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LIMPOPO PROVINSIE
XIFUNDZANKULU XA LIMPOPO
PROFENSE YA LIMPOPO
VUNDU LA LIMPOPO
IPHROVINSI YELIMPOPO

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**Hu tshi katelwa na
Gazethe dza Nyingo**

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GENERAL NOTICE

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LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
**CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS**

***2009/10 LIMPOPO
ANNUAL STATE OF MUNICIPALITIES
MEC SECTION 47 REPORT
31 NOVEMBER 2011***

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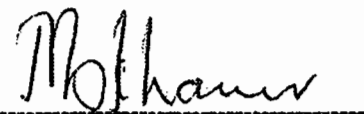
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MEC FOREWORD

It is my pleasure to present to the people of Limpopo Province, all communities in the respective municipalities, members of the provincial legislature and the Minister for Cooperative Governance and Traditional Affairs, the State of Municipal Service Delivery Report for 2009/10 financial year as consolidated from the annual reports submitted by municipalities for the year under review.

The report highlights improvement with regard to number of municipalities receiving unqualified reports from 8 in 2008/09 financial year to 10 in 2009/10 including a clean audit outcome which was an outstanding achievement of Fetakgomo Local Municipality. Regarding municipal service delivery, the report demonstrates that despite all the challenges related to the development of social-economic infrastructure in the province, service delivery backlogs have been drastically reduced particularly with regard to water services and sanitation.

Let me further take this opportunity to thank municipal councillors for providing the political stewardship and strategic leadership in our municipality. Furthermore, I am also expressing my gratitude to all members of municipal top management for providing strategic management and to all members of the communities for cooperating as well as participating in the running of the municipal affairs.



SOVIET LEKGANYANE

14/12/2011

DATE

MEMBER OF THE EXECUTIVE COUNCIL:

COOPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS

BACKGROUND AND OVERVIEW

1.1. PURPOSE

This report is compiled in compliance with the statutory obligations set for the MEC responsible for local government in provinces, which requires that the MEC must consolidate a provincial report on the performance of municipalities. Therefore the report presents a consolidated account of the state of municipal service delivery in Limpopo for the 2009/10 financial year and it is based on the 2009/10 annual performance reports submitted to the MEC by municipalities.

The MEC for Local Government must submit a copy of the report to the National Council of Provinces. The report must:

- Identify municipalities that underperformed during the year,
- Propose remedial action to be taken,
- Be published in the provincial gazette.

1.2 INTRODUCTION

This is a third MEC Section 47 submitted to key stakeholders since the 2007/08 financial year, however it is different from other reports produced in the past in the sense that it is compiled at the end of the second term of democratic local government in Limpopo. Taking advantage of the opportune time, this report presents an account of the performance of municipalities over the previous term. The 2005/06 financial year is used to provide baseline data to compare the performance of the municipalities over the second term of local government. The report presents a comprehensive overview of the performance of the municipalities based on assessment of structured set of performance areas and related performance indicators that were identified during the inception of the Local Government Strategic Agenda at the beginning of the 2005/06 financial year.

1.3 LEGISLATIVE MANDATE AND OBLIGATIONS

The MEC for local government has the mandate to monitor the overall performance of the municipalities in order to identify areas to strengthen the capacity of municipalities.

Legislation	Requirements	Compliance
Municipal Systems Act 2000	<p>The Municipal Systems Act Subsection 46(1), obliges a municipality to prepare for each financial year a performance report reflecting the following:</p> <ul style="list-style-type: none"> - The performance of the municipality and of each external stakeholder during that financial year. - A comparison of the performances referred to in (a) with targets set for and performances of the previous financial year. - Measures taken to improve performance. 	30 municipalities submitted their 2009/10 annual performance reports
	Section 47 stipulates that the MEC for Local Government must annually compile and submit to the provincial legislature and the Minister a consolidated report on the performance of municipalities in the province.	This report presents the 2009/10 consolidated report
Republic of South Africa Constitution 2006 as amended	MEC must establish mechanism and procedure to monitor the performance of the municipalities	The Department monitors the performance of the municipalities on a quarterly basis through performance reports submitted by municipalities

1.4 METHODOLOGY

Sources of data

The primary source of data utilised in this report is the municipal annual performance report compiled in compliance with section 46 of the Municipal Systems Act.

In addition to the municipal annual performance report, the Department utilised secondary data to complement the municipal performance report, namely

- Municipal quarterly, and mid-year performance reports submitted to the department;
- Local Government Strategic Agenda reports as submitted to the Premier Intergovernmental Forum;
- Programme performance reports from the departments, Municipal Infrastructure Grant reports,
- Municipal Turn Around strategies
- DWA water service authority report.
- Stats SA census reports;
- Municipal Quarterly Performance Reports

1.5 REPORTING SCOPE

The report has been compiled based on a comparative overview of progress made in the previous three years, since 2007/08 until 2009/10 financial years; This report provides a comparative overview of progress made over the past five years using the five key performance areas as the focal point. . It is evident in this report that a comparative benchmark of how progressive the municipalities have developed over the three years can assist to determine capacity development support initiatives. This report identify some municipalities that have under-performed in certain key performance areas as required by the Municipal Systems Act. It further provides a detailed overview of how to improve overall performance in specific key performance areas.

The Five Key Performance Areas:

- I. **Key Performance Area 1: Municipal Transformation and Institutional Development:** This focus area measures the extent at which the administrative and overall management capacity is develop, with special emphasis on organizational design and human resources capacity, employment equity, capacity for strategic planning in the form of the IDP and performance management within the municipality;
- II. **Key Performance Area 2: Basic Service Delivery and Infrastructure Development:** The focus is on accelerating basic service delivery in order to reduce municipal service delivery backlog and as well as on the ability of the local government to develop infrastructure that will sustain the provision of the municipal services. It is measuring whether there is progress towards provision of water and sanitation services, electricity, waste removal, roads and storm water maintenance, as well as the municipalities' state of readiness to deliver housing in partnership with the provincial government. Linked to this is the focuses on the national targets set in line with the Millennium Development Goal as well as the capacity to implement the infrastructure grants projects which are implemented at municipal level through the Municipal Infrastructure Grant.

- III. **Key Performance Area 3: Local Economic Development:** The focus is on the strategic intent, and as well as the ability to implement local economic development through an integrating local development opportunities with national and provincial growth and development strategies. The key aspects of the assessment is on measuring whether the municipalities has an approved strategy for the implementation of LED projects, the sufficient capacity within the municipality to implement LED functions, assessment of poverty alleviation programme and as well as the creation of job through LED initiatives.
- IV. **Key Performance Area 4: Financial Viability and Financial Management:** the critical elements of this focus area provides an assessment of the extent at which the municipalities develop the capacity to implement the MFMA requirements, the capacity to raise revenue through municipal trading services as well as the capacity for overall budget and expenditure management. Linked to this is the status quo in terms of the Auditor General Reports on the municipality's financial statements.
- V. **Key Performance Area 5: Good Governance, Public Participation, Ward Committee:** the focus of this area is to assess the running of council, establishment and functionality of the ward committees, assess the extent at which public participation is encouraged, and the level of corporate governance in the municipality.
- VI. **Cross Cutting Issues:** the report will provide brief overview of the following which cross cutting issues:
- **Presidential / Provincial/ Local Imbizos:** the report will provide a review of the progress made with regard to the implementation of the resolutions of the issues raised during either the Presidential/ Provincial or Local Imbizos;
 - **Disaster Management:** the report will provide a state of institutional readiness in terms of handling disaster incidents in the province;

KEY PERFORMANCE AREA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

2.1 INTRODUCTION

This performance area focuses on the assessment of the progress made towards the development of the municipal institutional capacity with a special emphasis on the following critical performance measures:

Strategic objectives	Performance measures	Performance Targets
Filling of top management posts	% top management posts filled	100%
Employment equity.	% of female staff employed in municipality % of female staff employed in municipal top management	50%
Performance management within the municipality;	% of municipal managers signed with performance agreements % of municipalities submitting municipal annual performance report, oversight % of municipalities	100%
Strategic planning in the form of the IDP and Budgeting	% of municipalities with credible IDP	100%

2.2 Provincial Overview of the filling of top management posts by districts

	Mopani			Sekhukhune			Vhembe			Capricorn			Waterberg		
	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10
Municipal Manager	5/6 (83%)	6/6 (100%)	6/6 100%	5/6 (83%)	6/6 (100%)	6/6 100%	4/5 80%	4/5 100%	4/5 100%	6/6 100%	6/6 100%	6/6 100%	6/7 86%	6/7 88%	5/7 71%
CFO	6/6 (100%)	6/6 (100%)	6/6 100%	3/6 50%	3/6 50%	6/6 100%	3/5 50%	5/5 100%	5/5 100%	3/6 50%	6/6 100%	6/6 100%	6/7 86%	6/7 86%	6/7 88%
Technical	6/6 (100%)	6/6 (100%)	6/6 100%	3/6 50%	5/6 83%	5/6 83%	5/5 100%	5/5 100%	5/5 100%	5/6 83%	5/6 83%	5/6 83%	3/7 43%	7/7 100%	7/7 100%

- The filling of Municipal Managers posts has improved to 100% in all districts except for Waterberg.
- The filling of CFOs has improved for all districts except Waterberg at 86%.
- The filling of Technical Managers remained constant with Waterberg and Sekhukhune. They maintained the vacancy rate of 83% and all other districts at 100%. This should be a worrying factor because these posts were vacant for over 24 months.

2.3.1 Comparative Overview of the Filling of Section 57 posts

	07/08	08/09	09/10 Mid Year
Municipal Manager	87% (26/30)	97% (29/30)	25/30 (83%)
CFO	87% (26/30)	87% (26/30)	28/30 (93%)
Technical	70% (21/30)	93% (28/30)	23/30 (77%)

- Municipal Managers: filling of MM has declined from 87% in 07/08 fy to 83% in 09/10 fy.
- Chief Financial Officers: filling of these posts has improved from 87% in 07/08 fy to 93% 09/10 fy.
- Technical Managers: filling of these posts declined from 93% in 08/09 fy to 77% 09/10 fy.

2.3.2 District Overview of the filling of top management over the past three years

Three Year Comparative overview of the filling of top management posts in Capricorn District

Filled V= Vacant	Capricorn			Polokwane			Lepelle-Nkumpi			Aganang			Blouberg			Molemole		
	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10
MM	F	F	F	F	F	V	F	F	F	F	F	F	F	F	V	F	F	V
CFO	V	F	F	V	F	F	F	F	F	V	F	F	F	F	F	F	F	F
TM	F	F	F	V	F	V	F	F	V	F	F	V	F	F	F	F	V	V

- **Municipal Managers:** The filling of municipal manager's posts remained inconsistent from 07/08fy to 09/10 fy. Only 50% were filled in 09/10fy compared to 100% in 08/09 financial year.
- **Chief Financial Officers:** The filling of Chief financial officer's posts remained stable at 100%.
- **Technical Managers:** There was a decline on the filling of these posts from 100% in 07/08fy to 83% and 55% in 08/09fy and 09/10fy respectively. Molemole municipality has not filled the post for more than 24 months.

Three Year Comparative overview of the filling of top management in Waterberg District

F=Filled V= Vacant	Waterberg			Modimolle			Belabela			Thabazimbi			Lephalale			Mogalakwena			Mookgopong		
	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10
Municipal Manager	V	F	F	F	V	V	F	F	F	F	F	F	F	F	V	F	F	F	F	F	F
CFO	F	F	F	V	V	V	F	F	F	F	F	F	F	F	F	F	V	F	F	F	F
Technical	F	F	F	V	F	F	F	F	F	V	F	F	V	F	F	F	F	F	V	F	F

- **Municipal Managers:** The filling of these post declined from 86% in 07/08fy and 08/09fy respectively to 71% in 09/10.
- **Chief Financial Officers:** The filling of CFOs posts has been stable across the district at 86%. Only 6/7 chief financial posts were filled. The vacancy was at Modimolle.
- **Technical Manager:** The filling of Technical manager posts remained sustained at 100%.

Three Year Comparative overview of the filling of top management in Vhembe District

F=Filled V= Vacant	Vhembe			Musina			Mutale			Thulamela			Makhado		
	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10
Municipal Manager	F	F	F	F	F	F	F	F	F	F	F	F	F	V	F
CFO	V	F	F	F	F	F	F	F	F	F	F	F	F	F	F
Technical	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F

- **Municipal Managers:** The filling of MM posts improved from 80% in 08/09 to 100% in 09/10 fy.
- **Chief Financial Officers.;** The filling of CFO posts is sustained at 100%.
- **Technical Manager:** The filling of Technical managers posts has been consistent at 100% (5/5) for the past three financial years.

Three Year Comparative overview of the filling of top management in Sekhukhune District

F=Filled V=Vacant	Sekhukhune			Fetakgomo			Marble Hall			Tubatse			Makhuduthamaga			Elias Motsoaledi		
	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10
Municipal Manager	F	F	F	F	F	F	F	F	F	F	F	F	V	V	F	F	F	F
CFO	F	F	F	F	V	F	F	F	F	F	F	F	V	V	F	V	V	F
Technical	F	F	V	F	V	F	F	F	F	F	V	F	V	V	F	F	F	F

- **Municipal Managers:** The filling of MM's is sustained at 100%.
- **Chief Financial Officers:** The filling of CFO's posts improved from 50% to 100% in 09/10fy.
- **Technical Manager:** The filling of Technical Managers posts remained constant at 83%.

Three Year Comparative overview of the filling of top management in Mopani District

F=Filled V= Vacant	Mopani			Tzaneen			Letaba			BaPhalaborwa			Giyani			Maruleng		
	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10	07/08	08/09	09/10
Municipal Manager	F	F	F	F	F	F	F	F	F	V	V	F	F	F	F	F	F	F
CFO	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F
Technical	F	F	F	F	F	F	F	F	F	F	F	F	F	F		F	F	F

The filling of the above top management posts has been stable at 100% except municipal manager for Ba-Phalaborwa which was vacant in both 07/08 and 09/10 but filled in 09/10.

2.4 Employment Equity

The employment of females in senior management (section 56/7) positions has decreased from 32% in 08/09 fy to 26% (50/191) in 09/10 financial year. The decline is as a result of the decrease in Vhembe, Capricorn and Waterberg districts, while Mopani and Sekhukhune districts have shown relatively higher improvement. It is worth noting that the overall employment of total females' staff across the municipalities remains low at 37% (3684/9889). This is a decrease from 43% in 2008/09 fy to 37% in 2009/10 fy has been lowered as municipality absorb most of the staff transferred from water services which employed predominantly male staff members.

	% of female appointment in section 57 managers			% of total female staff appointed		
	2007/08	2008/9	2009/10	2007/08	2008/09	2009/10
Mopani	17%	31%	26% (8/35)	42%	46%	45% (962/2120)
Waterberg	37%	31%	32% (11/84)	45%	26% (500/1899)	31% (522/1686)
Sekhukhune	31%	23%	36.3% (12/33)	44%	20% (310/1570)	20% (395/19610)
Vhembe	31%	22%	26% (7/27)	29%	43% (1020/2348)	44% (1123/2553)
Capricorn	31%	26%	26% (2/6)	46%	45%	34% (182/534)
Provincial aggregate	27%	32%	26%	38%	43%	37% (3684/9889)

2.5. Performance Management System.

The Performance Management System has been identified as one of the critical tools to achieve the objectives of a developmental local government. Chapter 6 of the Municipal Systems Act 2000 further amplifies the importance of the implementation of the PMS by obliging all municipalities to adopt a framework for the implementation of their PMS. The framework should articulate how the municipalities will monitor the implementation of programmes and projects set in the IDP. The Municipal Financial Management Act obliges the municipalities to develop Service Delivery and Budget Implementation Plan to be used to monitor their IDP programmes and projects on a quarterly basis. In an endeavour to provide further clarity on the implementation of the PMS, the then Department of Provincial and Local Government issued the Local Government Performance Management Regulations in 2006. The regulations provide a structured set of key performance areas and related performance indicators to be used to implement organisational as well as individual performance management reviews.

The reports provides an assessment of the compliance of the municipalities with the legislative framework guiding the implementation of the Performance Management System, ranging from the signing of performance agreements, development of service delivery targets, to development of annual performance reports and oversight reports.

2.5.1 PROVINCIAL OVERVIEW OF COMPLIANCE WITH PMS

The signing and submission of performance agreements has improved from 77% in 07/08 to 90% in 09/10. The challenges were consistently experienced in Vhembe with Makhado and Mutale not signing performance agreements and also with Lephalale in Waterberg. The performance assessments for section 57 remained a worrying factor, as only 9/30(30%) have conducted performance appraisals. It must be commended that the municipalities in the Mopani District fully complies with implementation of the individual performance reviews for the top management. In most instances municipalities do not budget for the payment of performance bonus or do not have funding due to cashflow challenges as result the performance reviews are not being done as they are seen to be of no value as performance rewards would not be paid. The worse performance is recorded in Capricorn and Vhembe districts where all municipalities have not conducted individual performance reviews during the 2009/10 financial year.

The submission of annual and mid-year reports sustained 100% rate in all municipalities in the Province. There is remarkable improvement on the submission of oversight committee reports from 60% in 08/09 to 83% in 09/10 financial year. Although the submission date and quality of the reports remained a challenge, the department continues to support municipalities on oversight matters. Municipalities that did not submit are in Waterberg and Capricorn Districts. The following table below provides a comprehensive provincial overview of the compliance with regard to the implementation of PMS across the province.

District	No. of submissions in 07/08	No. of submission in 08/09	No. of municipalities which submitted performance agreement in 09/10	No. of municipalities which conducted individual performance reviews(07/08)	No. of municipalities which conducted individual performance reviews(08/09)	No. of municipalities which conducted individual performance reviews(09/10)
Mopani	6/6 (100%)	6/6 (100%)	6/6 (100%)	4/6 (67%)	6/6 (100%)	6/6(100%)
Waterberg	4/7 (57%)	5/7 (71%)	7/7 (100%)	0/7 (0%0	1/7 (14%)	1/7 (14%)
Vhembe	4/5 (80%)	4/5 (80%)	3/5 (60%)	3/5 (60%)	2/6(40%)	0/6
Capricorn	3/6 (50%)	6/6 (100%)	6/6 (100%)	1/6 (17%)	3/6 (50%)	0/6
Sekhukhune	6/6 (100%)	6/6 (100%)	6/6 (100%)	1/6 (17%)	2/6 (33%)	2/6 (33%)
Provincial Total	23/30	27/30	28/36(83%0	9/36(30%)	14/30(47%)	9/30 (30%)

2.5.2 District Overview of the Implementation of PMS

2.5.2.1 Mopani District

The table below will show that the signing and submission of performance agreements had improved in Greater Giyani and Greater Letaba and contributed to 100% in the entire district. The individual performance reviews/assessment had also improved and all municipalities in the district had conducted the assessment

Y= done N= not done	Performance Agreement			Individual Performance Reviews (IPA Section 47)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Mopani District	Yes	Yes	Yes	Yes	Yes	Yes
Letaba	Yes	Yes	Yes	No	Yes	Yes
Tzaneen	Yes	Yes	Yes	Yes	Yes	Yes
Giyani	Yes	Yes	Yes	No	Yes	Yes
Ba Phalaborwa	Yes	Yes	Yes	Yes	Yes	Yes
Maruleng	Yes	Yes	Yes	Yes	Yes	Yes
Total	6	6	6	4	6	6

2.5.2.2 Waterberg District

All municipalities in the district have submitted performance agreements for 09/10, which is an improvement from 43% in 07/08. However, only Waterberg has consistently conducted performance assessments/appraisals in 09/10. The remaining 86% had not conducted appraisals for the past three consecutive years.

	Performance Agreement			Individual Performance Reviews (ISA Section 57)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Waterberg District	Yes	Yes	Yes	No	Yes	Yes
Modimolle	No	No	Yes	No	No	No
Belabela	Yes	Yes	Yes	No	No	No
Mogalakwena	Yes	Yes	Yes	No	No	No
Lephalale	No	No	Yes	No	No	No
Thabazimbi	No	Yes	Yes	No	No	No
Mookgopong	No	No	Yes	No	No	No
TOTAL	3	4	7	0	1	1

2.5.2.3 Vhembe District

The signing and submission of performance agreements remained constant at 60%. Makhado and Mutale municipalities did not sign performance agreements for 08/09. All municipalities have not conducted performance assessments/appraisals for 09/10, although performance agreements were signed.

	Performance Agreement signed and submitted			Individual Performance Reviews conducted (MSA Section 57)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Makhado	No	No	No	No	No	No
Mutale	Yes	Yes	No	No	No	No
Musina	Yes	Yes	Yes	Yes	Yes	no
Thulamela	Yes	Yes	Yes	No	No	No
Vhembe	No	Yes	Yes	Yes	Yes	No
TOTAL	3	4	3	2	2	0

2.5.2.4 Capricorn District

The submission of performance agreements remained constant at 100% in the district; however there was no municipality which conducted performance assessments/appraisals.

	Performance Agreement			Individual Performance Reviews (MSA Section 57)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Capricorn District	Yes	Yes	Yes	No	No	No
Polokwane	No	Yes	Yes	No	No	No
Molemole	Yes	Yes	Yes	No	No	No
Aganang	No	Yes	Yes	No	No	Yes
Lepelle- Nkumpi	No	Yes	Yes	No	No	No
Blouberg	Yes	Yes	Yes	Yes	Yes	No
TOTAL	3	6	6	1	1	1

2.5.2.5 Sekhukhune District

Although the Sekhukhune District has maintained 100% submission and signing of performance agreements, the areas of concern is that the performance reviews were conducted only in two (33%) municipalities in 2009/10 fy. The failure to conduct performance reviews has a negative bearing on the full implementation of the performance management regulations

	Performance Agreement signed and submitted			Individual Performance Reviews (MISA Section 57)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Sekhukhune	Yes	Yes	Yes	No	Yes	Yes
Fetakgomo	Yes	Yes	Yes	Yes	Yes	Yes
Makhuduthamaga	Yes	Yes	Yes	No	No	No
Elias Motsoaledi	Yes	Yes	Yes	No	No	no
Marble Hall	Yes	Yes	Yes	No	No	no
Tubatse	Yes	Yes	Yes	No	No	no
TOTAL	6	6	6	1	2	2

2.5.3 Reporting Compliance in Mopani (Annual and Mid-year report)

2.5.3.1 Mopani District

The best practices recorded in Mopani District with regard to the full compliance with reporting obligations i.e compliance with the MFMA Section 72 reports, 100% compliance with MSA Section 46 reports as well as 100% submission of oversight committee reports

	Mid Year Report (MFMA Section 72)			Annual report (MSA Section 46)			Oversight committee reports MFMA		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Mopani District	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Letaba	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Tzaneen	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Giyani	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
BaPhalaborwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Maruleng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total	2	1	6	6	6	6	4	6	6

2.5.3.2 Reporting Compliance in Waterberg District

The submission of mid-year and annual reports (sec 46) is 100% in Waterberg District. The measure challenge is with regard to oversight whereby only 57% (4/7) municipalities complying in 09/10 fy. This figure had not changed from 08/09 fy.

	Mid Year Report (MFMA Section 72)			Annual Report (MSA Section 46)			Oversight Committee Reports (MFMA)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Waterberg	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Thabazimbi	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Lephalale	No	No	Yes	Yes	Yes	Yes	No	No	no
Belabela	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Mogalakwena	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Mookgopong	No	No	Yes	Yes	Yes	Yes	No	No	no
Modimolle	No	No	Yes	Yes	Yes	Yes	No	No	no
Total	2	4	6	6	6	6	1	4	4

2.5.3.3 Reporting Compliance in Vhembe District

There is improvement with regard to the submission of oversight committee reports from 0% in 07/08 to 100% in 09/10 financial year whilst the submission of mid-year and annual reports (sec46) remained 100%.

	Mid-Year Report (MFMA Section 72)			Annual Report (MSA Section 45)			Oversight Committee Reports (MFMA)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Vhembe	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Mutale	Yes	Yes	Yes	Yes	Yes	yes	No	No	Yes
Musina	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Thulamela	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Makhado	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Total	5	5	5	5	5	5	0	2	5

2.5.3.4 Reporting Compliance in Sekhukhune

The oversight committee report submission improved from 17% in 07/08 to 83% in 09/10 financial year, whilst the mid-year and annual reports remained constant at 100%.

	Mid Year Report (MFMA Section 72)			Annual Report (MGA Section 46)			Oversight Committee Reports (MFMA)		
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Sekhukhune	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Fetakgomo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Makhuduthamaga	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Elias Motsoaledi	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Marble Hall	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Tubatse	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
TOTAL	5	5	5	5	5	5	1	4	5

2.5.3.5 Reporting Compliance in Capricorn District

	Mid Year Report (MFMA Section 72)		Mid Year Report (MFMA Section 72)	Annual Report (M&A Section 46)	Annual Report (M&A Section 46)		Oversight Committee Reports (MFMA)	Oversight Committee Reports (MFMA)	Oversight Committee Reports (MFMA)
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Capricorn	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Polokwane	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Aganang	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Blouberg	No	Yes	Yes	Yes	Yes	Yes	No	No	No
Lepelle- Nkumpi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Molemole	No	Yes	Yes	Yes	Yes	Yes	No	No	No
TOTAL	2	5	6	6	6	5	2	3	4

- The submission of mid-year and annual reports remained constant at 100% in 09/10 and oversight reports was submitted by 67% municipalities which indicated an improvement from 33% in 07/08 financial year.

2.6 INTEGRATED DEVELOPMENT PLANNING

The IDP ratings above indicate a substantial improvement on the credibility rating over the past three years. All municipalities except Elias Motsoaledi have compiled their IDP'S internal whilst Elias Motsoaledi municipality utilized the service of an external service provider. Blouberg, Elias Motsoaledi and Thulamela received low rating for the period 08/09 to 09/10 financial years..

CREDIBLE RATING	2008/09	2009/10
High	4 Capricorn, Mopani, Polokwane, Tlokweng	3 Capricorn, Mopani, Polokwane, Tlokweng, Tlokweng, Tlokweng, Tlokweng
Medium	21 Polokwane, Lepelle Nkumpi, Blouberg, Aganang, Waterberg, Bela-Bela, Lephalale, Mookgopong, Thabazimbi, Mopani, Giyani, Greater Tzaneen, Maruleng, Thulamela, Musina, Makhado, Elias Motsoaledi, Marble Hall, Makhuduthamaga, Tubatse, Fetakgomo	18 Polokwane, Lepelle Nkumpi, Aganang, Bela-Bela, Modimolle, Lephalale, Mookgopong, Mopani, Thabazimbi, Giyani, Greater Tzaneen, Ba - Phalaborwa, Thulamela, Musina, Makhado, Elias Motsoaledi, Marble Hall, Makhuduthamaga
Total	30	30

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

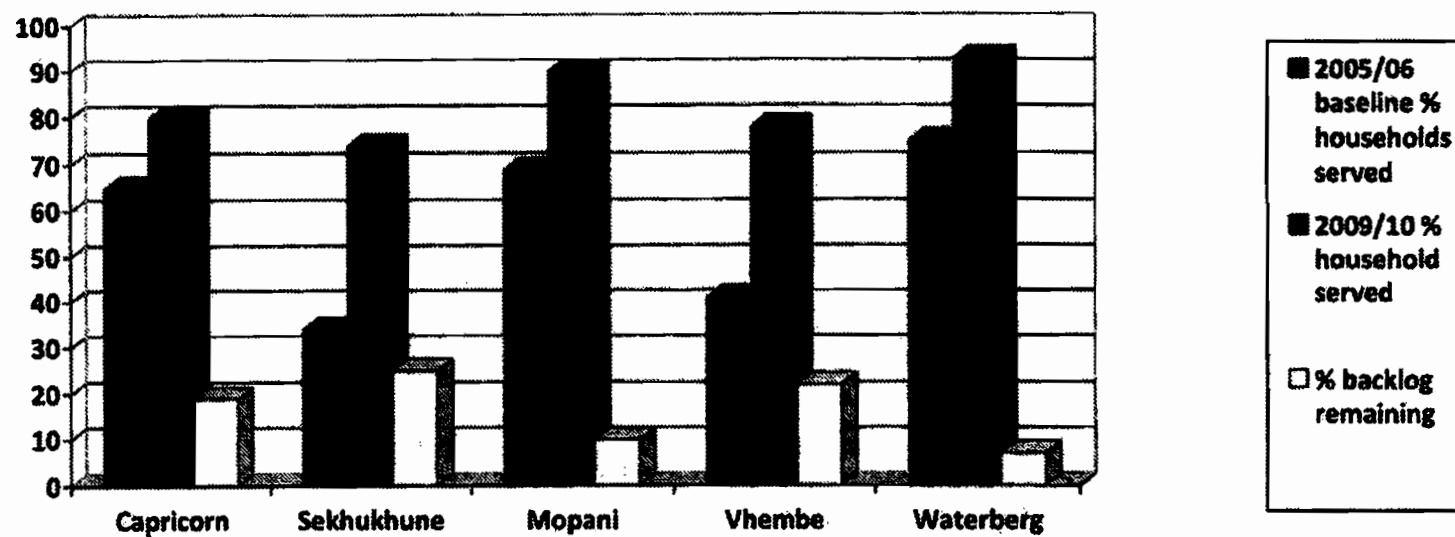
Introduction

Strategic objectives	Performance measures	Performance Targets
Water supply All household to have basic level of clean water by 2014	% households with basic level of access % poor households with access to free basic services	MDG Target of 100% by 2014
Sanitation All household to have basic level of sanitation VIP toilets by 2014	% households with basic level of access % poor households with access to free basic services	MDG Target of 100% by 2014
Electrification All household to have basic level of electricity by 2014	% households connected to the electricity network grid % poor households with access to free basic services	MDG Target of 100% by 2014
Refuse removal All household to have access to refuse removal once a week level of electricity by 2014	% households with basic level of access % poor households with access to free basic services	MDG Target of 100% by 2014

3.1 WATER SUPPLY

Sekhukhune made substantial progress increasing households access to basic water service from 34% in 2005/06 fy to 74% in 2009/10 fy. Similarly Vhembe increase households access to basic water from 41% in 2005/06 to 78% in 2009/10 fy.

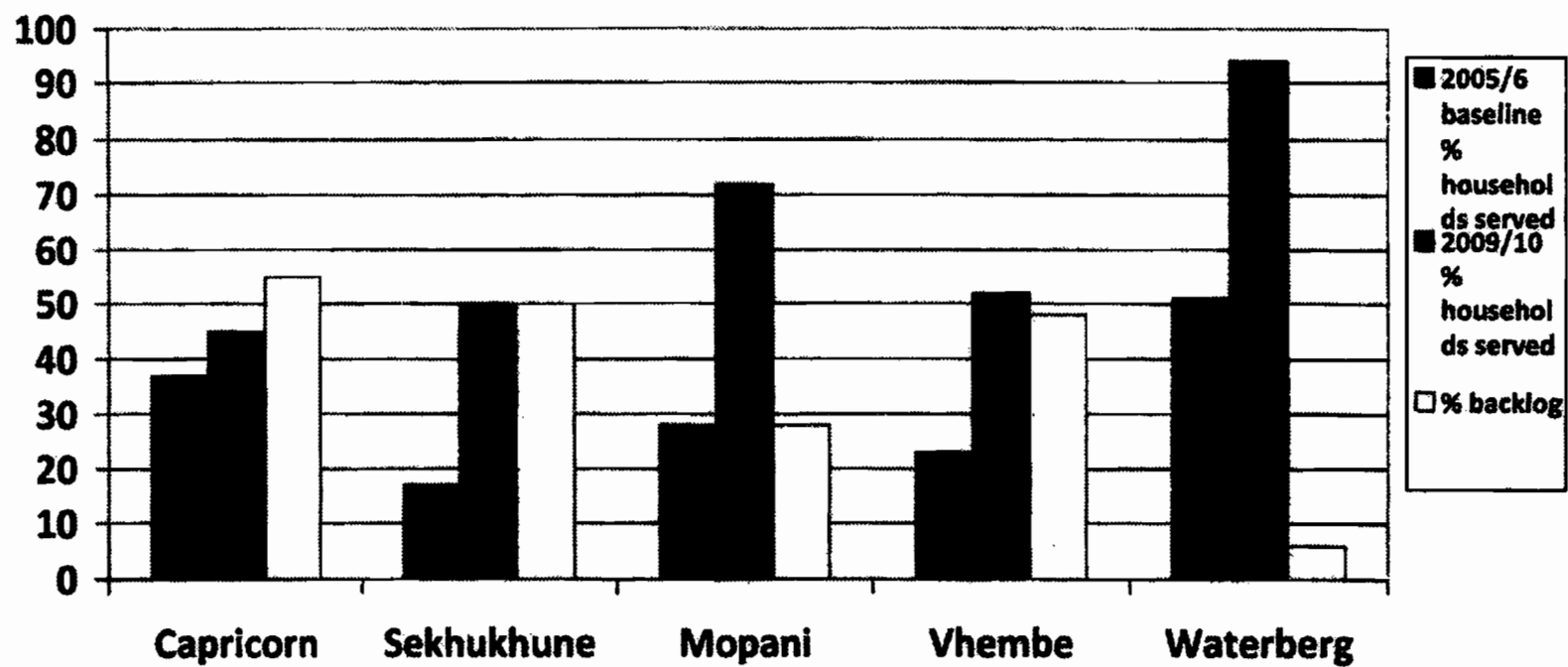
Water Services Authority	Total Households	2005/06 Baseline % of Hh with basic level of service	2009/10 % of hh with basic level of service	% backlog
Capricorn District	294 833	65	80	20
Sekhukhune District	241,675	34	74	26
Mopani District	284,325	69	82	18
Vhembe District	299,214	41	78	22
Waterberg District	306 476	75	93	7
PROV. TOTAL	1,296,723	51	84	16



3.2 SANITATION

Substantial progress made in Mopani from 28% in 2005/06 fy to 72% in 2009/10 . Capricorn, Sekhukhune and Vhembe recorded poorest performance –at around 50% of backlog. The total provincial backlog stand at 41%which means about 14% new households per annum for three years is required to achieve the new MDGs.

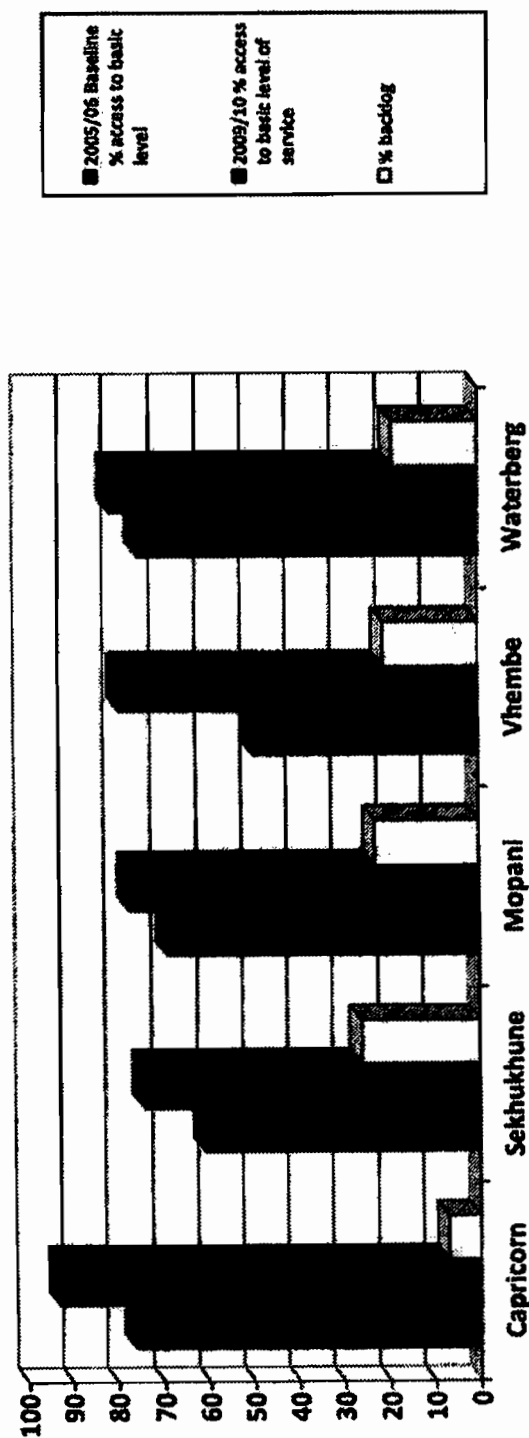
Water Services Authority (Source: DWEA 2009)	Total Households	2005/06 % of households with basic level of services	2009/10 % of households with basic level of service	% backlog
Waterberg District	306,476	51	94	6
Capricorn District	294,333	37	45	55
Sekhukhune District	241,676	17	50	50
Mopani District	284,325	28	72	28
Vhembe District	299,214	23	52	48
PROV. TOTAL	1,296,723	31	59	41



3.3 HOUSEHOLD ELETRIFICATION

Substantial progress recorded in Vhembe from 50% in 2005/06 fy to 79% in 2009/10fy. Highest backlog remaining to be served is at Sekhukhune 26% and Mopani at 23%

District	Total Households	2005/06 Baseline (% of hh with basic level of service)	2009/10 % of households with basic level of service	% backlog
Capricorn DM	294, 333	76%	93 %	7%
Sekhukhune DM	241,675	61%	74 %	26 %
Mopani DM	284,325	69%	77 %	23 %
Waterberg	306 ,476	75%	81 %	19%
Vhembe DM	299,214	50%	79 %	21%
PROV. TOTAL	1,296,723	66%	81 %	19 %

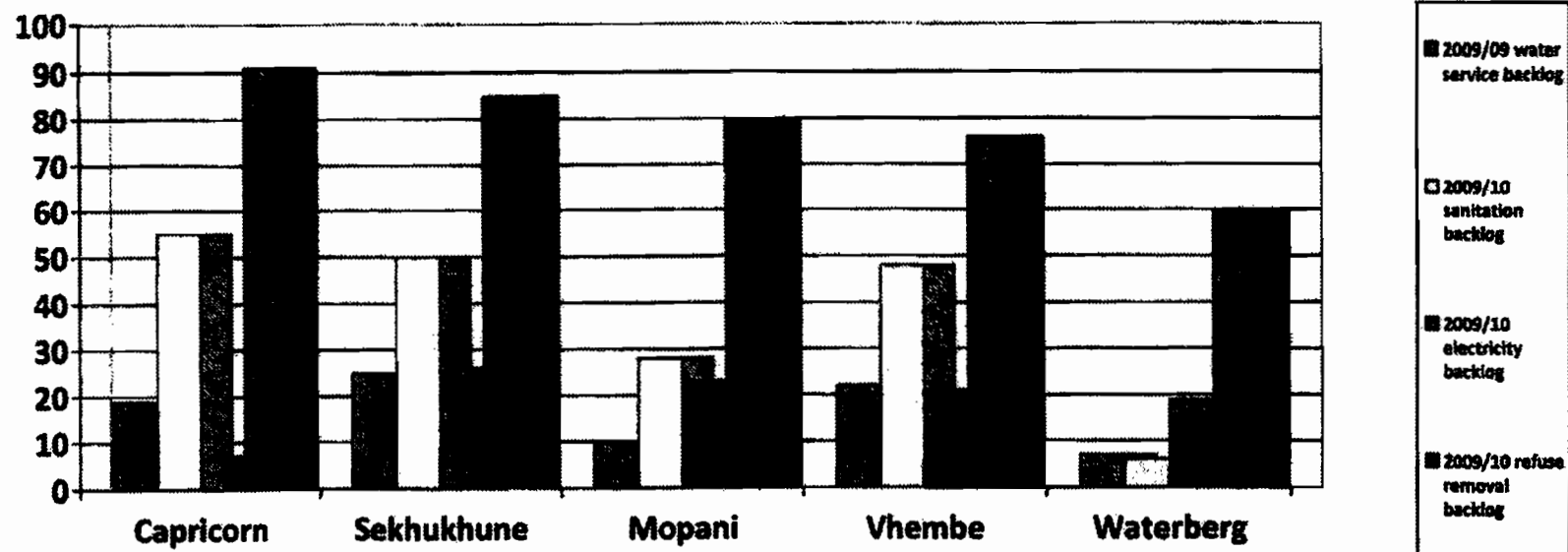


3.4 Refuse Removal

Worse performance across the province particularly in rural areas

- Sekhukhune 9% households served
 - Vhembe 15% households served
 - Mopani 20% households served
 - Capricorn 24% households served
 - Waterberg 40% households served
- Only 13 municipalities have licensed land fill sites.
- Although the waste management policy is in place for most municipalities, the challenge remains with the actual refuse collection programmes

3.5 Summary of Service Delivery Backlogs



LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION

Strategic objectives	Performance measures	Performance Targets
LED strategic planning	% municipalities with LED strategy reviewed	100%
LED forum	% municipalities with LED Forum in place	100%
LED job creation	Number of LED jobs created	100%

- At the beginning of the O5/06 financial year, the focus has been to assist with the development of LED strategies.
- All five districts hosted the LED Summits which identified key LED Clusters and related projects.
- Although LED strategies have been developed over the past four years, the implementation is very difficult as well as monitory across the five districts
- The notable progress was made with regard to the European Union funded Limpopo LED Programme which ended during the 2009/10 fy

- The challenge remains with continuity and sustainability of Limpopo LED programme without the donor funding.
- Since the inception of outcome 9, five municipalities are implementing Community Works Programme i.e. Greater Tzaneen, Greater Giyani, Greater Tubatse, Mogalakwena Blouberg and Mutale.
- 4500 jobs were created in 09/10 financial year.

FINANCIAL MANAGEMENT AND VIAIBILITY

Introduction

Strategic objectives	Performance measures	Performance Targets
Compliance with supply chain management regulations	% municipalities comply with MFMA requirements on Supply Chain Management	100%
Financial accountability	% municipalities with unqualified audit reports	33%
Revenue management	% municipalities implementing revenue management strategy	100%

Highlights of Key Performance

- Supply Chain Management:- policy approval has improved from 64% in 05/06 fy to 100% in 09/10 mid-year.
- Audit committees:-100% municipalities have established audit committees in 09/10 as compared to 50% in 05/06. However Molemole and Mutale are currently without audit committees.

- **MIG expenditure:**-90% expenditure on MIG recorded in 09/10 as compared to 55% in 05/06. The expenditure is at March 2011 is 63.2% with Mookgopong, Polokwane, Mutale and Mopani recording low expenditure.
- **MPACS:** Only Capricorn, Polokwane, Mutale, Sekhukhune and Greater Tubatse have established MPACS.
 - ☐ **Revenue enhancement-** Revenue enhancement strategy is implemented in all municipalities. The challenge is on poor collection.
 - ☐ **Debt reduction-**Municipalities are owed a total provincial aggregate of R2.3b and 81% is debt over 90 days.
- **Resident Accountants** deployed in 8 municipalities in support to implement financial management and enhance financial accountability.

MUNICIPAL AUDIT OPINION: 2005-2010

MUNICIPALITIES	2006/6	2006/7	2007/8	2008/9	2009/10
Waterberg District	Q	U	U	U	U
Bela-Bela	D	D	Q	Q	U
Thabazimbi	D	D	D	D	Q
Mogalakwena	D	D	U	Q	U
Mookgopong	D	D	D	D	D
Modimolle	A	D	D	Q	Q
Lephalele	Q	A	D	D	Q

- There is improvement on audit opinion in Waterberg.

- In 09/10 fy, 43% (3/7) received unqualified opinion as opposed to 14% (1/7) in 07/08 and 08/09 fy's respectively.
- Although those that received qualified opinion remained unchanged at 43% (3/7), This is an indication of being on track to a clean audit with 14% (1/7) in receiving as opposed to 57% (4/7) in 07/08 fy.

Detail observation per district

MUNICIPALITIES	2005/6	2006/7	2007/8	2008/9	2009/10
Capricorn District	Q	D	D	D	D
Aganang	U	D	Q	U	D
Lepelle-Nkumpi	A	D	D	D	Pending
Polokwane	Q	D	D	U	Q
Molemole	Q	A	D	D	D
Blouberg	D	A	D	D	Q
Polokwane Housing Association				U	Q

- Although the audit opinion for Lepelle-Nkumpi is pending, Capricorn presents a worrying factor with 0% (0/6) unqualified in 09/10 as opposed to 33% (2/6) in 08/09 fy.
- Qualified audits increased from 17% (1/6) in 07/08 fy to 33% (2/6) in 09/10 fy with only 33% (2/6) disclaimers in 09/10 fy.

MOPAN DISTRICT

MUNICIPALITIES	2005/6	2006/7	2007/8	2008/9	2009/10
Mopani District	D	D	D	U	U
Tzaneen	D	D	Q	Q	Q
Ba-Phalaborwa	D	D	A	D	D
Maruleng	D	D	D	Q	U
Greater Letaba	D	D	Q	U	U
Greater Giyani	D	D	U	Q	Q

- Mopani 50% (3/6) receiving unqualified opinion in 09/10 as opposed to 33% (2/6) in 08/09 fy.
- Disclaimer opinion remained constant at 17% (1/6) in both financial years, and qualified opinion remained constant at 50% (3/6) in both financial years.

SEKHUKHUNE DISTRICT MUNICIPALITY

MUNICIPALITIES	2005/6	2006/7	2007/8	2008/9	2009/10
Sekhukhune District	D	D	D	D	D
Makhuduthamaga	D	D	P	D	D
Elias Motsoaledi	D	D	D	D	D
Fetakgomo	A	Q	U	U	U
Marble Hall	D	A	D	U	Q
Tubatse	N/A	D	D	D	Q
TOTAL					

- Sekhukhune presents a worrying factor as well, with 50% (3/6) receiving disclaimer in 09/10 fy and 1 clean audit in 09/10 fy.
- There is a need to intensify capacity and support to Sekhukhune in order to improve the status quo.
- If the current trend is maintained, it is highly unlikely that the target for clean audit in 2014 will be achieved.

Vhembe District

MUNICIPALITIES	2005/6	2006/7	2007/8	2008/9	2009/10
Vhembe District	Q	D	D	D	Q
Makhado	A	D	A	D	D
Thulamela	A	D	D	Q	Q
Mutale	A	D	D	Q	U
Musina	U	U	U	U	U
Letsema Zelpy					Q

- Vhembe received 40% (2/5) unqualified opinion for both 08/09 and 09/10 financial years.
- The status quo was maintained with no improvement on all levels of opinions.
- As a result the trend may pose a challenge on the attainment of clean audit by 2014.

U= UNQUALIFIED; D=DISCLAIMER; Q=QUALIFIED; P= PENDING

PROVINCIAL OVERVIEW OF MUNICIPAL AUDIT OPINIONS FOR THE 2009/10 FINANACIAL YEAR

CONFIRM ALL OUTSTANDING MUNICIPALITIES-WITH MUNICIPAL FINANCE

Description	Mopani District	Capricorn District	Vhembe District	Sekhukhune District	Waterberg District	Total 2009/10	Total 2008/9
UNQUALIFIED	2	0	2	1	3	9	8
QUALIFIED	2	2	2	1	3	11	8
DISCLAIMER	1	3	1	3	1	9	14
ADVERSE	0	0	0	0	0	0	0
Outstanding	1	1	0	1	0	1	4
TOTAL	6	6	5	6	7	30	30

- Clean/Unqualified audit reports: There is progress from 2 unqualified (05/06) increasing annually to 9 in 09/10. Fetakgomo received a clean audit in 09/10.
- Qualified audit reports: Inconsistent mobility from 6 in 05/06 to 11 in 09/10.

- Disclaimer/Adverse audit reports: a decrease from 27 06/07 to 8 in 09/10. This is an impressive as most municipalities have moved from adverse/disclaimer to either qualified and unqualified.

The major challenge is on municipalities that have regressed from unqualified to either qualified or disclaimer.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

INTRODUCTION

Strategic objectives	Performance measures	Performance Targets
Corporate governance structures	% municipalities with functional audit committee % municipalities with internal audit units	100%
Oversight and accountability	% municipalities with MPAC in place	100%
Intergovernmental relations	% functional IGR structures	100%
Disaster Management capacity	% district municipalities with Disaster Management capacity	100%

- All 513 wards were established and functional.
- 365 CDW'S were deployed in all municipalities.

- Anti-fraud and corruption strategies: - the adoption of anti-fraud and corruption strategies has improved from 60% in 2005/06 to 90% in 2009/10 fy and currently 100% have anti corruption strategies.
- Functionality of IGR structures: all District IGR structures were functional in 05/06; however there are only two IGR structures functional currently. This poses a challenge on coordination and intergovernmental relations.
- All districts have functional District Development Planning Forum
- The functionality of CFOs, MMs forum , M&E Forum has improved over the years although it remains inconsistent across the district
- Implementation of recommendations, oversight committee audit committees as well as performance committee remains inadequate across the districts
- All districts have Disaster Management Frameworks.

CONCLUSION

The report has shown that ~~the~~ although challenges experienced by municipalities remain across all 30 municipalities, an assessment of the progress made per key performance areas shows that there are best practices that resulted in excellent performance by some municipalities. The report has, in KPA 1: Municipal Transformation and Institutional Development, shown that the Mopani District and its local municipality has fully complied with the implementation of the Performance Management System ranging from the submission of the annual performance reports to conducting individual performance reviews for section 56 managers. The review of the KPA: Financial Management and Viability has found best practices performance by Fetakgomo Local Municipality which received clean audit outcome during the year under-review. The assessment of the KPA: Basic Services and Infrastructure Development has shown best practices in terms of the implementation of sanitation programmes in Mopani District Municipality which has reduced the backlog from 28% in 2005/06fy to 72% in 2009/10 fy. Similarly Thulamela should be noted for best practices in terms of infrastructure development in the manner in which the municipality has been able to implement town renewal infrastructure programmes within the Thoyandou CBD. Maruleng Local Municipality should be noted for the best practices regarding the KPA: Good Governance as the municipality has been fully compliance with governance requirements such as establishment of functional audit committees, functional Political Management Team, Labour Forum which has in the main resulted in a political stability.