to assist in the achievement of set targets as indicated in the Service Delivery Business and Implementation Plan (SDBIP) and offer assistance in achieving such targets.

1. **AGREED ACTION/ OVERALL MANAGEMENT COMMENTS**

Internal Audit and Performance Management System (PMS) discussed the third quarter report for the 2015/16 financial year. During the engagement, PMS was advised to follow up and amend discrepancies identified. Follow up was conducted and the report was updated accordingly.

1. **APPRECIATION**

We would like to take this opportunity to express our gratitude to both manager and staff of Performance Management System and for the assistance and co-operation afforded to us during the audit.

Should there be any items from this report which require further clarification, kindly contact the undersigned.

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**INTERNAL AUDITOR**

**DATE: \_\_\_\_\_\_\_\_\_\_\_**

1. **THIRD QUARTER PERFORMANCE**

**LOCAL ECONOMIC DEVELOPMENT**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO**  **No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Local Economic Development** | **Local Economic development** | **Enhancement of the municipality’s local economy** | **SO2** | Reviewed Local Economic Development Strategy by June 2016 : | Reviewed LED Strategy by June 2016 | 2014/2015 LED Strategy | Reviewed LED Strategy | Submit the reviewed draft Strategy to Council by March 2016 | Not Achieved | *Not achieved* | *None*. | Awaiting Destea for assistance for the review of the strategy | The final reviewed strategy will be submitted in May council meeting | - | Council Resolution and copy of the adopted strategy |
|  |  | 6 Business expos conducted and 3 cooperatives assisted with business plans | 6 Business expos conducted and 3 cooperatives assisted with business plans | 4 co-operatives assisted in 2013/2014 | Completed Business plans forms, Invites and attendance registers | Conduct 1 business expo per town | Not Achieved  Actual achievement = one Rouxville | *Not achieved.* | *None.* | None availability of stakeholders for Smithfield | Smithfield expo will be held on the 27 May  Zastron expo was done in November 2015 | - | Completed Business plans forms, Invites and attendance registers |
|  |  | Develop SMME support Policy by June 2016 | Developed SMMES support Policy by June 2016 | New KPI | Developed and adopted Policy | Submit the developed draft Policy to Council by March 2016 | Achieved | *Achieved.* | *None.* | - | - | - | Council Resolution and copy of the Policy |
|  |  | Develop the Agricultural Strategy by June 2016 | Developed Agricultural Strategy by June 2016 | New KPI | Developed and adopted Strategy | Submit the developed strategy to Council by March 2016 | Achieved | *Achieved.* | *None.* | - | - | - | Council resolution and copy of the strategy |

**Actual achievement**

The Local Economic Development had four (4) targets set in the 2015/2016 SDBIP third quarter and actual achievement is two(2) which is fifty (50%) achievement.

**Recommendation**

The unit to ensure that the business expos are held in all three towns by June 2016

To ensure that the LED Strategy is submitted to Council for approval by May 2016

**INFORMATION TECHNOLOGY**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO**  **No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3** | **Good Governance and administration** | **Good Governance in Mohokare** | **Ensure 100% development of ICT Strategy** | **4** | Reviewed ICT Strategy by June 2016 | Reviewed ICT Strategy by June 2016 | 2014/2015 ICT Strategy | Reviewed ICT Strategy by May 2016 | Submit the draft ICT Strategy to Council by March 2016 | Achieved | *Achieved.* | *None.* | **-** | **-** | **-** | Council Resolution and copy of Strategy (**Annexure A**) |
|  |  | Reviewed ICT Policies June 2016 | 7 Policies Reviewed by June 2016 | 7 reviewed and adopted Policies 2014/15 | 7 reviewed ICT Strategies adopted by May 2016.  1.IT Security policy  2.IT Assets Control & Disposal Policy  3.Internet Usage Policy  4.Change management policy  5.Password policy  6.IT Backup Policy  7 Disaster Recovery policy | Submit the 7 draft reviewed ICT Policies to Council by March 2016 | Not achieved | *Not achieved.* | *None.* | Policies have not as yet been to the committee | -The policies are to be submitted to committee by 19, and then to council by June 2016 | **-** | Council Resolution and copies of the adopted Policies |
|  | **Good Governance and administration** | **Good Governance in Mohokare** | **Ensure 100% development of ICT Strategy** |  | Developed and Approved 4 new Policies (Network Policy, Email Usage Policy,  Telephone Policy  Mobile and gadgets policy) | 4 New policies developed and approved (Network Policy, Email usage policy  Telephone Policy  Mobile and gadgets policy) | New KPI | Approved policies | Submit 4 draft policies to Council by March 2016 | Not achieved | *Not achieved.* | *None.* | Policies have not as yet been to the committee | -The policies are to be submitted to committee by 19, and then to council by June 2016 | **-** | Council Resolution and adopted copies |
|  |  | Developed and approved Disaster recovery and Business Continuity Plan by May 2016 | 2016/2017 approved Disaster Recovery and Business Continuity Plan | New KPI | Approved plan | Submit draft Disaster Recovery and Business Continuity Plan to Council by March 2016 | Achieved | *Achieved.* | *None.* | - | - | **-** | Council resolution and copy of the approved plan (**Annexure B**) |

**Actual Achievement**

The IT department had Four (04) targets set for quarter three SDBIP 2015/2016, actual target achieved is two (02), which resulted to fifty (50%) achievement.

**Recommendation**

Please ensure that the policies are reviewed and submitted to relevant committees and approved by Council by May 2016

**PERFORMANCE MANAGEMENT SYSTEM**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3** | **Good governance& Administration** | **Good governance in Mohokare** | **100% monitoring and evaluation of the municipality’s Performance** | **SO 4** | 2015/2016 Organisational performance management system reviewed by February 2016 | Review PMS policy framework | Approved PMS policy Framework | Reviewed PMS Policy | Submit the 2015/2016 PMS Policy to *Council* by February 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Council resolution and electronic copy of the reviewed policy |
|  |  |  |  |  | 2016/2017 Organisational performance management system reviewed by May 2016 | Review PMS policy framework | Approved PMS policy Framework | Reviewed PMS Policy | Submit the draft 2016/2017 PMS Policy to Council by March 2016 | Not Achieved | *Not achieved.* | *None.* | Due to non-sitting of the sec 79 | It will be passed on with the final IDP | Target not achieved | copy of the reviewed policy |
|  |  |  |  |  | Developed 2016/2017 SDBIP by June 2016 | Developed 2016/2017 SDBIP by June 2016 | 2015/2016 SDBIP | Developed and approved SDBIP | Draft 2016/2017 SDBIP submitted to Council by March 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Approved SDBIP |
|  |  |  |  |  | Developed Mid-year report submitted to Council by 25 January 2016 | Mid-year report submitted to Council by 25 January 2016 | 2014/2015 Mid-year report | Developed and submitted Mid-year report | Mid-year report developed and submitted to Council by 25 January 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Adopted Mid-year report |
|  |  |  | **Ensuring 100% compliance to MFMA, MSA and Circular 63 & 32** |  | Tabled AR and APR to Council by 25 January 2016 | Tabled Annual Report and Annual Performance Report by the 25 January  2016 | Annual report, annual performance  Report tabled on the 22nd January 2015 | Adopted AR | Table Annual Report and Annual Performance Report by the 25 January  2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Council resolution and electronic copy of AR & APR |
|  |  |  |  |  | Adopted Oversight report for 2014/2015 Annual Report (March 2016) | Oversight Committee meeting must sit within two (2) months of the adoption of AR | Adopted oversight report 2013/2014 | Adopted Oversight Report | Adoption of oversight report by Council for AR 2014/2015 by 31 March 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Adopted Oversight report , minutes and Council resolution |
|  |  |  |  |  | Development of 2015/2016 Suppliers and Service Providers monitoring Policy by March 2016 | Development of 2015/2016 Suppliers and Service Providers monitoring Policy by March 2016 | New KPI | Service Providers Policy | Draft 2015/2016 Suppliers and Service Providers monitoring Policy approved by Council by March 2016 | Not achieved | *Not achieved.* | *None.* | Inputs from finance were delayed  Delay in the sitting of the management meeting | Management set in 06th of April, due to the commitment of the MM it will be passed on in the next management meeting | Target not achieved | Copy of the policy |

**Actual Achievement**

The Performance Management System had seven (07) targets set for quarter three SDBIP 2015/2016, actual target achieved is five (05), which resulted to seventy one(71%) achievement

**Recommendation**

The Unit to ensure that the non-achieved targets are carried over to the next council and should be achieved by last council meeting

**INTERNAL AUDITING**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Maintaining and improving the Municipal Audit Opinion** |  | Review and submit the Audit Plan to AC for approval by February 2015 | Reviewed and adopted Audit Action Plan | Adopted 2014/2015 Audit Plan | Approved Audit Plan | Submit the Audit Plan to AC by February 2016 | Achieved  The internal Audit Plan was approved by an e-mail which was sent by an Audit Committee member indicated the approval of the plan | Not achieved. | None. | **-** | **-** | Target not achieved  No minutes attached to substantiate the approval of the Internal Audit Plan | Approved Audit Plan, Attendance register and report |
|  |  |  |  |  | Developed Audit Action Plan as derived from AGSA findings raised by 25 January 2016 | Approved Audit Action Plan by AC | 2014/2015 Audit Action Plan | Approved Audit Action Plan by AC | Developed and approved Audit Action Plan included in the AR by 25 Jan 2016 | Achieved | Achieved. | None. | - | - | Target achieved | Action Plan |

**Actual Achievement**

The Internal audit Unit had two (02) targets set for quarter three SDBIP 2015/2016, actual target achieved is one (01), which resulted to fifty (50%) achievement.

**INTEGRATED DEVELOPMENT PLANNING**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comments by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3** | **Good governance & Administration** | **Good governance in Mohokare** | To implement a ranking and rating system for all new capital projects to support the strategic objectives and priorities of Council and Community |  | Reviewed and approved IDP by May 2016 | Reviewed and approved IDP | Approved 2014/2015 IDP | Approved IDP Plan | Submit draft IDP to Council by March 2016 | Achieved | Achieved. |  | - | - | Target achieved | Council resolution  And electronic copy of the IDP. |

**Actual Achievement**

The Integrated Development Planning Unit had one (01) target set for quarter three SDBIP 2015/2016, actual target achieved is one (01), which resulted to hundred (100%) achievement.

**RISK MANAGEMENT**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3** | **Good governance and administration** | **Good governance in Mohokare** | **To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified** |  | Reviewed Enterprise Risk Management Policies (Risk Management Strategy and Framework, Fraud and Anticorruption Strategy, Risk Management Committee Charter) | Reviewed Enterprise Risk Management Policies | Reviewed Enterprise Risk Management Policies | Reviewed and adopted policies | Submission of 2015/2016 Policies to RMC AC & Council by February 2016 | Not achieved | *Not achieved.* | *Follow up should be made with the Chairperson of the AC to ensure that reports are prepared and submitted for Council.* | Chairperson of the AC did not submit the report to Council | Report to be submitted to Council | Target not achieved | minutes from AC |
|  | Submission of draft 2016/2017 Policies to Council by March 2016 | Not achieved | *Not achieved.* | *A schedule of RMC meetings should be drafted and adherence thereto. In cases of deviations members should be informed.* | The reviewed draft policy has to be submitted to RMC, the RMC has not schedule a meeting to date | The appointment of the chairperson of the RMC to ensure sitting of the committee | Target not achieved | No POE attached |
|  |  | Identified top 10 high municipal risks | 10 high municipal risks identified and monitored | New KPI | Risk register | Top 10 high risks identified | Achieved | *Achieved.* | *None.* | - | - | - | Risk register |

**Actual Achievement**

The Risk Management Unit had three (03) targets set for quarter three SDBIP 2015/2016, actual target achieved is one (01), which resulted to thirty three (33%) achievement.

**TOWN PLANNING**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO**  **No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **3** | **Good governance& Administration** | **Good governance in Mohokare** | **100% compliance to SPLUMA** |  | Development of SPLUM Policy by June 2016 | Developed SPLUM Policy by June 2016 | New KPI | Developed Policy | Submit the draft Policy to Section 79 and Council by March 2016 | Not achieved | *Not achieved.* | *None.* | COGTA not assisting with signed guidelines in time | Use unsigned documents or wait for COGTA | Target not achieved | No POE attached |
|  |  | Reviewed Spatial Development Framework by June 2016 | Reviewed SDF by June 2016 | 2014/2015  SDF | Reviewed SDF | Submit the draft SDF to Council by March 2016 | Achieved | *Not achieved.* | *The PoE submitted does not support the target set.* | - | - | Target not achieved  The SDF was not submitted to Council as per the target set | Copy of the reviewed SDF |

**Actual Achievement**

The Town Planning Unit had two (02) targets set for quarter three SDBIP 2015/2016, actual target achieved is Zero (0), which resulted to Zero (0%) achievement.

**Recommendation**

Submit Council resolutions as proof that Council adopted the SDF

The Unit should ensure that they set and develop targets that are within the control of the municipality.

**HUMAN RESOURCE MANAGEMENT**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual Achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Good Governance and Administration**  **Good Governance and Administration** | **Good Governance in Mohokare**  **Good Governance in Mohokare** | **Annual review and implementation of the Human Resource Development Strategy by June 2016**  **Annual review and implementation of the Human Resource Development Strategy by June 2016** | 4 | 2015/2016 HRD strategy developed and adopted by February 2016 | Annual review and implementation of the Human Resource Development Strategy by February2016 | New KPI | Final adopted HRD Strategy by February 2016 | Final 2015/2016 HRD Strategy adopted by Council on the 25 February 2016 | **-** | *Not achieved.* | *None.* | **-** | **-** | Target not applicable |  |
|  |  | Reviewed HRD Strategy by June 2016 | Reviewed HRD Strategy by June 2016 | Adopted 2015/2016 HRD Strategy | Reviewed Strategy | Submit draft 2016/2017 Strategy to Sec 79 and Council by March 2016 | **-** | *Not achieved.* | *None.* | **Sec 79 did not meet** | **Submission to May council** | Target not achieved  Actual achievement was not indicated | No POE attached |
|  |  | 8 Human Resources Policy reviewed and approved by June 2016 | 8 Human Resources Policy reviewed and approved by June 2016 | 8 Reviewed HR policies | Reviewed 8 HR Policies | Submit drafts to Section 79 and Council by March 2016 | Not achieved | *Not achieved.* | *None.* | Sec 79 Committee did not meet | Submission to the May council | Target not achieved | No POE attached |
|  |  | Reviewed Organogram by June 2016 | Reviewed Organogram by June 2016 | 2015/2016 reviewed Organogram | Reviewed Organogram | Submit reviewed Organogram to Section 79 by March 2016 | Not achieved | *Not achieved.* | *None.* | Sec 79 committee did not meet | Submission to the may council | Target not achieved | Not POE attached |

**Actual Achievement**

The Human Resource Unit had four (04) targets set for quarter three SDBIP 2015/2016, actual target achieved is Zero (0), which resulted to Zero (0%) achievement

**Recommendation**

To achieve the set targets, please ensure that the is no delay in the process of reviewing documents

**TECHNICAL SERVICES**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | **Basic service delivery and infrastructure development** | **Deliver sustainable services that are on or above RDP level** | **Provision of Project Management services to the Municipality 2015/2016** | **1** | To achieve 100% expenditure on RBIG (Regional Bulk Infrastructure Grant) by 31 March 2016 | 100% expenditure | **-** | Expenditure report | 100 % expenditure | Achieved  110%  R49 698 931.91 | *Not achieved.* | *PoE submitted should be understandable to all users. Where necessary explanations should be given for reported information* | **-** | **-** | Not Target achieved  The POEs submitted amount to R36 154,483,77 | Proof of transfer and revised allocation letter |
|  |  | To achieve 100% expenditure on MWIG (Municipal Water Infrastructure Grant) by 30 June 2016 | 100% expenditure | **-** | Expenditure report | 55 % expenditure | Not achieved  17% Expenditure  R2 687 282.39 | *Not achieved.* | *PoE submitted should be understandable to all users. Where necessary explanations should be given for reported information* | Non-adherence to procurement plan by supply chain management | The accounting officer has applied disciplinary measures | Target not achieved | Proof of payment to service providers |
|  |  | 100% expenditure of Municipal Infrastructure Grant by 30 June 2016 | 100% expenditure | **-** | Expenditure report | 55 % expenditure | Not achieved  52%  R8 357.981.61 | *Not achieved.* | *PoE submitted should be understandable to all users. Where necessary explanations should be given for reported information* | Non-adherence to procurement plan by SCM  Delayed by contractor on the sports ground  Delay on the sports ground project due to labour unrest | The accounting officer has applied disciplinary measures | Target not achieved | Signed Implementation plan |
|  | **Basic service delivery and infrastructure development** | **Deliver sustainable services that are on or above RDP level** |  |  | Zastron/Matlakeng: Upgrading of the waste water treatment works | Completion and handover of the pipeline | **-** | Physical progress in percentages | 100 % completion(completion certificate) | Not achieved  20% completion | *Not achieved.* | *None.* | Delays in the appointment of the contractor due to insufficient funds for completion of mechanical and electrical and mechanical works | The project was brought forward in line with Council resolution | Target not achieved | Revised MIG budget for upgrading of Zastron WWTW |
|  |  |  |  |  | Smithfield/Somido park: Construction of 3km access collectors, internal streets and related storm water | 10% physical progress on site | **-** | Physical progress in percentages | Site handover and establishment (5 %) | Not achieved  0% progress | *Not achieved.* | *None.* | Delay by BID committee in appointing a contractor | **-** | Target not achieved | Tender notice and invitation to tender |
|  | **Basic service delivery and infrastructure development** | **Deliver sustainable services that are on or above RDP level** |  |  | Mofulatshepe: Upgrading of sports ground | Completion and handover of the project | **-** | Physical progress in percentages | 70% progress on site | Achieved  82% progress on site | *Achieved.* | *Details on how the progress is calculated should be provided as assist the users verifying the information* | **-** | **-** | Target achieved | Site meeting minutes and Completion certificate |
|  | **Basic service delivery and infrastructure development** | **Deliver sustainable services that are on or above RDP level** |  |  | Construction of the 27 km raw water pipeline from Orange river to Paisley dam in Rouxville | Completion of the 27 km raw water pipeline project by May 2016 | **-** | Physical progress in percentages | 30% physical progress | Achieved  52% physical progress | *Achieved* | *None.* | **-** | **-** | Target achieved | Site meeting minutes |
|  |  |  |  |  | Construction of the 15 km raw water pipeline from Montaqu dam to Kloof dam and water treatment works in Zastron | Completion and handover of the 15 km raw water pipeline from Montaqu dam to Kloof dam and water treatment works in Zastron by March 2016 | **-** | Physical progress in percentages | 100% completion of the project by March 2016 (completion certificate) | Achieved  100% completion | *Not achieved.* | *None.* | **-** | **-** | Target not achieved  POE submitted reflects that there is still work outstanding | Completion certificate |
|  |  | Construction of Water Treatment works in Rouxville | Completion and handover of the Water Treatment works project by June 2016 | **-** | Physical progress in percentages | Re-establishment of site by Civil contractor by March 2016 | Not achieved | *Not achieved.* | *None.* | Due to financial shown by the adjudicator | A letter for non-performance were issued | Target not achieved | Adjudicators decision and terminate on letter |
|  |  | Development of boreholes in Smithfield |  | **-** | Physical progress in percentages | Completion of eight (8)hand pump boreholes and three (3) electricity borehole pumps | Achieved  100% completion | *Achieved.* | *None.* | **-** | **-** | Target not achieved  Scope completed report given shows 7 bore holes not 8 as stipulated in the SDBP.  Nothing is said about the 3 electricity borehole pumps | Pictures hand boreholes |
|  | **Basic Service Delivery and Infrastructure development** | **Deliver sustainable services that are on or above RDP level** | **Provision of access roads to previously disadvantaged areas by 30 June 2016** |  | Developed Road management plan by June 2016 | To develop a road management plan by June 2016 | **-** | Plans in a form of documents | Submit draft Road management plan to Management by March 2016 | Not achieved | *Not achieved.* | *None.* | Draft in place awaiting management meeting | Submit draft in the management meeting | Target not achieved | Draft Road management plan submission to Council |
|  | **Basic service delivery and infrastructure development** | **Deliver sustainable services that are on or above RDP level** | **Provision of Arial lighting and electrification of household by 30 June 2016** |  | 100% expenditure of INEP (Integrated National Electrification Program) by 31 March 2016 | 100% Completion of the project. Electrification/connection of 74 infill’s in Zastron and Smithfield | **-** | 74 of households connected to the grid | Connections of 24 households | Achieved  49 connections of households to the grid | *Not achieved.* | *The PoE should be compiled so that any person reading the report will understand. Currently it is figures that are not user friendly and explanations are not provided.* | **-** | **-** | Target not achieved  POEs submitted does not proof enough that beneficiaries are indeed 49. | Progress report from CENTLEC |
|  | **Basic Service Delivery and Infrastructure development** | **Deliver quality services in Mohokare** | **Households with access to refuse removal & solid waste removal once a week** |  | 10793 households with access to refuse removal & solid waste removal once a week per town | 10793 households receiving refuse removal from the municipality | **-** | Refuse removed once a week | 10793 households with access to refuse removal once a week | Not achieved | *Not achieved.* | *None.* | The number of households on the ground equals to 8638 | Technical services, Community services and the Town planner to sit in a meeting so as to ensure that the number of households that are occupied are captured correctly | Target not achieved | Refuse report |

**Actual Achievement**

The Technical Services had Thirteen (13) targets set for quarter three SDBIP 2015/2016, actual target achieved is six (2), which resulted to fifteen percent (15.4%) achievement.

**Recommendation**

The PMS Unit need to do site verifications of boreholes

The PMU Unit should get signed beneficiary list were electricity was connected to verify the work done by contractor

Procurement plan should be adhered to

Spending should be in line with the implementation plan

**FINANCE SERVICES**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **4** | **Financial Management** | **Financial Viability** | **Implementation of Mohokare Financial Management Plan** | **SO 3** | Reviewed Revenue enhancement strategy by June 2016 | Reviewed Revenue enhancement strategy by June 2016 | 2014/2015 Reviewed Strategy | Adopted reviewed Revenue enhancement strategy | To submit to the draft Revenue Strategy to Section 79 and Council for adoption by March 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Attached draft Strategy and Council Resolution |
|  |  | Reviewed Credit Control Policy by June 2016 | Reviewed Credit Control Policy by June 2016 | 2014/2015 reviewed strategy | Adopted reviewed Credit control Policy | To submit to the draft Policy to Section 79 and Council for adoption by March 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Attached draft policy and Council Resolution |
|  |  | Developed Compliant municipal budget by June 2016 | Developed Compliant municipal budget by June 2016 | 2014/2015 adopted budget by 26 May 2015 | Adopted Compliant Municipal Budget by May 2016 | Submit the draft compliant budget to Budget Steering Committee and Council by March 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Attached Budget steering committee minutes, draft budget and council resolution |
|  |  |  |  |  | Developed adjustment budget by Feb 2016 | Adopted adjustment budget by Feb 2016 | Adopted adjustment budget in by 2015 | Adopted 2015/2016 adjustment budget | Submit the adjusted budget to Budget Steering Committee and Council for Adoption by Feb 2016 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Council Resolution and adopted copy of the adjustment budget |
|  | **Financial Management** | **Financial Viability** | **Implementation of Mohokare Financial Management Plan** |  | Reviewed compliant assets management Policy by June 2016 | Adopted Compliant assets management Policy by June 2016 | Adopted Assets management Policy by June 2015 | Compliant assets management Policy | To submit to the draft Policy to Section 79 and Council for adoption by March 2016 | Not achieved | *Not achieved.* | *None.* | The policy is still being reviewed as per AG requirements | The policy will go to the next Sec 79 taking place in May and thereafter to Council | Target not achieved | No POE attached |
|  | **Implementation of the Supply Chain Policy** |  | Annual Reviewed Supply chain management policy by June 2016 | Reviewed Supply Chain Management Policy by May 2016 | Supply Chain Management Policy adopted May 2015 | Reviewed Supply Chain Management Policy by May 2016 | To submit to the draft Policy to Section 79 and Council for adoption by March 2016 | Not achieved | *Not achieved.* | *None.* | The policy has been submitted to Provincial treasury for review and inputs | The policy will be taken to Sec 79 and Council with provincial treasury inputs | Target not achieved | Report and Attendance Register (Sec 79)  Copy of the final Policy and Council Resolution |
|  |  |  | **Submission of Compliant AFS** |  | Submission of compliant Financial Statements to Council, National and Provincial Treasury by 25 January 2016 | Submitted final AFS to Council | AFS submitted to Council by 25 Jan 2015 | Submitted final AFS | Submission of compliant Financial Statements to Council, National and Provincial Treasury by 25 January 2016 | Not achieved | *Achieved.* | *None.* |  | The Financial Statements form part of the Annual report: Refer to Annual Report | Target achieved | No POE attached |

**Actual Achievement**

The Finance department had seven (07) targets set for quarter three SDBIP 2015/2016, actual target achieved is four (05), which resulted to seventy one (71%) achievement.

**Recommendation**

Please include council resolution as proof that AFS were submitted to Council, National and Provincial Treasury

Ensure that policies not submitted to Council are submitted in the next Council meeting in May

**CORPORATE SERVICES**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual achievement** | **Verification by Internal Audit** | **Comments by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2** | **Public Participation** | **Participate in Mohokare** | **Provide for mechanisms and processes for participation in Municipal governance** | **6** | Communications Policy reviewed by June 2016 | Reviewed Communications Policy by June 2016 | 14/15 adopted Communications policy | Reviewed and adopted policy | Submit the reviewed draft Policy to Council by March 2016 | Not achieved | *Not achieved.* | *None.* | The policy due to unavailability of stakeholders has not gone for consultation process to ensure submission to Council | The policy will be submitted to Council on the 28 May 2016 after consultation with the stakeholders | Target not achieved | Report and invitation to stakeholders for consultation process |
|  |  | Public participation policy reviewed and implemented by June 2016 | Reviewed Public participation policy by June 2016 | 14/15 reviewed policy | Reviewed and adopted plan | Submit the reviewed draft Policy to Council by March 2016 | Not achieved | *Not achieved.* | *None.* | The policy due to unavailability of stakeholders has not gone for consultation process to ensure submission to Council | The policy will be submitted to Council on the 28 May 2016 after consultation with the stakeholders | Target not achieved | Report and invitation to stakeholders for consultation process |
|  | **Good governance & Administration** | **Good governance in Mohokare** | **Enhance institutional development and good governance** |  | Coordination of ordinary council meetings | 4 Ordinary Council meeting | 4 distributed notices and agenda for 4 ordinary meetings | 4 distributed notices and agendas for ordinary council meeting | Distribution of notices and agendas by Feb 16 | Achieved | *Achieved.* | *None.* | - | - | Target achieved | Copy of notices and agendas distributed and acknowledgement of receipts |

**Actual Achievement**

The Corporate Services had three (03) targets set for quarter three SDBIP 2015/2016, actual target achieved is one (1), which resulted to thirty three (33%) achievement.

Recommendation

Please ensure that policies that were not submitted to Council are submitted in the next Council meeting by May 2016

**COMMUNITY SERVICES**

| **KPA No** | **Key Performance Area** | **Municipal Strategic Objective (SOs)** | **Municipal Strategic Objective (Departmental)** | **SO No** | **Key performance indicator(s)** | **Annual Target** | **Baseline** | **Unit of measurement** | **Quarter 3 ending March 2016** | **Actual achievement** | **Verification by Internal Audit** | **Comment by Internal Audit** | **Reason for deviation** | **Corrective measure to be taken** | **PMS Comment** | **POE** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | **Basic Service Delivery and Infrastructure development** | **Keep Mohokare Safe & Clean** | Provision of sustainable Human Settlements in all the three towns by 30 June 2016 |  | Review of Human Settlement Sector Plan by June 2016 | Review of Human Settlement Sector Plan by June 2016 | Human Settlement Sector Plan 2014/2015 | Draft reviewed plan by March and a final reviewed and adopted Plan by May | Submission of draft plan to Council by March 2016 | Achieved (Draft review of the Plan in place) | Achieved. | None. | None | N/A | Target achieved | Council resolution and a copy of the Plan |
|  |  | Reviewed of Municipal Housing Rental Policy by June 2016 | Reviewed of Municipal Housing Rental Policy by June 2016 | Municipal rental housing policy in place | Draft reviewed policy by March and a final reviewed and adopted policy by May | Submission of draft policy to council by march 2016 | Not Achieved | Not achieved. | None. | Reviewed Policy withheld | Re- submission to Management and then to Council by May 2016 | Target not achieved | Council resolution and a copy of the plan |
|  |  | Reviewed Municipal sites allocation Policy by June 2016 | Reviewed Municipal sites allocation Policy by June 2016 | 2014/2015 Policy | Draft reviewed policy by March and final reviewed and adopted policy by May | Submission of draft Policy to Council by March 2016 | Not Achieved | Not achieved. | None. | Reviewed Policy withheld | Re- submission to Management and then to Council by May 2016 | Target not achieved | Council resolution  And a copy of the Plan |
|  |
|  | **Basic Service Delivery and Infrastructure development** | **Keep Mohokare Safe & Clean** | Management of Local Disaster as per incident |  | Review of local disaster management plan by June 2016 | Reviewed Disaster Management Plan by June 2016 | Local Disaster Management Plan in place | Draft reviewed plan by March and  Final reviewed and adopted Plan by May | Submission of draft plan to Council by March 2016 | Achieved (Draft review of the Plan in place) | Achieved. | None. | None | N/A | Target achieved | Council resolution and a copy of the Plan |
|  | Management of Solid Waste (Refuse removal) | **5** | Reviewed Integrated Waste Management Plan (local) by June 2016 | Reviewed Integrated Waste Management Plan (local) by June 2016 | IWMP in place | Draft reviewed plan by March and a final reviewed and adopted Plan by May | Submission of draft plan to Council by March 2016 | Achieved (Draft review of the Plan in place) | Achieved. | None. | None | N/A | Target achieved | Council resolution and a copy of the Plan |
|  | **Basic Service Delivery and Infrastructure development** | **Keep Mohokare Safe & Clean** | Provision of sustainable Commonage Management | 5 | Reviewed Commonage Management Policy by June 2016 | Reviewed Commonage Management Policy by June 2016 | Commonage management policy in place | Draft reviewed Policy by March and  Final reviewed and adopted Policy by May | Submission of draft plan to Council by March 2016 | Achieved (Draft review of the Policy in place) | Achieved. | None. | None | N/A | Target achieved | Council resolution and a copy of the Policy |
|  | Management of Sports and Facilities | 5 | Developed Sports and Facilities Management policy by June 2016 | Developed Sports and Facilities Management policy by June 2016 | New KPI | Developed draft policy by March and Final draft adopted policy by May | Submission of draft plan to Council by March 2016 | Not Achieved | Not achieved. | None. |  | Re- submission to Management and then to Council by May 2016 | Target not achieved | Council resolution and a copy of the Policy |
|  |  |  | Management of Municipal Amenities | 5 | Reviewed Cemetery Management Policy by June 2016 | Review of Cemetery management Policy by June 2016 | Cemetery Management policy in place | Draft reviewed Policy by March and  Final reviewed and adopted Policy by May | Submission of draft policy to council by march 2016 | Not Achieved | Not achieved. | None. | Reviewed Policy withheld | Re- submission to Management and then to Council by May 2016 | Target not achieved | Council resolution and a copy of the plan |

**Actual Achievement**

The Community Services had four (08) targets set for quarter three SDBIP 2015/2016, actual target achieved is one (04), which resulted to hundred (50%) achievement.

**Recommendation**

Ensure that the draft policies are reviewed submitted to Management approval and recommendation to submit to Council.