
3.19 RISK MANAGEMENT SERVICES

The role of Risk Management in the Municipality is to co-ordinate and offer guidance with regard to the process of managing risks in the Municipality and the following were taken into consideration.

- ✚ By ensuring that there is regular updating of risks on quarterly basis in the risks registers in pursuit of set objectives and improved risk maturity level;
- ✚ By ensuring that there is embedding of risk management culture in the Municipality by the risk owners and other role players; and
- ✚ Ensure that there is functional and effective Risk Management Committee in place to play an oversight role over Risk Management matters.

In terms of the Risk Management Strategy, Risk Management is not a stand-alone function, but is part of the strategic planning, business process and operational activities. The Risk Management Officer resigned towards the end of the financial year.

Risk Management Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service 2015/16		Actual			*Following Year	
	Targets		*Previous Year	*Current Year	Corrective/improvement measures		*Current Year
Service Indicators							
Service Objective risk management							
To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risk assessment conducted	4 risks assessments conducted	4 Risks assessments conducted by June 2016	Risks assessments were conducted for each department in all the 4 Quarters.	N/A	N/A	
To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risks workshops conducted	2 workshops conducted	2 Workshops conducted by March 2016	Risks workshops were held from the 3rd - 6th August 2015 for all departments; 2nd workshop was held from the 12th - 15th January 2016. Attendance registers have been submitted	N/A	N/A	
To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risks committee meetings conducted	4 risk committee meetings held	4 risk committee meetings conducted by June 2016	Risk committee meetings was held on the 2nd July 2015; 22 October 2015; 23 February 2016 and 24 June 2016. Attendance registers have been submitted	N/A	N/A	



MASILONYANA LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT (QUARTER 1 - 4)

MLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2015 TO Q4 JUNE 2016)

REPORTING PERIOD: AS AT 30 JUNE 2016

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organization's strategy. It also is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level, performance management is institutionalized through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organization.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Masilonyana Municipality. The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- promote the efficient, economic and effective use of resources,
- ensure accountable public administration,
- be transparent by providing information,
- be responsive to the needs of the community, and
- facilitate a culture of public service and accountability amongst staff.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organizational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players". Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report furthermore must indicate the development and service delivery priorities and the performance targets set by the municipality, and measures that were or are to be taken to improve performance.

PERFORMANCE MANAGEMENT SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2015/16

ORGANISATIONAL PERFORMANCE

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on, during the financial year, to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the Municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the Strategic Objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

The Municipality adopted a Performance Management Framework for 2015/2016 financial year. The framework was approved by the Municipal council during July 2015.

THE IDP, BUDGET AND PMS

The IDP and the Budget was tabled before Council during May 2015. The IDP has its primary aim the reflection of Council's vision for long-term development by focusing on the critical development and transformation needs. It therefore is important to assess the existing level of development as identified within the communities and allow citizens the opportunity to render comments on such developments. The IDP and performance management processes are integrated and requires the consultation with the public in order to commence with activities that influence the community directly. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based in the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are

implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

AMENDMENT OF THE TOP LAYER SDBIP

Top Layer SDBIP was amended during January and approved by Council on the 22nd January 2016.

INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

Municipal Manager and Managers Directly Accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s56-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Performance. All Heads of Departments have signed the performance agreements and performance plans.

The appraisal of the actual performance in terms of the signed agreement did not take place twice per annum as regulated. However, the municipality will start implementing this process during 2016/2017 financial year.

Other Municipal Personnel

The municipality did not implement cascading of PMS to lower levels below S56 managers; however this process only started during 2016/2017 financial year as encompassed by the policy and framework. Performance agreements/scorecard will be developed and signed between the staff on other post levels and immediate managers/ supervisors. Progress in this regard will be reported on in future.

ANNUAL PERFORMANCE SCORECARD REPORT 2015/2016 FINANCIAL YEAR

MASILONYANA MUNICIPALITY						
SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2015/2016 FINANCIAL YEAR						
ANNUAL PERFORMANCE REPORT - MSA SECTION 46						
OBJECTIVE	KEY PERFORMANCE INDICATOR	COMPARISON WITH 2014/15 TARGETS	ANNUAL TARGET 2015/2016	ACHIEVED/NOT ACHIEVED	REASONS FOR NON ACHIEVEMENT	CORRECTIVE MEASURE
KPA 1: BASIC SERVICE DELIVERY						
Roads and Stormwater	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of kms of soil roads upgraded to block paving	No reporting was made under this indicator	1km soil road upgraded to block paving at Theunissen Masiilo by June 2016	Achieved. Completion certificate has been attached and submitted	
	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of kms of zoning streets constructed	No reporting was made under this indicator	4.6 km of zoning streets constructed at Verkleedevlei by June 2016	Achieved. Pictures of the zoning streets constructed has also been attached.	
	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of zoning streets maintained	No reporting was made under this indicator	10 km of zoning streets maintained in all municipal towns by June 2016	Not achieved	This is due to insufficient reporting by the department concerned. However 3.6km of zoning streets have been maintained in all municipal towns

	<p>To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan</p>	<p>No. of km of roads patched</p>	<p>2.2 km patching was done in Theunissen, Winburg and Brandfort</p>	<p>2.1 km of roads patched in Theunissen, Winburg, Brandfort and Verkleedevlei by March 2016</p>	<p>Achieved. 2, 7 km Patching has been done in Winburg, Theunissen, Brandfort. Patching was not done in Verkleedevlei as there is paving.</p>	
<p>Provision of sources of energy</p>	<p>To ensure that 100% of households in Masiyonyana Municipal area have access to electricity by 2016</p>	<p>% of business plan completed and submitted to DOE for refurbishment and upgrade of Bulk Electrification</p>	<p>9 Business plans submitted to DOE</p>	<p>9 Business plans developed and submitted to the Department of energy for refurbishment and upgrade of Bulk electrification by December 2015</p>	<p>Achieved. 9 Business Plans have been completed for Department of energy</p>	
<p>Provision of water</p>	<p>To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016</p>	<p>% of water treatment plant upgraded</p>	<p>No reporting was made under this indicator</p>	<p>Additional 1 Mega litre of purified water supply at Soutpan by March 2016</p>	<p>Not achieved</p>	<p>Sub-contractor has been appointed to complete the project and is anticipated to complete the project end of September 2016. Project will be implemented at a later stage</p>
	<p>To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016</p>	<p>No of water reservoir constructed</p>	<p>No reporting was made under this indicator</p>	<p>Construction of additional 2 mega litres reservoirs in Theunissen by June 2016</p>	<p>Not achieved</p>	<p>Non performance of the contractor as services were not delivered as per the scope of work. Funds of this project was transferred to Masilo concrete pressure tower as this was the prioritized project. However the project is at a design stage and the design has been forwarded to the municipality by Tinsedi Project Management.</p>

To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 3720 water meters, 2 zone metres and 4 bulk metres at Theunissen by June 2016	Not achieved	Suppliers and contractors were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 505 domestic water meters, 2 zone metres and 5 bulk metres at Verkeerdevlei by June 2016	Not achieved	Suppliers and contractors were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 2719 water meters, 3 zone metres and 3 bulk metres at Brandfort/Majwemasweu by June 2016	Not achieved	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 1027 water meters, 2 zone metres and 5 bulk water metres at Souipam/Ikgomotseng by June 2016	Not achieved	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics.	Installation of 3122 water meters, 3 zone metres at Winburg/Makeketla by June 2016	Not achieved	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project

To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of boreholes and pumpstations refurbished	No reporting was done under this indicator	2 Pump stations refurbished, electric supply connected at Brandfort by December 2015	Not achieved	The project was completed during 2014/2015 financial year	
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of raw water pipeline constructed.	Progress report submitted	Pipe line constructed from sanvet to Brandfort and the supply of raw water by June 2016	Not achieved	Delays due to non-payment that was caused by cashflow challenges	Sub contractor has been paid and is back on site to complete the project
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of mega litres of clear water supplied	No reporting was done under this indicator	8 Mega litres of clear water supplied to Brandfort/Majwemasweu by December 2015	Not achieved	Construction of the pipeline is still under implementation	Completion of the pipeline will be completed during September 2016
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of raw water pipeline constructed.	No reporting was done under this indicator	75% of raw water pipeline constructed at Winburg by June 2016	Not achieved	Contractor not yet appointed due to Consultant that has not submitted the project report	Once the consultant has submitted the report to Water and Sanitation department and the department approves then the contractor will be appointed
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of boreholes upgraded and refurbished	No reporting was done under this indicator	100% of Winburg boreholes operational by December 2015	Achieved	Project was completed during 2013	
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. on water monitoring programme for municipal plants developed	4 Water quality registers developed and updated for municipal plants	4 Water Monitoring programme for municipal plants developed by June 2016	Achieved. Water Quality registers were developed		