

MUNICIPAL DEMARCATION BOARD

ANNUAL PERFORMANCE PLAN

for

2012



7 March 2012

FOREWORD

I am pleased to present the Strategic Plan for the MTEF period 1 April 2011 to 31 March 2015. This plan is a product of hard work, valuable input and participation in its development by staff and members of the Municipal Demarcation Board.

We have continued in this plan to build on the sound foundation laid in the Strategic Plan, by deliberately setting out to make all of our objectives and targets SMART – Specific, Measurable, Attainable, Realistic, and Timely. For managing and reporting on performance Information we, as a Constitutional Institution which is subject to the provisions of the Public Finance Management Act (PFMA) (1999), will continue to follow the guidelines of the “*Framework for Managing Programme Performance Information*” (“the framework”), as published by the National Treasury. In line with the framework, this performance plan forms an integral part of the Planning, Budgeting and Reporting cycle, as it unfolds at the Municipal Demarcation Board.

At the same time however, this Plan marks a significant emphasis on making the Board and its work more visible and more understandable to some of our major stakeholders, and the public in general, as well as on cultivating and maintaining vibrant and progressive relations with our stakeholders.

This Plan will not only guide our strategic and operational activities in broad terms, but also makes provision for detailed work plans, and estimated expenditure during the MTEF period 2011 to 2015. These work plans will, amongst other things, assist in the implementation of projects, and in turning the institution around.

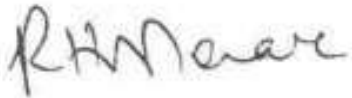


LJ MAHLANGU
EXECUTIVE AUTHORITY

OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Municipal Demarcation Board under the guidance of its CEO, Rapulana Hillary Monare.
- Was prepared in line with the current Strategic Plan of the Municipal Demarcation Board.
- Accurately reflects the performance targets with the Municipal Demarcation Board will endeavour to achieve given the resources made available in the budget for 2012/13.



RH MONARE
CHIEF EXECUTIVE OFFICER



LJ MAHLANGU
EXECUTIVE AUTHORITY

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PART A: STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

1.1. PERFORMANCE DELIVERY ENVIRONMENT

The primary area of performance for the period 2012/13 will be:

- Ongoing Review of municipal boundaries;
- Ongoing assessment of municipal capacity;
- Re-organisation of the institutional administrative structures;
- Enhancement of stakeholder relations and communication;
- Enhancement of operations through national and international studies;
- Maintenance and improvement of governance structures;
- Ongoing compliance with relevant legislative and regulatory requirements.

a. Ongoing review of municipal boundaries

During the period the Board will continue with the programme for municipal boundary re-determinations which commenced in 2011/12. The programme requires that the review process must be completed by October 2013, to allow for the following process of ward delimitation to commence in preparation for the 2016 local government elections. Emphasis during the process will be on wide consultation with stakeholders and communities in the form of responses to legal notices, investigations and public meetings as provided for in legislation. The intention is to foster continuous and sustained engagement on boundary re-determinations to ensure a sense of ownership by stakeholders.

b. Ongoing assessment of municipal capacity

During the period the Board will continue with the programme for municipal capacity assessment which commenced in 2011/12. This programme will be in pursuit of a new and revised approach to capacity assessment that is meant to yield assessments that will be an instrument to assist national, provincial and local government to enhance the performance of functions by municipalities for better service delivery to communities. Given that this is a new approach in an environment where local government is under extreme pressure to perform better, there are likely to be challenges in the realising the desired results. Another challenge will be in realising the Board's desire to increasingly have the assessment performed internally at the Board. The project is currently outsourced with provision for internal capacity building.

c. Enhancement of stakeholder relations and communication

The improvement and enhancement of stakeholder relations and effective communication with key stakeholders will continue to be a priority. The intention of the Board is to have in place a fully effective stakeholder management framework, stakeholder engagement plan, stakeholder communication strategy and staff to implement the framework, plan and strategy.

d. Enhancement of operations through national and international studies

In order to support the new developments the Board will undertake national and international studies to benchmark against other or similar experiences of institutions at home and abroad. This will entail focused study visits to selected institutions in South Africa and other parts of the world.

- e. Maintenance and improvement of governance structures
Existing governance arrangements at the Board will need to be maintained and improved. Adherence to best practice, legislation, policies and procedures and internal controls and sound financial management remains important, and measures will be continued to be pursued to continually improve on them.
- f. Ongoing compliance with relevant legislative and regulatory requirements
Compliance to legal provisions remains the cornerstone of the Board as an organ of the state.

1.2. ORGANISATIONAL ENVIRONMENT

- a. Re-organisation of the institutional administrative structures
The process that was started by the Board to significantly restructure the organisations establishment to bring about far reaching changes to organisational structure and to significantly change the way of doing things at the Board in a number of core areas of work, will continue during this year. The Board's intention is that at the beginning of the financial year a new organisational structure will be in place and a process of appointing staff to new key positions and migrating existing staff to the new structure will be under way.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

The Board does not have the power to review legislation, but will participate in any review affecting the Board's mandate.

3. OVERVIEW OF 2012 BUDGET AND MTEF ESTIMATES

3.1. EXPENDITURE ESTIMATES PER PROGRAMME

R thousand		Audited/Actual performance			Estimated Performance 2011/2012	Medium term target		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
1.	Operations and Research	13 005	11 879	15 138	17 321	14 840	15 360	15 253
2.	Financial management and accounting	3 914	4 308	4 415	4 996	6 244	6 816	7 444
3.	Corporate Services	7 700	11 452	16 478	17 022	19 775	20 910	22 954
Total		24 619	27 639	36 031	39 339	40 859	43 086	45 651

3.2. RELATING EXPENDITURE TRENDS TO STRATEGIC OUTCOME ORIENTED GOALS

Although the Board's budget has grown over the years, the level of funding is inadequate given the mandate and operations need of the Board. Some of the core functions that should be housed internally are outsourced as the Board is unable to attract the level of expertise required to carry

out the functions effectively and effectively. The following are some of the core functions that are earmarked for improvement in the year under review.

1. All staff as proposed in the new structure are considered as key staff.
2. Presently the Board has outsourced the Capacity assessment project, with the intention of conducting the project in-house in three years time. Consultants will transfer skills to identified staff from this financial year.
3. Stakeholder relation support is currently outsourced, but the Board has put forward the request for additional funding to finance this in the new organisational structure as per recommendations flowing from organisational development (OD) exercise.

The Board anticipate increasing the number of employees to thirty-eight (38) in 2012/2013.

Expenditure is likely to increase substantially over the period 1 April 2013 to 31 March 2017 as a result of the need for additional staff, office space, infrastructure and logistical costs. This is an area which need to be addressed with adequate funding over the MTEF.

Organisational Structure

The Board is in the process of concluding an OD exercise that will see the organisation structure at the Board changed and more staff in the employ of the Board. It will be necessary that the reorganisation is properly costed and National Treasury is approached to fund the transformation. This in turn would assist in ensuring that the Board is able to carry out its mandate effectively, and in compliance with all relevant laws and regulations.

PART B: PROGRAMME AND SUB PROGRAMME PLANS

4. PROGRAMME 1: OPERATIONS AND RESEARCH

4.1. STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2012

Strategic Objective	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
To determine and re-determine boundaries of local, district and metropolitan municipalities	-	-		40%	85%	100%	-
Delimitation of wards for all local and metropolitan municipalities	50%	100%	-	-	-	-	50%
Assessment of the capacity of metropolitan, district and local municipalities				90%	100%	100%	100%

4.2. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2012

Programme performance indicator		Unit of measure	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
			2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
To determine and re-determine boundaries of local, district and metropolitan municipalities	Plan and implement a process to finalise 100% of requests received, or initiated, in terms of Section 22 of the Demarcation Act, 1998, by 2013.	Percentage of process				40%	85%	100%	

4.3. QUARTERLY TARGETS FOR 2012

Performance Indicator		Reporting period	Annual Target	Quarterly targets			
				1 st	2 nd	3 rd	4 th
To determine and re-determine boundaries of local, district and metropolitan municipalities	Plan and implement a process to finalise 100% of requests received, or initiated, in terms of Section 22 of the Demarcation Act, 1998, by 2013.	Annual	85%	55% = Pre-section 26 investigations completed - 44 DC & 8 Metro Reports	60% = Board working group on pre-section 26 investigations. Board working group recommendation on section 26 investigations,	70% = Section 26 publications, newspaper notification, 204 cases. Section 21 notice publication in gazette and	85% = Commission investigations and/or public hearings

					1000 cases to 204 cases	formal investigations. Publish 100 cases.	
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4.4. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

R thousand	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Research	4 572	142	3 354	2 202	2 192	3 280	3 439
GIS	2 985	4 427	5 800	5 600	4 853	4 923	5 020
Determination and delimitation	1 140	7 310	5 984	5 253	5 202	5 614	6 131
Capacity Assessment	4 308	-	-	4 266	2 593	1 543	663
Total	13 005	11 879	15 138	17 321	14 840	15 360	15 253

5. PROGRAMME 2: FINANCIAL MANAGEMENT AND ACCOUNTING

5.1. STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2012

Strategic Objective	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Ensuring sound financial management	95%	78%	95%	95%	95%	95%	95%
Good Governance	90%	90%	90%	90%	90%	90%	90%

5.2. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2012

Programme performance indicator		Unit of measure	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
			2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Ensuring sound financial management	Current ratio	Ratio	2.9:1	3.4:1	5.7:1	2:1	2:1	2:1	2:1
	Budget expenditure to budget income	%	100%	98%	100%	100%	100%	100%	100%
	Internal Audit rating	Rating	2	2	2	2	2	2	2
	Actual expenditure to revenue received	%	95%	78%	95%	95%	95%	95%	95%
Good Governance	Audit Opinion by the AG	Type of audit opinion	Un-qualified	Un-qualified	Un-qualified	Un-qualified	Un-qualified	Un-qualified	Un-qualified
	Frequency of review of policies and procedures	%	-	-	-	33%	33%	33%	33%

5.3. QUARTERLY TARGETS FOR 2012

Performance Indicator		Reporting period	Annual Target	Quarterly targets			
				1 st	2 nd	3 rd	4 th
Ensuring sound financial management	Current ratio	Quarterly	2:1	2:1	2:1	2:1	2:1
	Budget expenditure to budget income	Quarterly	100%	100%	100%	100%	100%
	Internal Audit rating	Quarterly	2	2	2	2	2
	Actual expenditure to revenue received	Quarterly	95%	70%	90%	85%	95%
Good Governance	Audit Opinion by the AG	Annual	Unqualified	-	-	-	Unqualified
	Frequency of review of policies and procedures	Quarterly	33%	8%	16%	24%	33%

5.4. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

R thousand	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Financial Management	3 914	4 308	4 415	4 996	6 244	6 816	7 444
Total	3 914	4 308	4 415	4 996	6 244	6 816	7 444

6. PROGRAMME 3: CORPORATE SERVICES

6.1. STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2012

Strategic Objective	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Board supported by effective and efficient processes, systems and practices	-	-	-	75%	80%	85%	90%
Good Governance	90%	90%	90%	90%	90%	90%	90%
Stakeholder Relations					75%		

6.2. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2012

Programme performance indicator		Unit of measure	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
			2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Board supported by effective and efficient processes, systems and practices	Implement outcomes of the OD	%	-	-	-	-	90%	100%	-
	Quarterly employee performance reports	%	100%	100%	100%	100%	100%	100%	100%
	Quarterly Staff	Number				80%	80%	80%	80%

	meetings								
	Half yearly employee satisfaction surveys	%	-	-	100%	100%	100%	100%	100%
	Training and development	%				75%	80%	85%	90%
	Workforce composition (Gender & Race)	%				55% gender, 70% race	60% gender, 70% race	65% gender, 70% race	65% gender, 70% race
Good Governance	Frequency of review of policies and procedures	%	-	-	-	33%	33%	33%	33%
	Secretariat and Stakeholder management units operational	%	-	-	-	-	75%	100%	-
	In-house information management system developed and implemented	%	-	-	-	70%	85%	100%	-
Stakeholder Relations	Implement stakeholder relation strategy	%	-	-	-	-	75%	80%	85%
	Implement stakeholder engagement plan	%	-	-	-	-	75%	80%	85%
	Implement stakeholder communication strategy	%	-	-	-	-	75%	80%	85%
	Number/Percentage of meetings attended	%	-	-	-	-	75%	75%	75%

6.3. QUARTERLY TARGETS FOR 2012

Performance Indicator		Indicator	Reporting period	Annual Target	Quarterly targets			
					1 st	2 nd	3 rd	4 th
Board supported by effective and efficient	Implement outcomes of the OD	Completion date of deliverables	Quarterly	31 December 2012	N/A	Performance agreements, Quarterly targets and	Performance agreements, Quarterly targets and	N/A

processes, systems and practices						PDP's finalised.	PDP's signed.	
	Carry out assessment of individual performance.	Percentage of employees assessed	Quarterly	100%	100%	100%	100%	100%
	Conduct employee satisfaction surveys	Number of surveys conducted	Half yearly	Two surveys	N/A	One survey	N/A	One survey
	Training and development	Percentage of staff complement trained per year	Quarterly	60%	15%	15%	15%	15%
	Workforce composition (Gender & Race)	Percentage of staff complement who is female	Annual	55%	55%	55%	55%	55%
	Workforce composition (Gender & Race)	Percentage of staff complement who is HDI.	Annual	70%	70%	70%	70%	70%
Good Governance	Review of policies and procedures	Percentage of all policies and procedures reviewed	Quarterly	33%	8%	16%	24%	33%
	Secretariat and Stakeholder management units operational		Annual	75%	50%	75%	-	-
	In-house information management system developed and implemented		Annual	85%	60% = All historic documents scanned	70% = Implementation of Registry module	80% = Implementation of Determination and Delimitation module	85% = Determination and Delimitation module operational

Stakeholder Relations	Implement stakeholder relation strategy		Annual	75%	50%	70%	75%	75%
	Implement stakeholder engagement plan		Annual	75%	50%	70%	75%	75%
	Implement stakeholder communication strategy		Annual	75%	50%	70%	75%	75%
	Number/Percentage of meetings attended		Annual	75%	75%	75%	75%	75%

6.4. RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

R thousand	Audited/Actual performance			Estimated Performance 2011/12	Medium term target		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Human Resources and Administration	3 393	5 912	6 594	6 791	9 011	9 116	10 152
Legal and Board Secretariat	947	2 408	5 968	6 031	3 414	3 432	3 502
Information and Management services, including IT	3 360	3 132	3 916	4 200	4 155	4 404	5 114
Communication and Stakeholder Management	-				3 195	3 958	4 184
Total	7 700	11 452	16 478	17 022	19 775	20 910	22 954

PART C: LINKS TO OTHER PLANS

7. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

The Board does not have any infrastructure and other capital plans.

8. FINANCIAL RESOURCE CAPACITY TO GIVE EFFECT TO THE BOARD'S MANDATE

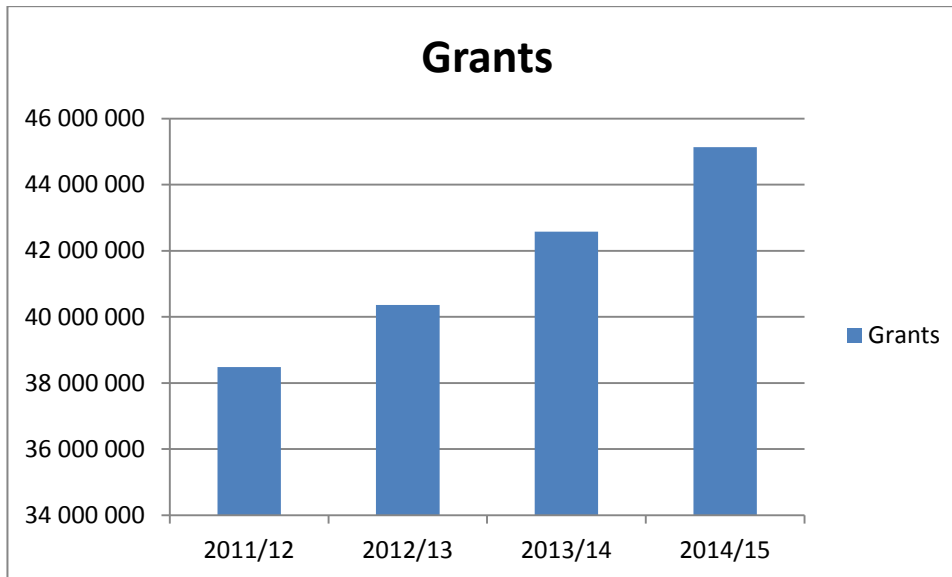
The Board receives its money through appropriations by Parliament.

a) Funding Trends – 2011/2012 to 2014/2015

The allocation for 2012/2013 have increased by R2.1 million (5%) to R40.6 million. For 2013/14 and 2014/15, the grants have increased by 5% in the respective years.

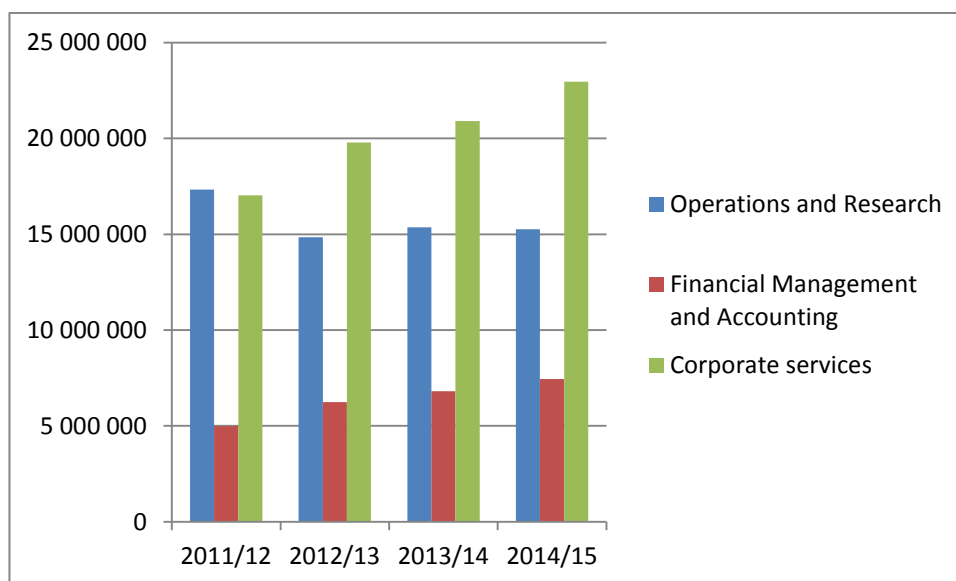
Funding trends

Item	2011/12	2012/13	2013/14	2014/15
Grants	38 482 000	40 362 000	42 578 000	45 133 000



Allocations per cluster

Cluster	2011/12	2012/13	2013/14	2014/15
Operations and Research	17 321 000	14 840 000	15 360 000	15 253 000
Financial Management and Accounting	4 996 000	6 244 000	6 816 000	7 444 000
Corporate services	17 022 000	19 775 000	20 910 000	22 954 000
TOTAL	39 339 000	40 859 000	43 086 000	45 651 000



MULTI-YEAR PROJECTIONS

MUNICIPAL DEMARCATION BOARD CONSOLIDATED BUDGET - 2011/12 - 2014/15				
	2011/12	2012/13	2013/14	2014/15
Income	39 339 000	40 859 389	43 086 128	45 651 943
Transfers received	38 482 000	40 362 000	42 578 000	45 133 002
Map Sales	22 000	25 000	27 000	28 000
Interest Income	835 000	472 389	481 128	490 941
Less Current Expenditure	39 339 000	40 859 389	43 086 128	45 651 943

Administrative and operating expenses*	19 733 008	18 554 870	19 906 562	21 235 583
Employee Cost	12 384 040	17 198 907	18 872 395	20 713 234
Audit Fees	1 965 690	1 546 600	1 701 260	1 871 386
Project Expenses (Capacity Assessment)	4 265 685	2 593 150	1 543 463	663 047
Depreciation and Amortisation	990 577	965 862	1 062 448	1 168 693
Surplus/(deficit) for the period	0	0	0	0
Administrative expenses*	19 733 008	18 554 870	19 906 562	21 235 583
<i>Advertisements & Promotions</i>	262 107	488 318	517 149	533 007
<i>Publications notices and gazette</i>	1 980 000	1 595 000	2 105 000	2 645 000
<i>Staff Training</i>	262 968	289 265	318 191	350 010
<i>Telephone Expenses - Rental & Other</i>	240 530	372 392	409 631	450 594
<i>Insurance</i>	428 873	515 760	567 336	624 070
<i>Members Fees</i>	2 842 232	2 434 101	2 542 619	2 770 467
<i>Legal fees</i>	492 595	767 625	844 387	928 826
<i>Conference and Seminars</i>	342 997	853 355	1 008 691	1 175 816
<i>Minor Assets less R2000</i>	33 565	24 858	27 344	30 078
<i>Bank Charges</i>	28 001	21 233	23 357	25 692
<i>Catering Expenses</i>	85 206	90 339	99 372	109 310
<i>Rent Paid</i>	2 340 734	2 343 723	2 347 010	2 350 626
<i>Travel and subsistence</i>	3 604 282	3 629 322	3 676 677	3 725 612
<i>Consulting Fees-Other</i>	3 731 237	2 125 010	2 115 196	1 945 505
<i>Computer Expenses</i>	1 391 200	1 644 354	1 808 365	1 936 931
<i>Electricity and Water</i>	195 406	214 947	236 441	248 263
<i>General and Administrative</i>	1 471 076	1 145 269	1 259 796	1 385 775