

MUNICIPAL DEMARCATION BOARD

STRATEGIC PLAN

1 April 2011 – 31 March 2015

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INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER: MUNICIPAL DEMARCATION BOARD

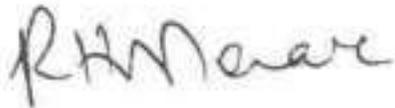
I am pleased to present the Strategic Plan for the MTEF period 1 April 2011 to 31 March 2015. Like all the previous plans, this plan is a product of hard work, valuable input and participation in its development by staff and members of the Municipal Demarcation Board.

We have continued in this plan to build on the sound foundation laid in the last 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 strategic plan forms an integral part of the Planning, Budgeting and Reporting cycle, as it unfolds at the Municipal Demarcation Board. The Plan identifies the Themes, Related Objectives, Outputs, Key Performance Indicators and Targets.

At the same time however, this Plan marks a significant departure from the past Plans, with 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 planning and 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. I am confident that this Plan clearly articulates what we, as Managers of this Institution, led by me as Accounting Officer, are responsible for, and can be held accountable at the end of the cycle.

I wish to thank the Municipal Demarcation Board for its guidance and leadership during the past year. Also, my sincerest appreciation to all the MDB staff for their active participation and assistance in developing this Plan. They also need to take full ownership of this plan, for it is only in this way that the successful implementation of this Plan can be realised.



Rapulana H Monare
Chief Executive Officer

CHAPTER 1: VISION, MISSION, VALUES, MANDATE, FUNCTIONS, STAKEHOLDERS & REVIEW OF 2010/11 PERFORMANCE

VISION

The Board's vision is the full realization of Constitutional and local democracy in South Africa characterized by functional and viable municipalities, spatially configured so that its boundaries and wards covers the whole territory of the Republic, including productive and inclusive metropolitan municipalities, sufficiently and optimally capacitated district and local municipalities which are supported by sound local government system

MISSION

To perform its functions and to exercise its powers in such a manner as to empower municipalities to fulfil their constitutional obligations, primarily the provision of democratic and accountable local government, and effective, efficient and sustainable service delivery within sound boundaries.

VALUES

1. Accountability
2. Dedication
3. Effectiveness
4. Impartiality
5. Integrity
6. Professionalism

MANDATE AND FUNCTIONS

The mandate is the responsibility that has been given to the Municipal Demarcation Board by legislation and other directives. The Board's mandate derives from:

The Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)

- The Board is mandated in terms of section 155(3)(b) to determine municipal boundaries independently.

Local Government: Municipal Demarcation Act, 1998 (Act No 27 of 1998)

- Section 3 provides that the Board is a juristic person, is independent and must be impartial and must perform its function without fear, favour or prejudice.

- Section 4 provides that the Board must determine Municipal boundaries in accordance with this Act and other appropriate legislation enacted in terms of Chapter 7 of the Constitution, and must render an advisory service in respect of matters provided for in this act and other appropriate legislation.

Local Government: Municipal Structures Act, 1998 (Act 108 of 1998)

- The Board must delimit wards in compliance with Schedule 1 to the Act.
- In terms of section 85 the Board must consider the capacity of District and Local municipalities to perform their function and to exercise their powers, and provide advice to MEC's responsible for Local Government.
- Section 6 empowers the Board to declare District Management Areas, and to withdraw such declarations.

Cabinet resolutions

- In 1998 Cabinet resolved that departmental service delivery boundaries must be aligned to constitutional boundaries (National, Provincial and municipal boundaries) and should be finalised by departments in consultation with the Municipal Demarcation Board.

PRIMARY STAKEHOLDERS

Primary stakeholders are those individuals, groups or institutions who are ultimately affected by the functions that we perform, and the manner in which we perform those functions. The Primary Stakeholders will therefore have an interest in our organisation, what the organisation does, and how the organisation carries out its functions.

Our primary stakeholders are:

- The people of South Africa
- National Sphere of Government
- Provincial Sphere of Government
- Local Sphere of Government
- Organised Local Government
- Houses of Traditional Leaders
- National Assembly
- National Council of Provinces
- Magistrates
- Board employees
- Ward Committees
- Civic and Community based organisations.

REVIEW OF 2010/11 PERFORMANCE

Performance during the 2010/11 financial year will be reported on in the Annual Report for the year ending 31 March 2011.

CHAPTER 2: STRATEGIC THEMES AND KEY STRATEGIC DIRECTION: 1 APRIL 2011 – 31 MARCH 2015

To achieve the mission and vision of the organisation, to fulfil its mandate and perform its functions, the Municipal Demarcation Board has for this Strategic Plan identified strategic themes to focus and guide the organisation over the next five financial years. These Strategic Themes respond to the key areas that the organisation should continue to excel at, and those areas where the organisation needs to improve performance, and bring performance in such areas to expected levels, or even to exceed those expectations.

The Municipal Demarcation Board has also identified a set of strategic objectives within each theme, informed by the SWOT Analysis, which will be pursued in the short, medium, and long term with the MTEF periods from 2011 to 2015.

In order to implement the strategic plan, the organisation:

- embarked on a systematic strategic planning exercise and prioritised the initiatives in the plan;
- allocated available resources to implement the plan;
- identified the risks facing the organisation;
- developed operational plans and budgets; and
- developed a process for monitoring and measuring towards meeting these strategic goals.

Some of the key strengths identified in the organisation, which puts us in a good position to continue to excel in the strategic themes, was that:

- Our planning with respect to fulfilling our core mandates has over time improved substantially and is now in place;
- The Board has undertaken an organisational development exercise, the outcome of which puts the Board in a good position to improve on the manner in which it pursues its mandate going forward;
- We have relative good information management systems in place;
- We have relative good infrastructure to do the work that we are required to do. However there is room for improvement which the budgetary allocation does not allow;
- Our staff are willing to go beyond the normal call of duty in pursuing the mandate of the Board;
- We have developed a good and unique relationship with municipalities and other stakeholders, in such a manner that we are able to access substantial internal and other information;
- We have a very effective and efficient website that is regularly updated.

This chapter deals with the strategic themes and direction of the Board for the upcoming MTEF period – 2011/2012, 2012/2013, 2013/14 and 2014/15. Further this chapter highlights issues of strategic significance. Central to this is planning to again determine and re-determine sound municipal boundaries, within which the Board can contribute to free and fair local elections through an effective and inclusive process of delimiting municipal wards. The Strategic Themes are further refined in internal work plans and timeframes for projects.

STRATEGIC THEME 1: DETERMINATION AND RE-DETERMINATION OF MUNICIPAL BOUNDARIES AND CATEGORISATION AND RE-CATEGORISATION OF MUNICIPALITIES

The 2011 – 2015 Strategic Plan once again builds on the substantial progress that has been recorded since the Board's establishment in 1999, while at the same time taking into account enhancements to the re-determination process as envisaged by the Board. Following the delimitation of wards in preparation for the 2011 local government elections, and the handing over of the final wards to the IEC, the process of reconfiguration and alignment of boundaries is set to continue after the upcoming local government elections, which must, by law, take place by 31 May 2011.

In addition to the numerous municipal boundaries that have been re-determined over time, the Board also works closely with other organs of state dealing with boundary issues. In this regard the Board works on an ongoing basis with institutions such as the Provincial Departments of Local Government, IEC, StatsSA, CSIR, and the National Departments of Cooperative Governance and Traditional Affairs (DCoG & DTA), Rural Development and Land Affairs and others. Close working relations will be maintained with DCoG, DTA, IEC, SALGA, Water Affairs and the Provincial Departments of Local Government in an endeavour to create a credible set of boundaries for traditional areas.

Changes to municipal boundaries is a continuous process and all stakeholders are involved in trying to ensure the creation of a spatial environment that would promote and enhance sound elections, planning, service delivery and development within municipal boundaries. In this regard the Board receives on an ongoing basis requests from various persons, traditional leaders, institutions and organs of state to change municipal boundaries.

The Demarcation Act, 1998, provides that the Board can take the initiative to change municipal boundaries, or that boundaries can be re-determined by the Board on the request of the Minister of Provincial and Local Government, the nine Provincial MEC's responsible for Local Government, or the affected municipalities. In order to enhance local consensus on any proposed boundary change the Board would, in general, not initiate changes to boundaries, and prefers that any proposed changes be negotiated locally with the involvement of all affected municipalities, communities and the provincial government. Once consensus has been reached the MEC and/or the affected municipalities can submit a request to the Board to re-determine the boundaries after which the Board will follow the necessary procedures as provided for in the Demarcation Act, 1998.

In order to lay a firm foundation for having things to be done differently and to improve the manner in which the boundary re-determinations process unfolds, the Board in 2010/11 commissioned research projects on core areas of the Board's work:

- Unpacking, clarifying and expanding on Criteria for Demarcation of Municipal Boundaries;
- Seeking to understand issues around Sizes of Municipalities.

Service providers have since submitted reports to the Board, and the Board has resolved to:

- Adopt the position on sizes of municipalities, as espoused in the research work submitted;
- Develop and clarify the work on demarcation criteria, to enhance buy-in from the stakeholders.
- Hold public hearings and/or investigations for every boundary re-determination request case.

As a result of the above developments, the following activities and objectives are to be pursued in the MTEF period and the period of this Plan:

- Planning and preparation for the next round of boundary re-determinations, which will be considered by the Board for implementation after the 2011 local elections;

- Develop further the work on Criteria for boundary re-determination, to minimise ambiguity in application, and to enhance buy-in of all the stakeholders in the process;
- Develop and adopt a revised process, to engage in a more transparent process going forward, which includes public hearings and/or investigations as a matter of course, to ensure sufficient buy-in of all the stakeholders in the process;
- Action all section 22 requests received, as well as all initiatives taken by the Board.

Changes to municipal boundaries also impact on national, provincial and local elections, as voting district boundaries are aligned to municipal boundaries by the IEC. Close cooperation will therefore continue to be pursued and enhanced between the Board and the IEC in this regard.

Key outputs per financial year

Fin Year	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI
2011-2012	Municipal Boundaries	Determination and re-determination of municipal boundaries, and categorisation and re-categorisation of Municipalities.	Proactive and Reactive process: Receive and record boundary requests in terms of section 22 of the Demarcation Act	Percentage of requests for changes to boundaries actioned in compliance with the Demarcation Act, Policies and Procedures.
			Publish section 26 notice to invite public views and representation on each proposed re-determination	
			Publish section 21 notices to invite objections to re-determinations	
		Publish section 21(5) notices to confirm, vary or withdraw a re-determination.		
Assist Board to initiate discussions with stakeholders on category A municipalities	Support Board in engaging with stakeholders on category A municipalities	Engage where necessary, at administration level with stakeholders on category A municipalities		
2012-2013	Municipal Boundaries	Determination and re-determination of municipal boundaries, and categorisation and re-categorisation of Municipalities.	Proactive and Reactive process: Receive and record boundary requests in terms of section 22 of the Demarcation Act	Percentage of requests for changes to boundaries actioned in compliance with the Demarcation Act, Policies and Procedures.
			Publish section 26 notice to invite public views and representation on each proposed re-determination	
			Publish section 21 notices to invite objections to re-determinations	
		Publish section 21(5) notices to confirm, vary or withdraw a re-determination.		
				Percentage of requests for categorisation of some areas as category A municipal areas actioned in compliance with Board resolutions, legislation, policies and procedures.

		Area(s) categorised as category A municipal areas in terms of the Structures Act, 1998, read with the Demarcation Act, 1998.		
2013-2014	Municipal Boundaries	Determination and re-determination of municipal boundaries, and categorisation and re-categorisation of Municipalities.	Proactive and Reactive process: Receive and record boundary requests in terms of section 22 of the Demarcation Act	Percentage of requests for changes to boundaries actioned in compliance with the Demarcation Act, Policies and Procedures.
			Publish section 26 notice to invite public views and representation on each proposed re-determination	
			Publish section 21 notices to invite objections to re-determinations	
			Publish section 21(5) notices to confirm, vary or withdraw a re-determination.	
		Area(s) categorised as category A municipal areas in terms of the Structures Act, 1998, read with the Demarcation Act, 1998.		
2013-2014	Municipal Boundaries	Determination and re-determination of municipal boundaries, and categorisation and re-categorisation of Municipalities.	Proactive and Reactive process: Receive and record boundary requests in terms of section 22 of the Demarcation Act	Percentage of requests for changes to boundaries actioned in compliance with the Demarcation Act, Policies and Procedures.
			Publish section 26 notice to invite public views and representation on each proposed re-determination	
			Publish section 21 notices to invite objections to re-determinations	
			Publish section 21(5) notices to confirm, vary or withdraw a re-determination.	
		Area(s) categorised as category A municipal areas in terms of the Structures Act, 1998, read with the Demarcation Act, 1998.		

Budget allocation

EXPENSE	2011/2012	2012/2013	2013/2014
Boundary determination	4,804,795	5,078,668	4,587,000
GIS	1,348,246	1,459,697	1,586,293
Research & compliance	413 840	428 885	565 434
Total	6,566,881	6,967,250	6,738,727

STRATEGIC THEME 2: ASSESSMENT OF THE CAPACITY OF METROPOLITAN, DISTRICT AND LOCAL MUNICIPALITIES

The Municipal Demarcation Board's Municipal Capacity Assessment process, which has taken place annually from 2001/02 until 2008/09, makes an important contribution in addressing the need for data on local government capacity.

Section 156 (1) of the Constitution provides that a municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5.

Since 2001/2002, capacity assessments have been based on the provisions of section 85 of the Municipal Structures Act. Section 85 (9) provides that the MEC's responsible for local government in provinces must regularly review the capacity of relevant municipalities and reallocate a function or power to a municipality when that municipality acquires the capacity to perform its function or exercise its power.

A reallocation must be made with the concurrence of the receiving municipality or, in the absence of such concurrence, after having consulted the Municipal Demarcation Board. Section 85 (4) requires that the Municipal Demarcation Board considers the capacity of a district or local municipality to perform the functions and exercise the powers vested in the municipality in terms of section 84 (1) or (2) when determining or re-determining the boundaries of the district and the local municipality, or when so requested by the MEC for local government in the province concerned.

For the period of this strategic plan and going forward, the Board will shift to a new and revised model of municipal capacity assessments, following a comprehensive review of the model that the Board has used from 2001/02 to 2008/09. The review identifies a number of shortcomings with the model that the Board has used, and concludes that, while the Capacity Assessment helps the MDB to fulfill a purpose closely linked to our system of local government:

- The two-tier system of local government on which the current capacity assessment model is based, is neither effective nor efficient;
- While designed to possibly mitigate the risks of a two-tier system, adjustments by MECs of scheduled functions have arguably exacerbated the problem;
- The definition of municipal capacity, which informs the framework for adjustments, is considered to be inadequate and too narrow in shaping the conceptualization of municipal capacity;
- Understanding the environmental capacity of municipalities is fundamental to the demarcation process, with institutional capacity playing a secondary role. The Capacity Assessments addresses only this secondary consideration and are therefore not useful for the process of adjusting municipal boundaries.
- The foundation of the model that has been used to date, relies on a limited and narrow set of capacity related indicators, which are informed by a self-assessment by municipalities. There is therefore significant scope to improve the depth and breadth of the conceptual understanding and measurement of capacity, as well as the enhancing objectivity of the process of assessing capacity.
- While the Capacity Assessment data and reports have come to fill an important space in terms of building an understanding of local government capacity in South Africa, the review of the data and outputs suggest that Capacity Assessments have much more potential in terms of analysis and there is thus scope for the Capacity Assessments to make an even greater contribution as a resource for municipal level analysis.

The Municipal Demarcation Board will then pursue a new approach to capacity assessments that seeks to:

- Address the limitation that capacity is insufficient information on which to make recommendations on re-assigning a function;
- Position the Capacity Assessment as Strategic Resource;
- Revise the Capacity Assessment Model;

- Conduct a Qualitative Review/Investigation of Powers and Functions
- Revise the data collection methodology;
- Revise the Output.

Key outputs per financial year

Fin Year	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI
2011-2012	Assessment of the Capacity of District and Local Municipalities in order to advise MEC's for Local Government in their decision to adjust powers and functions between District and Local Municipalities	Provide quality Municipal Capacity assessments and recommendations to MECs for Local Government regarding adjustments of powers and functions in compliance with Section 85 of the Local Government: Municipal Structures Act, 1998	Municipal Capacity Assessments to comply with the requirements of section 85 of the Structures Act	Reports compiled by due date
			Implement Capacity assessment model as developed and adopted by the Board	Capacity assessments, based on alternative model implemented, completed by due date.
2012-2013	Assessment of the Capacity of District and Local Municipalities in order to advise MEC's for Local Government in their decision to adjust powers and functions between District and Local Municipalities	Provide quality Municipal Capacity assessments and recommendations to MECs for Local Government regarding adjustments of powers and functions in compliance with Section 85 of the Local Government: Municipal Structures Act, 1998	Municipal Capacity Assessments to comply with the requirements of section 85 of the Structures Act	Reports compiled by due date
			Further development and refinement of the revised capacity assessment model as developed and adopted by the Board.	Capacity assessments, based on alternative model implemented, completed by due date.
2013-2014	Assessment of the Capacity of District and Local Municipalities in order to advise MEC's for Local Government in their decision to adjust powers and functions between District and Local Municipalities	Provide quality Municipal Capacity assessments and recommendations to MECs for Local Government regarding adjustments of powers and functions in compliance with Section 85 of the Local Government: Municipal Structures Act, 1998	Municipal Capacity Assessments to comply with the requirements of section 85 of the Structures Act	Reports compiled by due date
			Further development and refinement of the revised capacity assessment model as developed and adopted by the Board.	Capacity assessments, based on alternative model implemented, completed by due date.

2014-2015	Assessment of the Capacity of District and Local Municipalities in order to advise MEC's for Local Government in their decision to adjust powers and functions between District and Local Municipalities	Provide quality Municipal Capacity assessments and recommendations to MECs for Local Government regarding adjustments of powers and functions in compliance with Section 85 of the Local Government: Municipal Structures Act, 1998	Municipal Capacity Assessments to comply with the requirements of section 85 of the Structures Act	Reports compiled by due date
			Further development and refinement of the revised capacity assessment model as developed and adopted by the Board.	Capacity assessments, based on alternative model implemented, completed by due date.

Budget allocation

EXPENSE	2011/2012	2012/2013	2013/2014
Capacity Assessment	5,180,000	5,569,000	5,566,000
Total	5,180,000	5,569,000	5,566,000

STRATEGIC THEME 3: BOARD SUPPORTED BY EFFECTIVE AND EFFICIENT ORGANISATIONAL PROCESSES, SYSTEMS AND PRACTICES

Building and enhancing the capacity of the Board's internal machinery remains a priority for the Board. Previous Strategic Plans had a number of strategic objectives, aimed at building capability within the administrative arm of the Board, in order to improve performance. The Strategic Plan 2011 – 2015 must continue to pursue this strategic objective and find more innovative ways of facilitating the implementation of its objectives.

In 2010/11, the Board appointed an Organisational Design (OD) specialist to carry out an investigation into the Board's organisational structure, as well as significant restructuring of the organisation's establishment. The service provider's brief was to investigate and to write a report with recommendations, on ways of improving the effectiveness of the Municipal Demarcation Board and its members, particularly staff members, by means of systematically planned interventions.

The service provider has since delivered on the brief, and the Board has resolved to bring about far-reaching changes in levels of some positions in the Board's organisational structure, as well as significant restructuring of the organisation's establishment – this in order to have things done differently, in a number of core areas of the Board's work.

As a result of the above developments, the following activities and objectives are to be pursued in the MTEF period and the period of this Plan:

- The Board will outline to staff and other relevant stakeholders a plan of action to implement changes to the organisational structure at the MDB;
- The Board will lead the full process to effect the changes, including identification and securing of the necessary financial and other resources to realise the changes.

The Board will provide a strategic approach to the management of its people through:

- Providing a clear strategic focus for workforce management;
- Ensuring that human resources policies and practices provide transparency, honesty and fairness in the management of its people;
- Ensuring that all employees are provided with adequate resources, such as training and equipment;
- Promoting leadership and supporting Cluster Heads to effectively manage their subordinates;
- The promotion and adherence to equal employment opportunity objectives;
- Creating a safe, supportive and equitable work environment for employees which sustains high levels of satisfaction, empowerment, commitment and accountability; and
- Maximising the Board's return on its human investment.

The key issues which impact on the management of people are clearly shaped by the operating environment in the organisation. The Strategic plan will support the Board's mission, vision and values by providing a strategic approach to the management of its people through specifically focusing on employee attraction and retention, equal opportunity, employee learning and development, performance management, workplace health and safety, employee relations and human resources management system at the Board and this will be addressed in the Human Resources Plan.

Key outputs per financial year

Fin Year	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI
2011-2012	Enhance and ensure that the Board supported by an effective and efficient Organisational Structure	Implement the outcomes of the Organisational Development Initiative (OD)	Actions to implement the outcomes of the Organisation Development Initiative (OD)	Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board
		Monitor individual performance contracts that supports strategic objectives	Quarterly Employee Performance reports	Submission of Quarterly Employee Performance reports
		Maintain an Internship programme to mitigate risks associated with staff turnover	Retain the necessary staff complement	Retain the necessary staff complement
		Maintain acceptable employee satisfaction levels	Improve employee relations at all levels within the Board	Quarterly staff meetings and carry out half yearly employee satisfaction surveys.
		Develop and nurture capability at all levels within the Board	Continuous training of staff	Percentage of training cost to total employee cost
		Compliance with Employment Equity legislation	Recruit candidates that support employment equity	Workforce composition: Gender equity ratio and affirmative action
2012-2013	Enhance and ensure that the Board supported by an effective and efficient Organisational Structure	Implement the outcomes of the Organisational Development Initiative (OD)	Actions to implement the outcomes of the Organisation Development Initiative (OD)	Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board
		Monitor individual performance contracts that supports strategic objectives	Quarterly Employee Performance reports	Submission of Quarterly Employee Performance reports
		Maintain an Internship programme to mitigate risks associated with staff turnover	Retain the necessary staff complement	Retain the necessary staff complement
		Maintain acceptable employee satisfaction levels	Improve employee relations at all levels within the Board	Quarterly staff meetings and carry out half yearly employee satisfaction surveys.
		Develop and nurture capability at all levels within the Board	Continuous training of staff	Percentage of training cost to total employee cost
		Compliance with Employment Equity legislation	Recruit candidates that support employment equity	Workforce composition: Gender equity ratio and affirmative action
2013-2014	Enhance and ensure that the Board supported by an effective and efficient Organisational Structure	Implement the outcomes of the Organisational Development Initiative (OD)	Actions to implement the outcomes of the Organisation Development Initiative (OD)	Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board

		Monitor individual performance contracts that supports strategic objectives	Quarterly Employee Performance reports	Submission of Quarterly Employee Performance reports
		Maintain an Internship programme to mitigate risks associated with staff turnover	Retain the necessary staff complement	Retain the necessary staff complement
		Maintain acceptable employee satisfaction levels	Improve employee relations at all levels within the Board	Quarterly staff meetings and carry out half yearly employee satisfaction surveys.
		Develop and nurture capability at all levels within the Board	Continuous training of staff	Percentage of training cost to total employee cost
		Compliance with Employment Equity legislation	Recruit candidates that support employment equity	Workforce composition: Gender equity ratio and affirmative action
2014-2015	Enhance and ensure that the Board supported by an effective and efficient Organisational Structure	Implement the outcomes of the Organisational Development Initiative (OD)	Actions to implement the outcomes of the Organisation Development Initiative (OD)	Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board
		Monitor individual performance contracts that supports strategic objectives	Quarterly Employee Performance reports	Submission of Quarterly Employee Performance reports
		Maintain an Internship programme to mitigate risks associated with staff turnover	Retain the necessary staff complement	Retain the necessary staff complement
		Maintain acceptable employee satisfaction levels	Improve employee relations at all levels within the Board	Quarterly staff meetings and carry out half yearly employee satisfaction surveys.
		Develop and nurture capability at all levels within the Board	Continuous training of staff	Percentage of training cost to total employee cost
		Compliance with Employment Equity legislation	Recruit candidates that support employment equity	Workforce composition: Gender equity ratio and affirmative action

Budget allocation

Human Resources

EXPENSE	2011/2012	2012/2013	2013/2014 *
Staff Salaries	13,013,685	14,167,091	15,847,500
Staff Training	195,205	212,506	237,712
Total	13,208,890	14,379,597	16,085,212

Training at 1.5% of salary bill

Administration

Rent	2,310,848	2,310,848	2,310,848
Administration expenses	3,655,745	3,846,246	3,910,799
Total	5,966,593	6,157,093	6,221,646

STRATEGIC THEME 4: ENSURING GOOD GOVERNANCE

The Municipal Demarcation Board will continue to endeavour to ensure that good governance arrangements are in place throughout the organization, to support the Board processes effectively and comply with legislation. nGood governance arrangements at the Board will be under constant examination and review, to ensure that an appropriate set of checks and balances on the stewards of the organization, is maintained at all times.

The following activities and objectives are to be pursued in the MTEF period and the period of this Plan:

i. Actions to maintain and, where applicable, to improve compliance with legal frameworks

- As a constitutional institution, in terms of the PFMA, funded from appropriations by Parliament, the Board is compelled to comply with various legal frameworks such as the Public Finance Management Act, the Municipal Demarcation Act and others.
- Policies and procedures have been developed in most areas of the Board's work to guide our compliance. However, actions must continue to solidify IT Governance and Contract Management, as well as risk assessment and risk management.

ii. Continued actions to improve the efficiency and effectiveness of administrative processes and systems

While a substantial amount of work has over the years been done to implement policies, procedures and best practice at the Board, there remains a significant scope to improve in enhancing capacity in relevant areas, in order to improve the lead times of key processes. These include:

- establishment and appropriate staffing of the Board Secretariat to provide the necessary support to the Board;
- appropriate staffing of the Risk management component in the Finance Cluster;
- appropriate staffing of the IT section, to improve IT Governance;
- establishment of a stakeholder management unit at the Board and appropriate staffing of the Unit.

iii. Continued Actions to Improve the quality and usage of management information

This is key to ensure sound management, decision-making and good governance. A central initiative in achieving this objective is to maintain and improve on the Board's in-house information management system to provide relevant and regular updated information, and internal communications.

Key outputs per financial year

Fin Year	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI
2011 - 2012	Ensuring Good Governance	Compliance with legal frameworks.	Improve effectiveness of the internal audit function by ensuring full compliance to Treasury regulations regarding Internal Audit Methodology	Audit opinion by the Auditor General
		Improve efficiency and effectiveness of administrative processes and systems.	Formulate and review policies and procedures	Frequency of review of policies and procedures
			Establish and staff Board Secretariat and Stakeholder Management unit	Secretariat and stakeholder management unit operational.
			Development and implementation of in-house information management system	In-house information management system developed and implemented

2012-2013	Ensuring Good Governance	Compliance with legal frameworks.	Improve effectiveness of the internal audit function by ensuring full compliance to Treasury regulations regarding Internal Audit Methodology	Audit opinion by the Auditor General
		Improve efficiency and effectiveness of administrative processes and systems.	Review policies and procedures	Frequency of review of policies and procedures
			Monitor and refine the performance of the Board Secretariat and Stakeholder Management unit	Secretariat and stakeholder management unit operational.
			Development and implementation of in-house information management system	In-house information management system developed and implemented
2013-2014	Ensuring Good Governance	Compliance with legal frameworks.	Improve effectiveness of the internal audit function by ensuring full compliance to Treasury regulations regarding Internal Audit Methodology	Audit opinion by the Auditor General
		Improve efficiency and effectiveness of administrative processes and systems.	Review policies and procedures	Frequency of review of policies and procedures
			Development and implementation of in-house information management system	In-house information management system developed and implemented
2014-2015	Ensuring Good Governance	Compliance with legal frameworks.	Improve effectiveness of the internal audit function by ensuring full compliance to Treasury regulations regarding Internal Audit Methodology	Audit opinion by the Auditor General
		Improve efficiency and effectiveness of administrative processes and systems.	Review policies and procedures	Frequency of review of policies and procedures
			Development and implementation of in-house information management system	In-house information management system developed and implemented

Budget allocation

EXPENSE	2011/2012	2012/2013	2013/2014 *
Board	2,181,385	2,237,495	2,628,565
Management	2,061,035	1,108,198	1,017,855
	4,242,420	3,345,693	3,646,420

STRATEGIC THEME 5: ENSURING SOUND FINANCIAL MANAGEMENT

Doing more with less is one of the major challenges facing the public sector today. Budgetary pressures are compounded by increasing costs, rising expectations and legislative mandates. Eventually, organisations have to decide how to provide the right services with the appropriate resources, while attaining strategic objectives and managing performance. The Board is no different from any other public sector entity in that it is also facing the challenge of limited resources in the coming medium term expenditure period.

This theme addresses effective financial management of allocated resources to ensure that it achieves its legislative mandate. In this regard, the sound financial management is informed by five principles, detailed as below:

- **Manage resources to accomplish strategic goals** – To ensure that program priorities are achieved within provided funding levels, systems must be in place, that provide management with timely insight into trends and financial results. Therefore, management monitors budget execution, including monitoring projects, tasks, program accomplishments, and the overall financial health of its operations to ensure that plans and priorities are achieved.
- **Effectiveness of financial planning** – Financial planning encompasses budget preparation for the medium term informed by the work programs of the various clusters at the Board. Budgets are formulated with programmatic insight, resulting in justifiable requests for resources to satisfy mission needs.
- **Ensure adherence to laws, regulations and contractual obligations** – The Board has the responsibility to ensure that all applicable laws and regulations are carried out to make certain that there is responsible use of taxpayer money and the protection of the Board's assets against fraud, waste, abuse and mismanagement. The primary laws which the Board should adhere in respect to financial management are the Public Finances Management Act, the Preferential Procurement Policy Framework Act and the Treasury Regulations issued in terms of PFMA. The target is to achieve an unqualified audit opinion as expressed by the Auditor General on an annual basis.
- **Ensure effective and efficient use of resources** – Management takes responsibility to ensure that scarce resources are being utilized economically and efficiently. Oversight efforts and analyses focus on the high impact areas. In this regard, regular cost control measures have been put in place to monitor adherence to budget allocations for each program.
- **Accurate and relevant financial reporting** - Financial reporting entails external reporting as required in terms the PFMA and internal reporting for various governance structures, i.e. Audit Committee, Exco and the Board. Financial information is essential to planning, real time decision making and assessing program performance. This information is presented in a useful format that addresses the needs of those structures.

Key outputs per financial year

Fin Year	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI
2011-2012	Ensuring Sound Financial Management	Manage Resources to accomplish strategic goals.	Effective management of working capital	Current ratio
		Effective Financial Planning.	Prepare short and long term budgets	Budgeted expenditure to budgeted income
		Ensure adherence to laws, regulations and contractual obligations.	Internal audits	Internal audit rating
		Ensure effective and efficient use of resources.	Control costs consistently	Actual expenditure to grants received
2012-2013	Ensuring Sound Financial Management	Manage Resources to accomplish strategic goals.	Effective management of working capital	Current ratio
		Effective Financial Planning.	Prepare short and long term budgets	Budgeted expenditure to budgeted

				income
		Ensure adherence to laws, regulations and contractual obligations.	Internal audits	Internal audit rating
		Ensure effective and efficient use of resources.	Control costs consistently	Actual expenditure to grants received
2013-2014	Ensuring Sound Financial Management	Manage Resources to accomplish strategic goals.	Effective management of working capital	Current ratio
		Effective Financial Planning.	Prepare short and long term budgets	Budgeted expenditure to budgeted income
		Ensure adherence to laws, regulations and contractual obligations.	Internal audits	Internal audit rating
		Ensure effective and efficient use of resources.	Control costs consistently	Actual expenditure to grants received
2014-2015	Ensuring Sound Financial Management	Manage Resources to accomplish strategic goals.	Effective management of working capital	Current ratio
		Effective Financial Planning.	Prepare short and long term budgets	Budgeted expenditure to budgeted income
		Ensure adherence to laws, regulations and contractual obligations.	Internal audits	Internal audit rating
		Ensure effective and efficient use of resources.	Control costs consistently	Actual expenditure to grants received

Budget allocation

EXPENSE	2011/2012	2012/2013	2013/2014 *
Audit expenses	2,056,000	2,210,331	2,431,364
Finance	918,216	906,036	981,830
	2,974,216	3,116,368	3,413,195

STRATEGIC THEME 6: STAKEHOLDER RELATIONS

Today's organisational challenges and the need to achieve sustainable development make it important to engage both with current stakeholders, as well as those stakeholders that have not in the past been engaged adequately, on new issues and new ways. As a constitutional institution, it is important for the Board to reinforce the need to engage with all stakeholders in a structured manner, to realise specific organisational goals as well as to meet broader social, environmental and economic challenges. The need for engaging stakeholders in a structured manner, is also reinforced by the fact that stakeholder relations is one of the core functions of all Board, in terms of the corporate governance principles as outlined in the King III report, to which the Municipal Demarcation Board subscribes.

This theme addresses the need to have a stakeholder management function at the Board which must, over the short to medium term, do the following:

- Prepare a Stakeholder Management and Governance Framework;
- Develop a Stakeholder Engagement Plan for 2011/12 – 2014/15;
- Develop a Stakeholder Communication Strategy for 2011/12 – 2014/15;
- Prepare and enter into Service Level Agreements between the Board and all of its stakeholders;
- Set up a Stakeholder Management Unit, including a proposed budget for the entire service.

Key outputs per financial year

Fin Year	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI
2011-2012	Stakeholder Relations	Formulate and enter into Service Level Agreements between Stakeholders and the Board	Service Level Agreements	Conclude Service Level Agreements by due date
		Stakeholder Management function to drive strategies and implement Plans	Stakeholder Management Function established at the Board by due date	Establish Stakeholder Management Function
			Stakeholder Relations Strategy finalised and approved by due date	Finalise Stakeholder Relations Strategy and submit to Board for approval
			Stakeholder Engagement Plan finalised and approved by due date	Finalise Stakeholder Engagement Plan and submit to Board for approval
			Stakeholder Communication Strategy finalised and approved by due date	Finalise Stakeholder Communication Strategy and submit to Board for approval
		Participation in Joint Structures and Initiatives	Participation in joint structures - CoGTA technical committee on TAS.	Number / Percentage of meetings attended
2012-2013	Stakeholder Relations	Formulate and enter into Service Level Agreements between Stakeholders and the Board	Service Level Agreements	Conclude Service Level Agreements by due date
		Stakeholder Management function to drive strategies and implement Plans	Stakeholder Relations Strategy finalised and approved by due date	Finalise Stakeholder Relations Strategy and submit to Board for approval
			Stakeholder Engagement Plan finalised and approved by due date	Finalise Stakeholder Engagement Plan and submit to Board for approval

			Stakeholder Communication Strategy finalised and approved by due date	Finalise Stakeholder Communication Strategy and submit to Board for approval
		Participation in Joint Structures and Initiatives	Participation in joint structures - CoGTA technical committee on TAS.	Number / Percentage of meetings attended
2013-2014	Stakeholder Relations	Formulate and enter into Service Level Agreements between Stakeholders and the Board	Service Level Agreements	Conclude Service Level Agreements by due date
		Stakeholder Management function to drive strategies and implement Plans	Stakeholder Relations Strategy finalised and approved by due date	Finalise Stakeholder Relations Strategy and submit to Board for approval
			Stakeholder Engagement Plan finalised and approved by due date	Finalise Stakeholder Engagement Plan and submit to Board for approval
			Stakeholder Communication Strategy finalised and approved by due date	Finalise Stakeholder Communication Strategy and submit to Board for approval
		Participation in Joint Structures and Initiatives	Participation in joint structures - CoGTA technical committee on TAS.	Number / Percentage of meetings attended
2013-2014	Stakeholder Relations	Formulate and enter into Service Level Agreements between Stakeholders and the Board	Service Level Agreements	Conclude Service Level Agreements by due date
		Stakeholder Management function to drive strategies and implement Plans	Stakeholder Relations Strategy finalised and approved by due date	Finalise Stakeholder Relations Strategy and submit to Board for approval
			Stakeholder Engagement Plan finalised and approved by due date	Finalise Stakeholder Engagement Plan and submit to Board for approval
			Stakeholder Communication Strategy finalised and approved by due date	Finalise Stakeholder Communication Strategy and submit to Board for approval
		Participation in Joint Structures and Initiatives	Participation in joint structures - CoGTA technical committee on TAS.	Number / Percentage of meetings attended

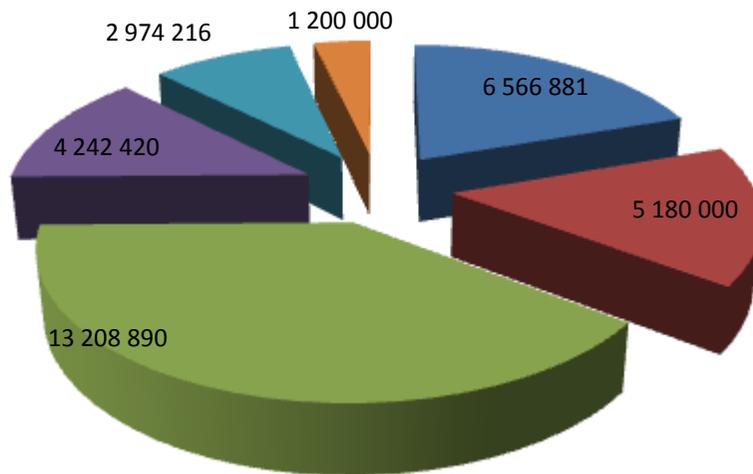
Budget allocation

EXPENSE	2011/2012	2012/2013	2013/2014 *
Stakeholder management	1,200,000	1,320,000	1,386,801

Budget allocation per strategic theme

Theme		2011/2012
Theme 1	Boundary determinations	6 566 881
Theme 2	Capacity assessments	5 180 000
Theme 3	Organisational structure	13 208 890
Theme 4	Good Corporate governance	4 242 420
Theme 5	Financial management	2 974 216
Theme 6	Stakeholder management	1 200 000
Administration		5 966 593
Totals		39 339 000

2011/12 Distribution



FRAMEWORK FOR REPORTING PERFORMANCE INFORMATION

THEMES	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI	TARGET
Strategic Theme 1	Municipal Boundaries	Determination and re-determination of municipal boundaries, and categorisation and re-categorisation of Municipalities.	Proactive and Reactive process: Receive and record boundary requests in terms of section 22 of the Demarcation Act	Percentage of requests for changes to boundaries actioned in compliance with the Demarcation Act, Policies and Procedures.	100% of requests for changes to boundaries actioned in compliance with the Demarcation Act, Policies and Procedures
			Publish section 26 notice to invite public views and representation on each proposed re-determination		
			Publish section 21 notices to invite objections to re-determinations		
			Publish section 21(5) notices to confirm, vary or withdraw a re-determination.		
Assist Board to initiate discussions with stakeholders on category A municipalities	Support Board in engaging with stakeholders on category A municipalities	Engage where necessary, at administration level with stakeholders on category A municipalities	Board hosting a Roundtable discussion on category A municipalities		
		Percentage of requests for categorisation of some areas as category A municipal areas actioned in compliance with Board resolutions, legislation, policies and procedures.	Action 100% of decisions taken by the Board		
Strategic Theme 2	Assessment of the Capacity of District and Local Municipalities in order to Advise MEC's for Local Government in their decision to adjust powers and functions between District and Local Municipalities	Provide quality Municipal Capacity assessments and recommendations to MECs for local government regarding adjustments of powers and functions in compliance with Section 85 of the Local Government: Municipal Structures Act, 1998	Municipal Capacity Assessments to comply with the requirements of section 85 of the Structures Act	Reports compiled by due date	All reports submitted to the Board by end March 2011
			Capacity assessments model as developed and adopted by the Board	Capacity assessments based on alternative model implemented by due date.	Alternative model implemented as part of the 2011/12 capacity assessments and reflected in

THEMES	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI	TARGET
					the capacity assessment reports and reflected in the capacity assessment reports by end March 2012
Strategic Theme 3	Enhance and ensure that the Board supported by an effective and efficient Organisational Structure	Implement the outcomes of the Organisational Development Initiative (OD)	Actions to implement the outcomes of the Organisation Development Initiative (OD)	Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board	100% of actions taken to implement the outcomes of the Organisational Development (OD) Exercise
		Monitor individual performance contracts that supports strategic objectives	Quarterly Employee Performance reports	Submission of Quarterly Employee Performance reports	100%
		Maintain an Internship programme to mitigate risks associated with staff turnover	Retain the necessary staff complement	Retain the necessary staff complement	Assess and sustain organisational competence and performance
		Maintain acceptable employee satisfaction levels	Improve employee relations at all levels within the Board	Quarterly staff meetings and carry out half yearly employee satisfaction surveys.	Conduct quarterly staff meetings and obtain 50% return submission of half yearly employee satisfaction surveys.
		Develop and nurture capability at all levels within the Board	Continuous training of staff	Percentage of training cost to total employee cost	1.5%
		Compliance with Employment Equity legislation	Recruit candidates that support employment equity	Workforce composition: Gender equity ratio and affirmative action	Minimum of 45% gender equity
Strategic Theme 4	Ensuring Good Governance	Compliance with legal frameworks.	Improve effectiveness of the internal audit function by ensuring full compliance to Treasury regulations regarding Internal Audit Methodology	Audit opinion by the Auditor General	Unqualified audit opinion
		Improve efficiency and effectiveness of administrative processes and systems.	Review policies and procedures	Frequency of review of policies and procedures	Policies and procedures reviewed every three years
			Establish and staff Board Secretariat and Stakeholder Management unit	Secretariat and stakeholder management unit operational.	Appoint staff to perform the functions.
			Development and implementation of in-house	In-house information management system	System 100% operational. Incremental implementation of

THEMES	THEME DESCRIPTIONS	RELATED OBJECTIVES	OUTPUT	KPI	TARGET
			information management system	developed and implemented	content over three year MTEF period as per action plan
Strategic Theme 5	Ensuring Sound Financial Management	Manage Resources to accomplish strategic goals.	Effective management of working capital	Current ratio	2 : 1
		Effective Financial Planning.	Prepare short and long term budgets	Budgeted expenditure to budgeted income	100% / 1:1
		Ensure adherence to laws, regulations and contractual obligations.	Internal audits	Internal audit rating	Internal audit average rating of 2
		Ensure effective and efficient use of resources.	Control costs consistently	Actual expenditure to grants received	100% / 1:1
Strategic Theme 6	Stakeholder Relations	Formulate and enter into Service Level Agreements between Stakeholders and the Board	Service Level Agreements	Conclude Service Level Agreements by due date	Conclude by September 2011.
		Stakeholder Management function to drive strategies and implement Plans	Stakeholder Management Function established at the Board by due date	Establish Stakeholder Management Function	Established by October 2011
			Stakeholder Relations Strategy finalised and approved by due date	Finalise Stakeholder Relations Strategy and submit to Board for approval	Approved by the Board by June 2011
			Stakeholder Engagement Plan finalised and approved by due date	Finalise Stakeholder Engagement Plan and submit to Board for approval	Approved by the Board by June 2012
			Stakeholder Communication Strategy finalised and approved by due date	Finalise Stakeholder Communication Strategy and submit to Board for approval	Approved by the Board by June 2013
		Participation in Joint Structures and Initiatives	Participation in joint structures - CoGTA technical committee on TAS.	Number / Percentage of meetings attended	All / 100% attendance and participation.

STRATEGY ON THE USE OF EXTERNAL SERVICE PROVIDERS

The use of external service providers at the Board is underpinned by a number of clear principles, and these principles will continue to inform our engagement of external service providers over this planning period:

a. Use external service providers to optimise our financial resources

Service Providers at the Board are employed over short periods of time, only when they are needed and where there is positive value for money. This means that we do not carry any additional staff that are not fully utilised at any point in time.

b. Expenditure on external service providers that is progressively predictable, and that follow a logical pattern

Expenditure on service providers will stabilise from year to year, only increasing sharply when another round of ward delimitation process comes again in 2010/11, or the Board is required to carry out work that was not initially provided for in our MTEF allocations.

The Board will strive to maintain expenditure on external providers within prudential limits. In addition the Board will constantly review approaches and methods used in key projects with a view of making them cost-effective.

c. Use external service providers to add value to the work of the Board and to grow a pool of professionals to provide service and advice

The Board will continue to employ Black and Female service providers, who actually add value to its work. This means that:

- Qualified and experienced black and female service providers will be employed in their individual capacities;
- Young and emerging consultants will be employed to work with the more experienced service providers, thus affording them the opportunity to gain the valuable experience and skills, and to break into the field of consulting;
- A pool of new black and female service providers will grow, to provide the service and advise that is needed in a cost-effective manner.

d. Use external service providers to ensure effective skills transfer

Employees at the Board will continue to be fully involved in the work that service providers do for the Board, to ensure that:

- Employees gain the necessary expertise where it is lacking;
- Employees are in a position to do the work internally, should capacity allow us to do so;
- Professional fees can be scaled down over the MTEF period, as some aspects of the work that were previously done by service providers, are done internally.

IMPLEMENTATION OF THE STRATEGIC PLAN

a) Implementing and Managing the Work Programme going Forward

In order to ensure that the Board achieves its vision and mission, and that it continues to fulfil its mandate, the organisation is implementing and managing its work programme on an ongoing basis. Depending on priorities and the available resources work plans are reviewed whenever necessary.

b) Monitoring and Reporting

In order to ensure compliance with the relevant legislation, the organisation has put measures in place to monitor and report on its progress and overall performance.

- i) Annual reporting: An annual report is compiled and tabled in Parliament on the overall performance of the organisation in terms of the annual targets outlined in the strategic plan.
- ii) Quarterly reporting: Reports are compiled and submitted to DCoG, outlining progress made against quarterly targets as outlined in the strategic plan.
- iii) Mid Year Strategic review.

c) Monitoring and Evaluation

The Municipal Demarcation Board has adapted the perspectives of the balanced scorecard to suit its own requirements. The Strategic Themes and Strategic Objectives are key in measuring performance of staff. Organisational performance is monitored and evaluated in terms of key targets and timeframes provided for in project work plans.

The Balanced Scorecard approach enables the organisation to:

- Effectively measure the implementation and performance;
- Ensure long term sustainable growth and development;
- Understand, predict and improve performance in key focus areas;
- Build a culture of continuous improvement through managing and measuring behaviours that drive the targeted organisational results.

The four perspectives of the Board's Balanced Scorecard are:

- **External Stakeholders:** From this perspective, the organisation looks at what it needs to deliver to its stakeholders;
- **Fulfilling the Mandate:** From this perspective, the Board has identified the focus areas in the value chain of the process of fulfilling the mandate, on which it should place emphasis;
- **Governance:** From this perspective, the critical governance or non-core business functions are measured;
- **Investment in the Future:** From this perspective, the investment that the organisation is making in its people to ensure success and growth is measured.

CHAPTER 3: CAPACITY OF THE BOARD

In order to deal with its strategic themes to the best of its ability, the Board needs to have at an optimal level, the necessary human resources, financial resources, and infrastructure. It is therefore important that the gap between the optimised allocation and integration of the inputs, and the current level of allocation, be analysed, and an approach to managing the gap, if not to close it, be investigated.

An analysis of *'where we are now?'* and *'where do we want to be?'* must therefore be done on a regular basis, with respect to the three inputs of human resources, financial resources, and infrastructure.

HUMAN RESOURCE CAPACITY TO GIVE EFFECT TO THE BOARD'S MANDATE

The Board has human resources which may be used to varying degrees to give effect to the Board's mandate:

a. Staff

The Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998), makes provision for the Board to appoint the Manager: Municipal Demarcation Board, as the Administrative Head of the organisation (**Chief Executive and Accounting Officer**) and with the ultimate executive responsibility to implement the Strategic Plan:

As Chief Executive Officer

- Ensure efficient and effective administration
- Manage all employees
- Maintain discipline
- Carry out decisions of the Board
- Assign and re-assign functions between clusters and employees, in consultation with the Board, through the Chairperson.

As Accounting Officer

- Ensure proper financial controls
- Ensure effective, efficient, economical and transparent use of the resources of the Board.
- Ensure that funds are collected and managed properly and diligently
- Maintain assets and manage liabilities of the Board
- Comply with tax, levies, duty, pensions and audit commitments of the Board
- Settle debts and obligations within prescribed periods
- Report immediately unauthorised, irregular or fruitless and wasteful expenditure
- Take effective disciplinary steps against employees contravening provisions of the Demarcation Act, the Public Finance Management Act and other applicable legislation and/or policies.
- Ensure lawful transfer of funds
- Ensure propriety, regularity and value for money when policy proposals are considered

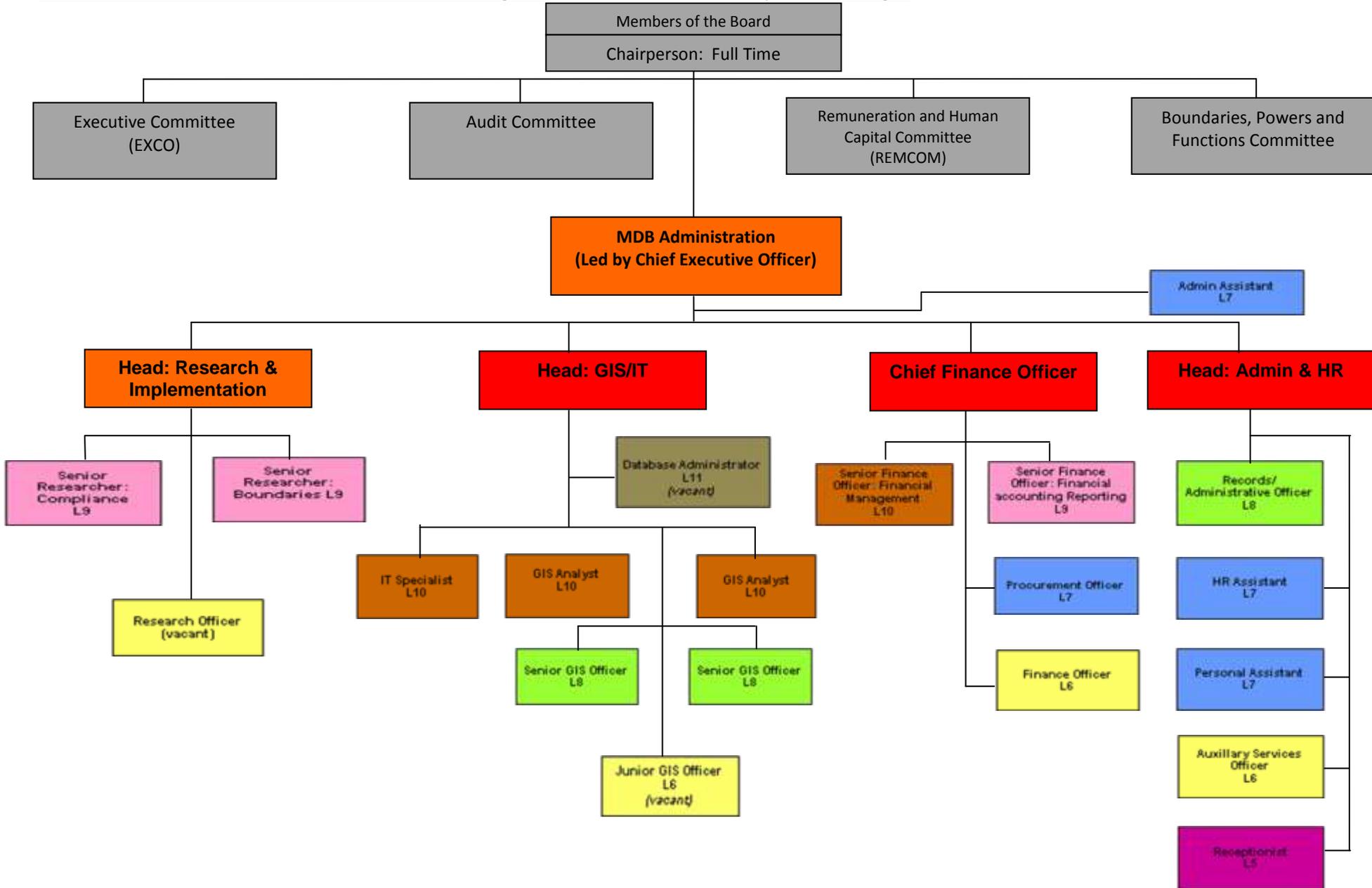
- Ensure proper management of the budget
- Ensure proper maintenance of records., financial statements and reporting
- Ensure proper delegations.

In order to carry out his/her responsibilities as outlined above, the CEO and Accounting Officer requires a strong, qualified and adequate complement of staff members. This includes Cluster Heads, to whom the CEO delegates aspects of his/her responsibilities, although he/she remains primarily responsible for the carrying out of those responsibilities.

It is therefore important to always ensure that the organisational structure meets the Board's requirements for optimal operations, and if this is not the case, to determine how the organisational structure can be revised to meet our requirements.

The implementation of the OD Initiative Outcomes is set to further enhance human resources capacity at the Board, to give effect to the Board's mandate.

The Municipal Demarcation Board's Current Organisational Structure (subject to change)



Optimal Requirements: Human Resource Capacity

Optimal requirements at the Board with respect to human resource capacity can be summarised as follows:

- Sufficient number of staff to process and to manage individual boundary re-determinations cases coming out of all nine provinces;
- Sufficient number of staff, for day to day IT and Web Support;
- Sufficient number of accounting, finance, supply chain and risk management personnel for effective accounting and financial controls, as well as for effective segregation of duties;
- Sufficient number of administrative personnel;
- Sufficient number of staff to provide Board Secretariat support.
- Sufficient number of staff for stakeholder management.

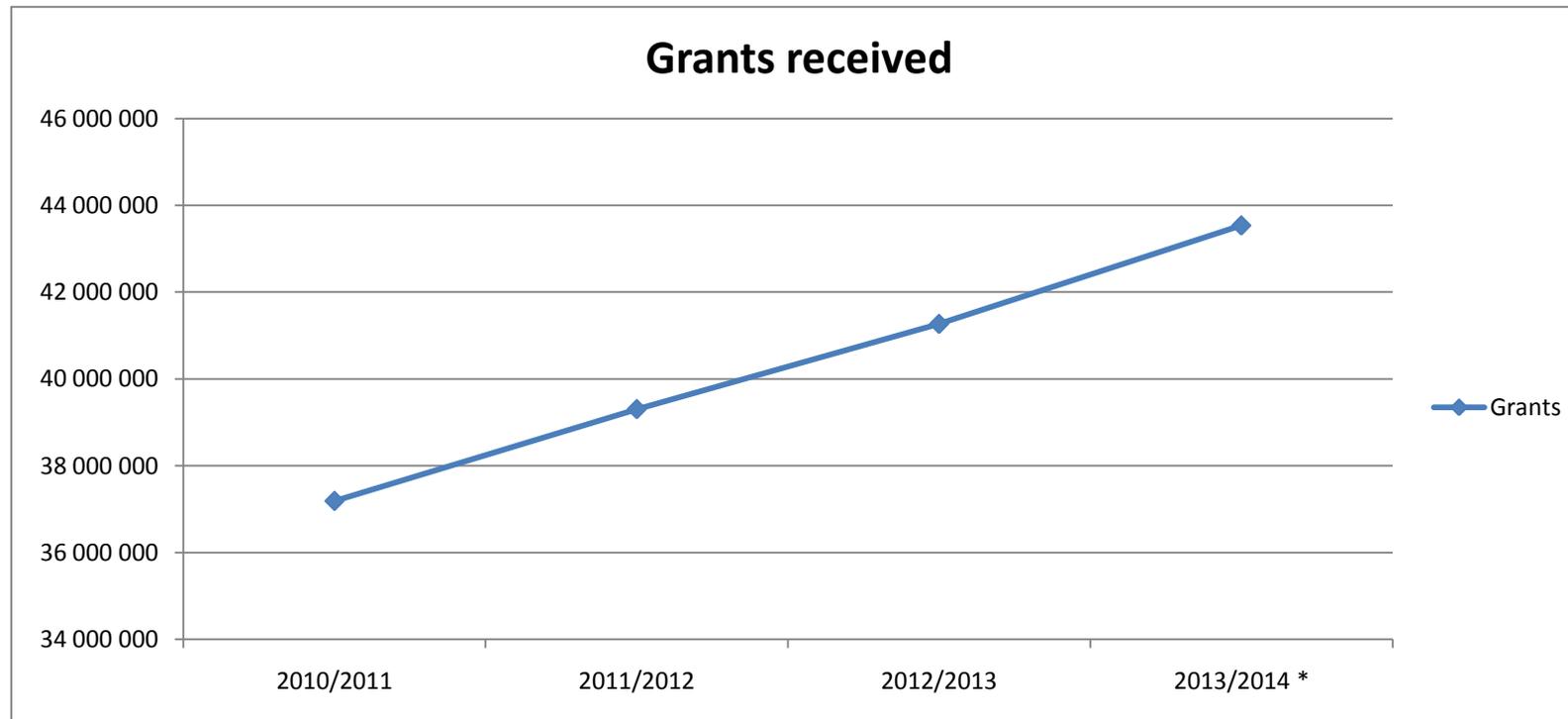
FINANCIAL RESOURCE CAPACITY TO GIVE EFFECT TO THE BOARD'S MANDATE

The Board receives its money through appropriations by Parliament.

a) Funding Trends – 2006/2007 – 2013/2014

The allocation for 2011/12 have increased by R2.1 million (3%) to R38.4 million. For 2012/13 and 2013/14, the grants have increased by 5% in respective years.

ITEM	2011/2012	2012/2013	2013/2014
Grants	38,482,000	40,632,000	42,578,000



b) Expenditure Trends

In the early years of the Board operation, the Board was faced with challenges regarding insufficient funding, but improved over time.

Details	2002		2003		2004		2005		2006		2007		2008		2009		2010	
	R'000	%																
Income	19,267	100%	16,109	100%	17,976	100%	26,694	100%	25,873	100%	19,707	100%	21,022	100%	25,952	100%	35,287	100%
CoGTA	15,842	82%	11,670	72%	14,311	80%	22,523	84%	24,959	96%	16,827	85%	20,664	98%	25,420	121%	34,557	98%
Donor	3,110	16%	3,738	23%	3,165	18%	3,970	15%	650	3%	2,650	13%	0	0%	0	0%	0	0%
Other	315	2%	701	4%	500	3%	201	1%	264	1%	230	1%	358	2%	532	3%	730	2%
Expenditure	16,163	100%	20,465	100%	19,392	100%	28,638	100%	22,408	100%	20,578	100%	15,863	100%	24,619	100%	27,598	100%
Board remuneration	1,537	10%	1,919	9%	1,456	8%	2,327	8%	2,745	12%	2,632	13%	1,177	6%	1,199	6%	1,829	7%
Salaries	2,966	18%	4,719	23%	5,186	27%	5,193	18%	4,949	22%	6,995	34%	6,447	31%	8,224	40%	10,705	39%
Insurances	199	1%	288	1%	308	2%	392	1%	402	2%	163	1%	176	1%	425	2%	166	1%
Professional Fees	4,557	28%	8,181	40%	5,942	31%	6,071	21%	6,115	27%	4,020	20%	4,093	20%	4,417	21%	429	2%
Auditors costs	51	0%	93	0%	268	1%	477	2%	578	3%	1,012	5%	932	5%	715	3%	1,003	4%
Donor expenses	0	0%	0	0%	3,165	16%	3,970	14%	647	3%	2,650	13%	0	0%	0	0%	0	0%
Travelling costs	1,302	8%	1,846	9%	1,665	9%	1,893	7%	1,373	6%	941	5%	1,297	6%	1,280	6%	1,677	6%
Telephone	387	2%	240	1%	291	2%	302	1%	298	1%	266	1%	227	1%	179	1%	236	1%
Other	5,164	32%	3,179	16%	1,111	6%	8,013	28%	5,301	24%	1,899	9%	1,514	7%	8,180	40%	11,553	42%
(Deficit) / Surplus	3,104	16%	-4,356	-27%	-1,416	-8%	-1,944	-7%	3,465	13%	-871	-4%	5,159	25%	1,333	5%	7,648	22%

CAPITAL BUDGET

MULTI-YEAR PROJECTIONS

1. CLUSTER BUDGET FOR THE MTEF PERIOD 2011/12 TO 2013/14

ENE Classification		2011/2012	2012/2013	2013/2014 *
Income		39 339 000	40 855 000	43 058 000
Grants		38 482 000	40 362 000	42 578 000
Sundry income		-	-	-
Interest income		857 000	493000	480000
Expenses		39 339 000	40 855 000	43 058 000
Capacity Assessment	Agency and support	5 180 000	5 569 000	5 566 000
Ward delimitation	Other: Project expenses	0	0	
Boundary determination	Other: Boundary re-determinations	4 804 795	5 078 668	4 587 000
Rental expense	Lease payments	2 310 848	2 310 848	2 310 848
Salaries	Salaries	13 013 685	14 167 091	15 847 500
Depreciation	Depreciation	710 517	710 517	710 517
Members allowances	Board costs	1 713 155	1 725 265	2 067 935
Audit expenses	Audit costs	2 056 000	2 210 332	2 431 364
Staff Training	Training	195 205	212 506	237 712
Other expenses	Other unclassified expenditure	9 354 795	8 870 773	9 299 124
Net surplus		0	0	0

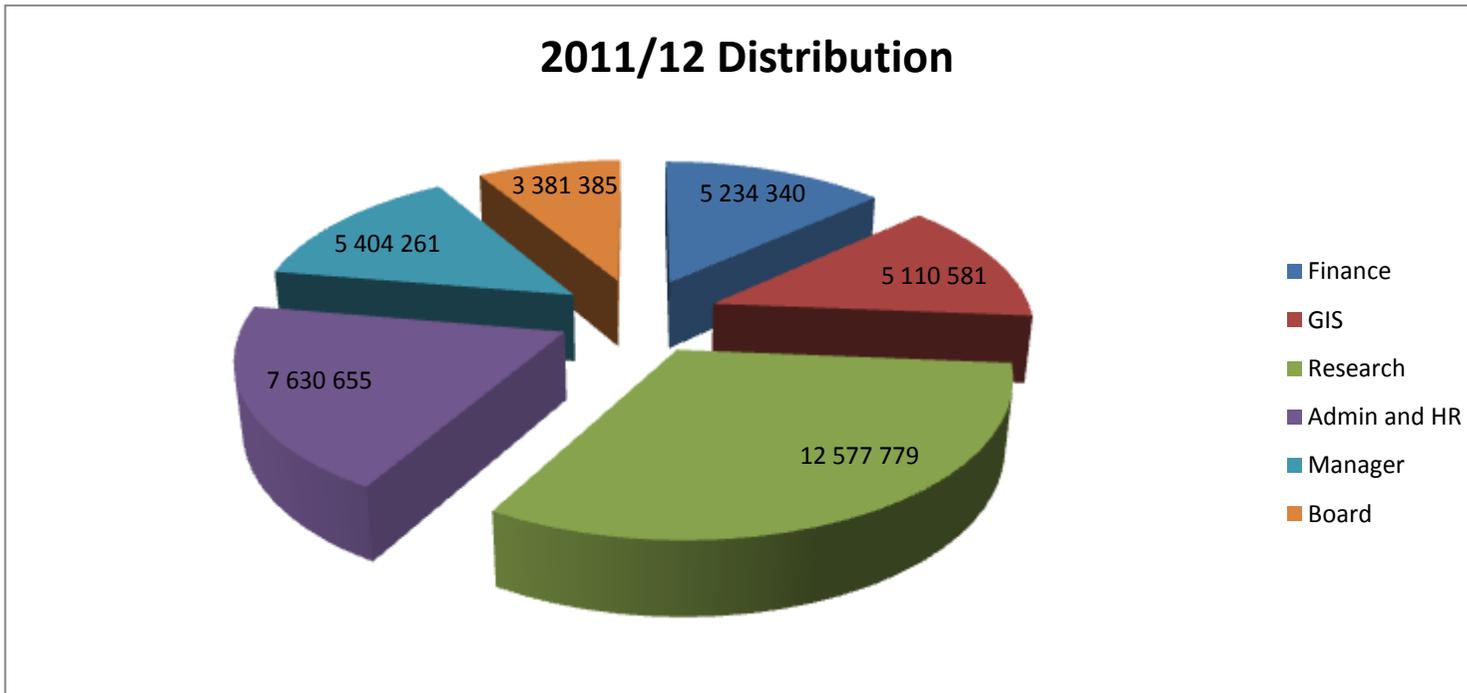
Other expenses

Advertising	Advertising	168 000	170 000	172 000
Bank charges	Bank charges	35 000	37 625	41 388
Legal fees	Legal fees	165 000	181 500	199 650
Printing and publication	Printing and publication	361 000	397 000	437 000
Venues and facilities	Venues and facilities	1 531 632	809 950	890 945
Travel and subsistence	Travel and subsistence	1 104 629	1 187 352	1 406 087
Catering		36 000	102 000	166 000
Entertainment	Entertainment			
General expenses	Office expenses	119 115	131 026	144 129
Consulting fees other	Consulting fees other	1 573 800	1 035 392	1 100 930
Computer expenses	Computer expenses	270 984	302 082	335 290
Insurance	Other: insurance	332 750	366 025	402 628
Motor vehicle exp	Other: fleet expenses	29 709	32 679	35 947
Repairs and maintenance	Repairs and maintenance	49 500	54 450	59 895
Elec and water	Utilities	159 500	175 450	192 995
Stakeholder	Communication	1 200 000	1 320 000	1 386 801
	Other: Admin and operations	2 218 177	3 335 207	3 274 302
		9 354 795	8 870 773	9 299 124
Net Surplus		0	0	0

Item	2011/2012	2012/2013	2013/2014 *
Grants	38 482 000	40 362 000	42 578 000
Total budgeted expenditure	39 339 000	40 855 000	43 058 000
Other income	857 000	493 000	480 000
Variance (Deficit) / Surplus	0	0	0
% Variance (Deficit) / Surplus	0	0	0

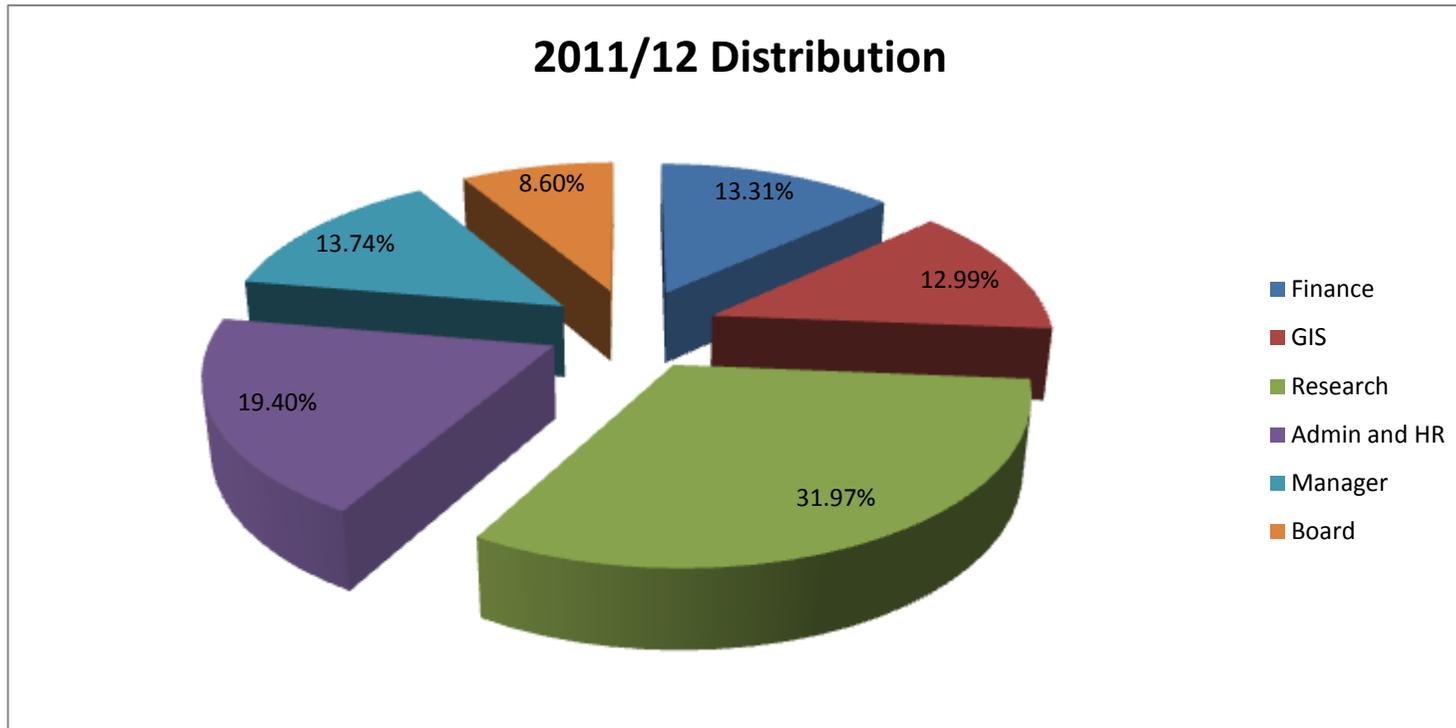
2. BUDGET PER CLUSTER

CLUSTER	2011/2012	2012/2013	2013/2014 *
Finance	5 234 340	5 648 925	6 252 339
GIS	5 110 581	5 532 076	6 083 772
Research	12 577 779	13 642 629	13 189 636
Admin and HR	7 630 655	7 818 191	8 371 309
Manager	5 404 261	4 655 685	5 145 579
Board	3 381 385	3 557 495	4 015 366
Total	39 339 000	40 855 000	43 058 000



3. PERCENTAGE DISTRIBUTION PER CLUSTER

CLUSTERS	2011/2012
Finance	13.31 r5%
GIS	12.99%
Research	31.97%
Admin and HR	19.40%
Manager	13.74%
Board	8.60%



4. **EXPECTED OTHER INCOME FOR THE PERIOD 2011/12 TO 2013/14**

	2011/2012	2012/2013	2013/2014 *
Income	857,000	493,000	480,000
Disposal of assets	0	0	0
Interest income	857,000	493,000	480,000

5. **CAPITAL EXPENDITURE BUDGET**

ASSET CATEGORY	2011/2012	2012/2013	2013/2014
Vehicles	0	0	0
Computer Equipment	110,000	250,000	275,000
Total	110,000	250,000	275,000

There are no planned asset disposals over the planning cycle

6. **MAINTENANCE OF FIXED ASSETS**

Description	2011/2012	2012/2013	2013/2014
Asset Maintenance	22,000	24,200	26,620

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