MUNICIPAL DEMARCATION BOARD

STRATEGIC PLAN

for the
fiscal years

2012 to 2017

7 March 2012

Board Resolution: 4565/29022012

FOREWORD

I am pleased to present the Strategic Plan for the MTEF period 1 April 2012 to 31 March 2017. 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.

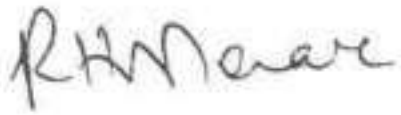
At the same time however, this Plan marks a significant departure from the past Plans, with significant emphasis on making the Board and its work more visible and more understandable to some of our major stakeholders, and the public in general, as well as on cultivating and maintaining vibrant and progressive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

Thank you to the Municipal Demarcation Board for its guidance and leadership during the past year. Also, 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.

OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Municipal Demarcation Board under the guidance of its CEO, Rapulana Hillary Monare.
- Takes into account all the relevant policies, legislation and other mandates for which the Municipal Demarcation Board is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the Municipal Demarcation Board will endeavour to achieve over the period 1 April 2012 to 31 March 2017.



RH MONARE
CHIEF EXECUTIVE OFFICER

LJ MAHLANGU
EXECUTIVE AUTHORITY

TABLE OF CONTENTS

PART A: STRATEGIC OVERVIEW 4
1. VISION **4**
2. MISSION **4**
3. VALUES **4**
4. LEGISLATIVE AND OTHER MANDATES **4**
5. SITUATIONAL ANALYSIS **5**
6. STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION **7**
PART B: STRATEGIC OBJECTIVES 9
7. PROGRAMME PERFORMANCE: PROGRAMME STRUCTURE **9**
PROGRAMME 1: OPERATIONS AND RESEARCH **10**
7.1. STRATEGIC OBJECTIVE **10**
7.2. RESOURCE CONSIDERATIONS **13**
7.3. RISK MANAGEMENT **13**
PROGRAMME 2: FINANCIAL MANAGEMENT AND ACCOUNTING **14**
7.1. STRATEGIC OBJECTIVE **14**
7.2. RESOURCE CONSIDERATIONS **16**
7.3. RISK MANAGEMENT **16**
PROGRAMME 3: CORPORATE SERVICES **17**
7.1. STRATEGIC DIRECTION **17**
7.2. RESOURCE CONSIDERATIONS **21**
7.3. RISK MANAGEMENT **21**
CONTACT DETAILS: MUNICIPAL DEMARCATION BOARD, South Africa 25

PART A: STRATEGIC OVERVIEW

1. VISION

The Board's vision is the full realisation 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.

2. 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.

3. VALUES

- ✓ Accountability
- ✓ Dedication
- ✓ Effectiveness
- ✓ Impartiality
- ✓ Integrity
- ✓ Professionalism

4. LEGISLATIVE AND OTHER MANDATES

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:

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.

4.1. CONSTITUTIONAL MANDATES

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.

4.2. POLICY MANDATES

Assistance to government department to align their service delivery boundaries to municipal boundaries.

4.3. COURT RULINGS

Although there have been several court rulings with respect to the decision of the Board none of those rulings have had any impact on operations or service delivery obligations.

5. SITUATIONAL ANALYSIS

On 18 May 2011, the day of the 2011 Local Government elections, changes with respect to municipal boundaries in the country were effected. These resulted in South Africa having the following number of municipalities:
8 Metropolitan municipalities
44 District municipalities
226 Local municipalities

District management areas no longer exist as they form part of the jurisdiction of local municipalities. The need to intensify consultation has also become prominent in the operations of the Board.

5.1 PERFORMANCE ENVIRONMENT

The ongoing review of municipal boundaries is necessitated by various factors, this is a priority for the period 2012 to 2013 and boundaries will be amended when necessary on the Board's own initiative or at the request Minister, MEC's or municipalities.

After this process wards will be delimited in 2014/15 for the 2016 local government elections. The assessment of the capacity of municipalities to perform their functions will continue to be done in compliance with legislation; however there will also be emphasis on other aspects of municipal capacity. Throughout all these processes consultation will be intensified.

5.2 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.

5.3 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

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.

6. STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

Strategic Objective	To determine and re-determine boundaries of local, district and metropolitan municipalities
Objective statement	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. The process will comprise of different phases including planning, consultation, compliance to legal provisions, and the finalisation of all changes to municipal boundaries during 2013. Action 100% of process to ensure that municipalities qualifying for metro status indeed become metros on the date on the next local government elections. Advise service delivery departments of changes to municipal boundaries Declaration and withdrawal of district management areas

Strategic Objective	Delimitation of wards for all local and metropolitan municipalities for the 2016 local elections.
Objective statement	Plan and implement a process to delimit ward in 100% of local and metropolitan municipalities by mid 2015 in terms of Schedule 1 to the Local Government: Municipal Structures Act, 1998. The process will comprise of different phases including planning, consultation, compliance to legal provisions, and the finalisation of all ward for the 2016 local elections.

Strategic Objective	Assessment of the capacity of metropolitan, district and local municipalities
Objective statement	Ensures that consultants appointed by the Board delivers 100% of the outcomes specified in their contracts with the Board. Provide quality municipal capacity assessment reports 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

Strategic Objective	Ensuring Good Governance and sound financial management
Objective statement	Manage resources to accomplish strategic goals, effective financial planning, ensure adherence to laws, regulations and contractual obligations, ensure effective efficient use of resources Compliance with legal frameworks. Improve efficiency and effectiveness of administrative processes and systems.

Strategic Objective	Board supported by effective and efficient organisation, organisational processes, systems and practices
Objective statement	Implement the outcomes of the Organisational Development Initiative (OD) Monitor individual performance contracts that supports strategic objectives Maintain an internship programme to mitigate risks associated with staff turnover Maintain acceptable employee satisfaction levels Develop and nurture capability at all levels within the Board Compliance with employment equity legislation

Strategic Objective	Stakeholder Relations
Objective statement	Stakeholder Management function to drive strategies and implement plans Participation in joint structures and Initiatives

PART B: STRATEGIC OBJECTIVES

7. PROGRAMME PERFORMANCE: PROGRAMME STRUCTURE

The Municipal Demarcation Board programme structure is as follows:

Programme	Sub-Programme
Operations and Research	Determinations and Delimitations
	GIS and Database Management
	Research
Financial Management and Accounting	Financial Accounting and Reporting
	Financial Management
	Supply Chain Management and Risk Management
Corporate Services	Information Technology
	Legal and Secretariat
	Human Resources and Administration
	Stakeholder and Media Relations

Programme 1: Operations and Research

Provides management of all processes in pursuit of the legislative mandate of the Municipal Demarcation Board, and includes:

- Determination and re-determination of municipal boundaries,
- Appropriate categorisation of municipalities,
- Advisory service on the alignment of service delivery boundaries to municipal boundaries
- Declaration and withdrawal of declarations of district management areas
- Delimitation of municipal wards for local government elections
- Oversee the process to assess the capacity of municipalities to perform their functions, and render advice to MECs to adjust powers and functions between district and local municipalities.

Programme 2: Financial Management and accounting

Provides policy leadership, advice and core support services, including:

- Financial management,
- Financial Reporting,
- Supply chain management,
- Risk Management.

Programme 3: Corporate Services

- Human resources and administration,
- Legal and Board secretariat,

- Information and management services, including IT
- Communication and stakeholder management,
- Corporate planning,
- Project management.

PROGRAMME 1: OPERATIONS AND RESEARCH

7.1. STRATEGIC OBJECTIVE

Strategic Objective 1	To determine and re-determine boundaries of local, district and metropolitan municipalities
Objective statement	• 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. • The process will comprise of different phases including planning, consultation, compliance to legal provisions, and the finalisation of all changes to municipal boundaries during 2013. • Action 100% of process to ensure that municipalities qualifying for metro status indeed become metros on the date on the next local government elections. • Advise service delivery departments of changes to Municipal Boundaries • Declaration and withdrawal of district management areas
Baseline	10% of the process namely the planning part has been finalised by July 2011. This will be followed by consultation with municipalities, and other stakeholders before the end of the 2011/12 financial year. All stakeholders requiring in loco consultation during 2012/13 will be visited and after completion will represent a 40% completion of the process. During the 2012/13 financial year the first part of the legal process will be completed which will represent 45% of the process and in 2013/14 the final part of the legal process will be completed which will represent the last 15% of the process.
	Two municipalities namely Mangaung and Buffalo City became metros on 18 May 2011. By 2013, 100% of the process to further categorise municipalities qualifying to be category A municipalities, will be completed. The boundaries of new metros will take effect on the date of the 2016 local elections.
	Service delivery departments have opted to align their service boundaries to local municipalities and need to be advised on changes.
	The MDB has withdrawn all declarations of DMAs. Though Section 6 of the Local Government: Municipal Structures Act, 1998, allows the Board to again declare DMA's it is unlikely that this will happen again. This sub-programme should be regarded as dormant, but may be reactivated.

Indicator Title	• Percentage of process for the re-determination of municipal boundaries completed • Categorise 100% of municipalities qualifying to be metropolitan municipalities in terms of Section 2 of the Local Government: Municipal Structures Act, 1998, before the 2016 local government elections. • Conduct quarterly meetings to advise departments of changes or progress of alignment of service delivery boundaries.

	• 100% of ad-hoc activities completed within the shortest possible period.
Short definition	• A process will be followed from 2011 to 2013 to review municipal boundaries at the request of the Minister or MECs responsible for local government, or at the request of the municipalities involved, or changes initiated by the MDB. • A municipality is categorised as a metropolitan municipality when it complies with certain criteria provided for in Section 2 of the Local Government: Municipal Structures Act, 1998. • Over and above clear programmes and sub-programmes, many foreseen and unforeseen tasks are performed on an ad-hoc basis.
Purpose/importance	• Ongoing review of municipal boundaries to ensure sound spatial municipal areas complying with the relevant criteria provided for in the Demarcation Act, 1998. • Compliance with Section 2 of the Local Government: Municipal Structures Act, 1998. • It is important that 100% of these are attended to, in order to ensure that stakeholders are satisfied with the Board's services.
Source/Collection of data	Municipalities and persons requesting boundary changes will be requested by the MDB to provide data. This is provided for in Section 22 of the Demarcation Act, 1998.
Method of calculation	N/A
Data limitations	Some data may not be available and will have to be purchased from data vendors, or collected.
Type of indicator	Percentage of process completed.
Calculation type	N/A
Reporting cycle	The Demarcation Act, 1998 requires that the MDB submits an annual report to Parliament and the provincial legislatures.
New Indicator	
Desired performance	Completion of 100% of the process by 2013.
Indicator responsibility	GIS and Research and Implementation Clusters.

Strategic Objective 2	To delimit wards for all local and metropolitan municipalities for the 2016 local elections.
Objective statement	Plan and implement a process to delimit ward in 100% of local and metropolitan municipalities by mid 2015 in terms of Schedule 1 to the Local Government: Municipal Structures Act, 1998. The process will comprise of different phases including planning, consultation, compliance to legal provisions, and the finalisation of all ward for the 2016 local elections.
Baseline	Local elections were held on 18 May 2011 within the ward boundaries delimited by the MDB during 2009/10. The process of delimiting wards for the 2016 elections will commence in 2014/15. During 2013/14 a new Board will be appointed to deal with the ward delimitation process. Taking into account the 2009/10 ward delimitation process, this sub-programme may unfold as follows: 2013/14 finalise policy and planning for the ward delimitation process – complete 20% of process. 2014/15 ward delimitation process comprising of consultation with stakeholders, and compliance with legal requirements – complete 50% of process. 2015/16 finalise all wards and hand over to the IEC to prepare for the 2016 local elections – complete the remaining 50% of the process.

	The possibility of dealing with wards on a continuous basis in the run up to the 2016 local elections may need to be explored.

Indicator Title	Percentage of process completed.
Short definition	A process will be followed from 2013 to 2015 to delimit all ward boundaries, within which elections will be held in 2016. This process entails the division of the municipalities into smaller spatial units called wards, so as to ensure that all wards in a municipality have more or less and equal number of registered voters as provided for in current legislation.
Purpose/importance	The purpose is to enhance democracy through regular elections in wards.
Source/Collection of data	Mainly internal GIS spatial data.
Method of calculation	N/A
Data limitations	N/A
Type of indicator	Percentage of process completed.
Calculation type	N/A
Reporting cycle	The Demarcation Act, 1998 requires that the MDB submits an annual report to Parliament and the provincial legislatures.
New Indicator	
Desired performance	Completion of 100% of the process by 2015.
Indicator responsibility	GIS and Research and Implementation Clusters.
Indicator Title	Percentage of process completed.

Strategic Objective 3	To assess the capacity of metropolitan, district and local municipalities in line with the revised model.
Objective statement	Ensures that consultants appointed by the Board delivers 100% of the outcomes specified in their contracts with the Board. Provide quality municipal capacity assessment reports 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.
Baseline	Since 2008/2009 no capacity assessments have been done. Section 85 provides that the Board must do capacity assessments when so requested by an MEC responsible for local government, and when re-determining municipal boundaries. In the past the Board opted for an annual assessment. The Board resolved to do another capacity assessment during the 2011/12 financial year. The tender process has been completed, and the process has begun.

Indicator Title	Consultants deliver 100% assessments in compliance with their contract with the Board.
Short definition	While capacity assessments are currently outsourced by the Board the intention is to transfer skills to staff in this process, with the aim of increasingly undertaking the assessments using internal staff. The intention of such assessments is to establish as to whether metropolitan, district and local municipalities have the capacity to perform their functions, and to empower the MECs responsible for local government to adjust certain powers and functions between district and local municipalities, as well as to provide the necessary support and advise.
Purpose/importance	The purpose of capacity assessments is to ensure that all municipal functions are placed at a level (district or local) where they can be best performed, and to enhance service delivery.

Source/Collection of data	Data is collected by consultants directly from municipalities.
Method of calculation	N/A
Data limitations	Municipalities may not have all information available, or may provide incorrect information.
Type of indicator	Number of reports finalised in line with the revised approach and contractual arrangements.
Calculation type	N/A
Reporting cycle	The Demarcation Act, 1998 requires that the MDB submits an annual report to Parliament and the provincial legislatures.
New Indicator	
Desired performance	100% capacity assessments done by consultants in compliance with their contract, and all reports submitted to the MDB.
Indicator responsibility	Project Steering Committee

7.2. RESOURCE CONSIDERATIONS

Sub-programme	No of key staff members proposed	2012/2013	2013/2014	2014/2015
Determination and re-determination of municipal boundaries	13			
Delimitation of electoral wards				
Assessment of the capacity of Metropolitan, District and Local Municipalities				

7.3. RISK MANAGEMENT

Risk	Key controls
Non fulfilment of requests for redetermination of municipal boundary leading to non-fulfilment of MDB mandate.	Ensure there is an policy, procedures and action plan that complies with legislation
Lack of quality assurance leading to publication of incorrect notices	Quality Assurance Review to be performed by senior staff in cluster
Inability to respond to requests received from Government Departments leading Departments not aligning to municipal boundaries	Adequate capacity in place to respond to requests

PROGRAMME 2: FINANCIAL MANAGEMENT AND ACCOUNTING

7.1. STRATEGIC OBJECTIVE

Strategic Objective 1	To ensure sound financial management.
Objective statement	Manage resources to accomplish strategic goals, effective financial planning, ensure adherence to laws, regulations and contractual obligations, and ensure effective efficient use of resources.
Baseline	Current ratio – 2:1 Budgeted expenditure to budgeted income - 100% / 1:1 Internal audit rating – an average rating of 2 Actual expenditure to revenue received - 100% / 1:1

Indicator Title	Current ratio Budgeted expenditure to budget income Internal audit rating Actual expenditure to revenue received
Short definition	Current ratio: To give an idea of the organisation ability to pay back its short term liabilities (debt and payables) with its short term assets (cash inventory, receivables). A ration under one suggests that the organisation would be unable to pay off its obligations if they came due at that point. Budgeted expenditure to budget income: The annual expense plan for the organisation as opposed to its revenue. Internal audit rating: Rating for the purpose of indication the overall level of performance from Internal audit purpose for the function audited. The rating relates to internal operations, administrative and financial controls and audited performance relative to planned/policy/procedures in each function audited and is based on established guidelines. Actual expenditure to revenue received: The actual expenses in relation to the revenue received.
Purpose/importance	Current ratio: To give a sense of the efficiency of an organisations operating cycle by ability to meet short term debt obligations. Budgeted expenditure to budget income: To maintain parity between expenditure as planned and budgetary allocations. Internal audit rating: The rating is used to accomplish the following objectives • Provide management with an indication of the relative competence with which functions covered by the audit were performed. • Measure any change in performance of the functions since the previous audit • Provide incentive to area management to improve their operations • Help to determine the frequency and extend of audit coverage which should be provided in the future.

	Actual expenditure to revenue received: To plan in advance the expenditure against the revenue received.
Source/Collection of data	Financial systems and established professional guidelines
Method of calculation	
Data limitations	
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New Indicator	No
Desired performance	
Indicator responsibility	CFO

Strategic Objective 2	To ensure good corporate governance
Objective statement	Compliance with legal frameworks. Improve efficiency and effectiveness of financial processes and systems.
Baseline	Unqualified audit opinion by the Auditor General Policies and procedures reviewed during a cycle of three years

Indicator Title	Audit opinion by the Auditor General Frequency of review of policies and procedures
Short definition	Audit opinion by the Auditor General The auditor-general's report which contains a clear written expression of opinion on the financial statements as a whole, including those matters that arise from the audit of financial statements and, in the opinion of the auditor-general, are both important and relevant to those charged with governance in overseeing the financial reporting and disclosure process. Frequency of review of policies and procedures An established mechanism and frequency for reviewing and updating each of the policies and procedures.
Purpose/importance	Audit opinion by the Auditor General To provide the opinion of the Auditor-General on whether: – the financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the applicable financial reporting framework (An unqualified opinion); – an unqualified opinion cannot be expressed due to the effect of any disagreement with management regarding departures from the applicable financial reporting framework/basis of accounting which result in material misstatement of the financial statements or due to the limitation on scope being not so material and pervasive as to require an adverse opinion or a disclaimer of opinion (A qualified opinion); – the effect of a disagreement with management regarding departures from the financial reporting framework/basis of accounting is so material and pervasive to the financial statements that the auditor-general concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.(An adverse opinion);

	– the possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.(A disclaimer of opinion) Frequency of review of policies and procedures Policies and procedures are reviewed with the necessary and stipulated frequency, to ensure their accuracy and completeness, and to make sure everyone has the same understanding of the policy, process, or situation.
Source/Collection of data	Established professional guidelines
Method of calculation	
Data limitations	
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New Indicator	No
Desired performance	
Indicator responsibility	CEO

7.2. RESOURCE CONSIDERATIONS

Sub-programme	No of key staff members proposed	2012/2013	2013/2014	2014/2015
Ensuring Sound Financial Management	8			

7.3. RISK MANAGEMENT

Risk	Key controls
Lack of alignment of budgets to strategic objectives leading to non achievement of strategic objectives	Budget that is fully aligned to strategic plan
Lack of adherence to supply chain management policies and procedures leading to non compliance	SCM and Procurement policies in place and enforced. Communication and training will be provided to ensure adherence.
Budget is not considered when incurring expenditure e.g. consultants leading to overspending	Tender committee considers budget before approval
Asset management processes not adequate leading to non compliance, lack of accountability and financial loss.	Processes are currently in place
Ineffective policies and procedures leading to non-compliance with the relevant laws and regulations e.g. PFMA and Treasury Regulations.	Effective policies and procedures in place and complied with

PROGRAMME 3: CORPORATE SERVICES

7.1. STRATEGIC DIRECTION

Strategic Objective 1	To ensure that the Board maintains effective and efficient organisational processes, systems and practices
Objective statement	Implement the outcomes of the Organisational Development Initiative (OD) Monitor individual performance contracts that supports strategic objectives Maintain an Internship programme to mitigate risks associated with staff turnover Maintain acceptable employee satisfaction levels Develop and nurture capability at all levels within the Board Compliance with Employment Equity legislation
Baseline	100% of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board 100% Submission of Quarterly Employee Performance reports Quarterly staff meetings and carry out half yearly employee satisfaction surveys 1.5% - Percentage of training cost to total employee cost Minimum of 45% gender equity - Workforce composition: Gender equity ratio and affirmative action

Indicator Title	Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board. Quarterly Employee Performance reports Quarterly staff meetings and carry out half yearly employee satisfaction surveys Percentage of training cost to total employee cost Workforce composition: Gender equity ratio and affirmative action
Short definition	**Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board**. Actions and processes to design and facilitate the implementation of organisational development interventions to enhance organisational improvement. **Quarterly Employee Performance reports** Quarterly reports analysing employees' work habits, undertaken at a fixed point in time to determine the degree to which stated objectives and expectations have been reached **Quarterly staff meetings and carry out half yearly employee satisfaction surveys** Meetings where co-workers get together to discuss business and operations. Also, management communicate higher-level decisions that have been made, discuss progress of the team towards organisational goals, and answer any staff members' questions Surveys to collect data from employees of an organization to gauge satisfaction levels. **Workforce composition: Gender equity ratio and affirmative action** Gender Equity: A social order in which women and men share the same opportunities and the same constraints on full participation in both the economic and the domestic realm. Affirmative action: A policy or programme designed to counter discrimination against historically disadvantaged racial

	groups and women in key developmental areas
Purpose/importance	**Percentage of actions to implement the outcomes of the Organisational Development Exercise (OD) as maybe adopted by the Board**. – To Review and re-design the current managerial arrangements and come up with appropriate managerial structure and levels including qualifications, core competencies and key performance areas for each leadership positions; – To Review and re-design non-managerial jobs in the organisation, to ensure that their current size match the standards and levels applied in the South African Public Service (National and Provincial Government Departments, – To develop and implement an appropriate organisational structure and size that is consistent with the constitutional mandate and operational requirements of the MDB, – To implement key interventions including transitional arrangements and change management interventions that will facilitate the smooth implementation of this organisational development initiative. **Quarterly Employee Performance reports** – To articulate the bottom line requirements of jobs in a manner that instructs, empowers, and holds incumbents fully accountable on an ongoing basis – To ensure that employees know where they stand and how they are doing compared to the employer's expectations of them. – To form an objective and fair basis for rewarding exceptional employee performance. **Quarterly staff meetings and carry out half yearly employee satisfaction surveys** – Provide a general understanding of what is happening in the organization as a whole, and how what each employee contributes adds value. – Ensure regular and effective communication. – Reduce friction by giving staff members an appropriate forum to air their differences and seek resolution. – Contribute to a sense of oneness among co-workers. – Discourage feelings of isolation that can develop when staff members are given routine work assignments that allow only minimal interpersonal communication during the day. – Prepare staff members to step in for colleagues when unforeseen or extended absences occur. – Stimulate useful ideas about how to deal with problems and how to improve the handling of routine situations. – Provide opportunity for management to be better informed about all aspects of the operations. Percentage of training cost to total employee cost To determine and to monitor the interlink between long term HR planning vs. organisational strategic choices and directions, taking into account the attrition rates trending over the years. **Workforce composition: Gender equity ratio and affirmative action** – To ensure that decisions made in the planning process will have a positive effect on gender equality in the workplace, – To ensure consideration of gender equality issues in the planning process and a decision-making process that supports progress toward gender equality.

	– To ensure that qualified individuals have equal access to opportunity and are given a fair chance to contribute their talents and abilities, for the good of the organisation.
Source/Collection of data	Established professional and SA public service/government guidelines and regulations
Method of calculation	
Data limitations	
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New Indicator	No
Desired performance	
Indicator responsibility	CEO

Strategic Objective 2	To ensure maintenance of proper administrative systems and practice as well as the necessary support for governance structures.
Objective statement	Compliance with legal frameworks. Improve efficiency and effectiveness of administrative processes and systems.
Baseline	Policies and procedures reviewed during a cycle of three years In-house information management system developed and incremental implementation of content over three year MTEF period as per action plan

Indicator Title	Frequency of review of policies and procedures Secretariat and stakeholder management units operational In-house information management system developed and implemented
Short definition	Frequency of review of policies and procedures An established mechanism and frequency for reviewing and updating each of the policies and procedures. Secretariat and stakeholder management units operational It is the mandate of a Board Secretariat to provide top-level secretariat and administrative support to the Board of the organization, and the Board sub-committees, and to disseminate decisions of the Board to relevant stakeholders and follow up on agreed actions. The role of a stakeholder management unit is to support an organization in achieving its strategic objectives by interpreting and influencing both the external and internal environments and by creating positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives. In-house information management system developed and implemented An information management system is a system that provides information needed to manage organizations effectively.
Purpose/importance	Frequency of review of policies and procedures Policies and procedures are reviewed with the necessary and stipulated frequency, to ensure their accuracy and completeness, and to make sure everyone has the same understanding of the policy, process, or situation. Secretariat and stakeholder management units operational

	Board Secretariat is necessary to provide top-level secretariat and administrative support to the Board of the organization, and the Board sub-committees, and to disseminate decisions of the Board to relevant stakeholders and follow up on agreed actions. Effective management of stakeholder relationships is key to corporate reputation management. There are several key strategic stakeholder groupings that play a critical role in influencing an organisation's reputation & trade-offs are at times required In-house information management system developed and implemented For professional application of management techniques to collect information, communicate it within and outside the organization, and process it to enable managers to make quicker and better decisions.
Source/Collection of data	Established professional guidelines
Method of calculation	
Data limitations	
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New Indicator	No
Desired performance	
Indicator responsibility	CEO

Strategic Objective 3	To enhance and maintain effective stakeholder relations
Objective statement	Stakeholder Management function to drive strategies and implement plans Participation in Joint Structures and Initiatives
Baseline	Stakeholder Management Function fully established by 1 April 2012, following budgetary approval by Treasury. Stakeholder Relations Strategy - Implementation process started by 1 April 2012 Stakeholder Engagement Plan - Implementation process started by 1 April 2012 Stakeholder Communication Strategy - Implementation process started by 1 April 2012 100% attendance and participation as and when invited by stakeholders to relevant meetings.

Indicator Title	Establish Stakeholder Management Function Implement Stakeholder Relations Strategy Implement Stakeholder Engagement Plan Implement Stakeholder Communication Strategy Number / Percentage of meetings attended
Short definition	Establish Stakeholder Management Function Establishing a component in the organisation to execute the management functions of planning, organising, motivating, directing and controlling the resources used to cope with stakeholders' strategies. Stakeholder management is a continuous management process, adaptable to new stakeholder threats and promises, and to changing strategic of existing stakeholders. Implement Stakeholder Relations Strategy

	Implementation of a strategy to build and maintain the support and confidence of our stakeholders in the way in which we are fulfilling our mission and mandate. Also to continuously improve the alignment between the organisation and its key stakeholders. Misalignments between stakeholder expectations and the organisation's actions in the social and political environment are identified and researched, followed by discussions with internal stakeholders to alert them to issues raised and to help develop and coordinate the bank's position on these. Implement Stakeholder Engagement Plan Implementation of a process of identifying stakeholders, their issues and how the organisation will engage with each stakeholder. Implement Stakeholder Communication Strategy
Purpose/importance	– To confirm with stakeholders that the organisation is well led and know what they want to be famous for. – To confirm with stakeholders that the organisation has strong organisational vision and direction, and has the confidence to make decisions to follow this through. – To confirm with stakeholders that the organisation has greatest clarity of purpose, to let the stakeholders know what an organisation is doing, and that it will add value to them.
Source/Collection of data	Established professional guidelines
Method of calculation	
Data limitations	
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New Indicator	No
Desired performance	
Indicator responsibility	CEO

7.2. RESOURCE CONSIDERATIONS

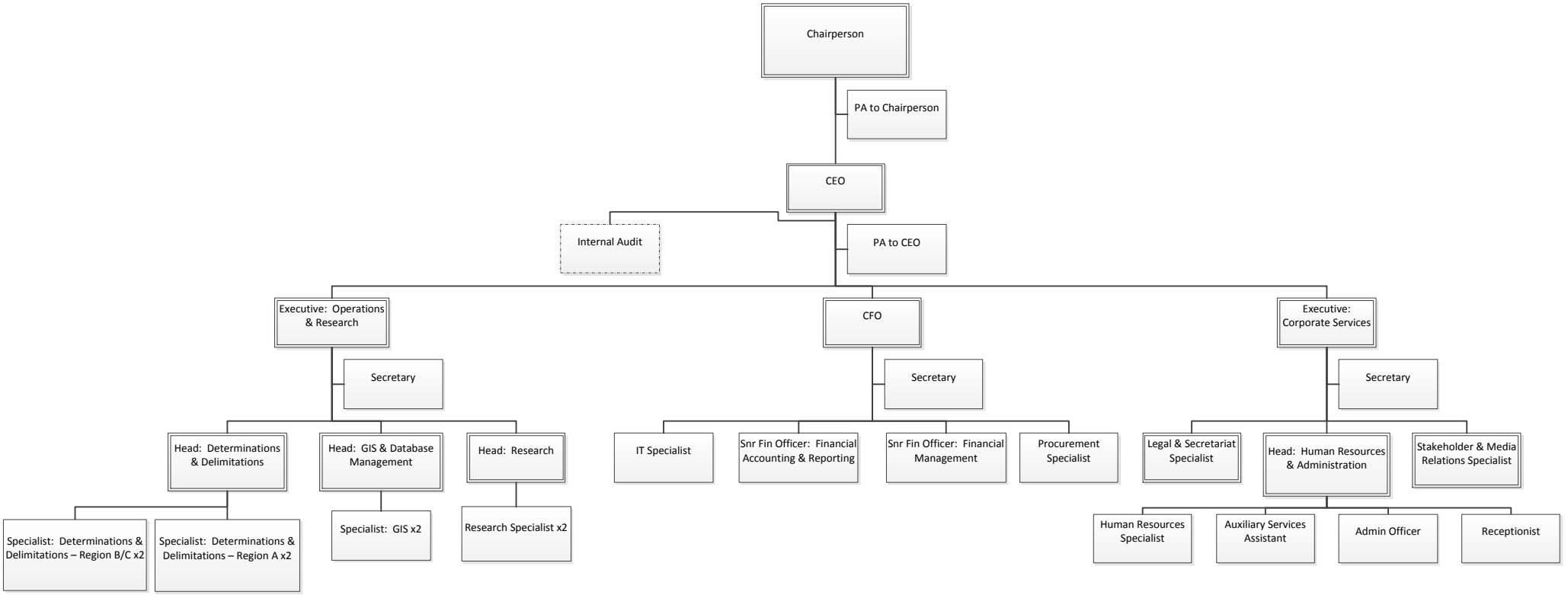
Sub-programme	No of key staff members proposed	2012/2013	2013/2014	2014/2015
Ensuring Good Governance	4			
Board supported by effective and efficient organisational processes, systems and practices	13			
Administration				
Stakeholder relations				

7.3. RISK MANAGEMENT

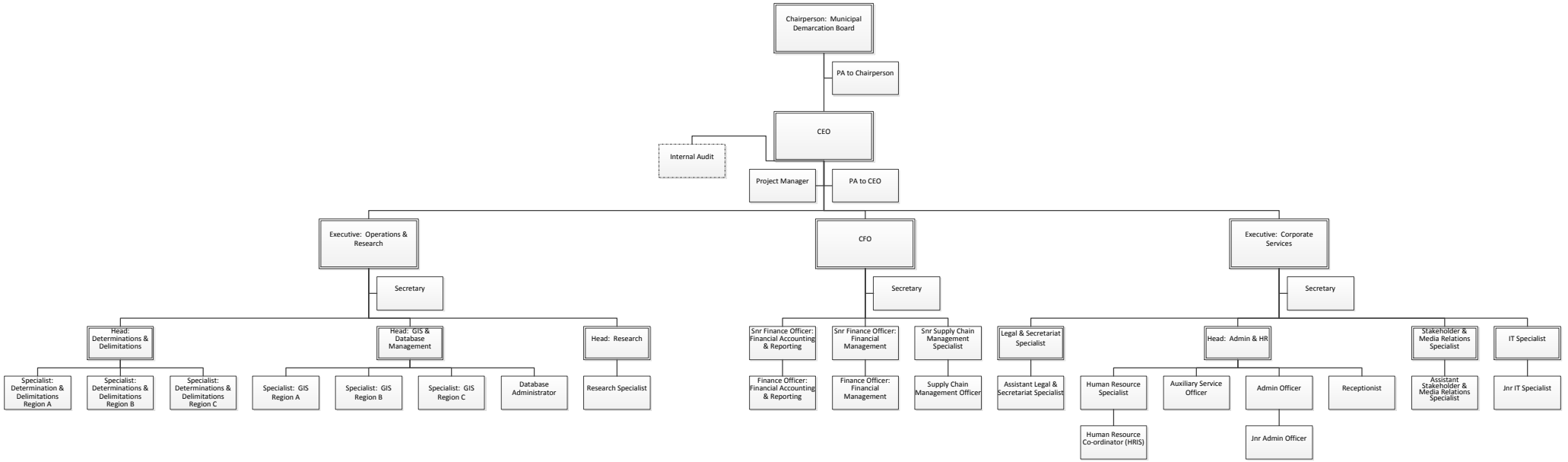
Risk	Key Controls
Inappropriate organizational structure leading to non achievement of organisational objectives	Appropriate structure in place
Lack of a training/development programme leading to unskilled employees	Annual performance development plan for each employee
Lack of proper Governance (e.g. Committee Assessments, training programme of Board Members etc.) leading to non compliance and irregularities.	Board and Committee evaluations, valid training
Lack of role clarification between Chair, Board and its Committees on the one hand and the CEO and Staff on the other hand leading to misplaced accountability	Clear and absolute compliance to legislation
Lack of stakeholder management/public relations leading to low profile of MDB	Communication strategy and access to public information manual in place or to be approved

ORGANISATIONAL STRUCTURE

The structure currently, as approved by the Board:



The proposed structure over MTEF still to be approved by the Board:



CONTACT DETAILS: MUNICIPAL DEMARCATION BOARD, South Africa

THE BOARD

Mr Landiwe J Mahlangu
Chairperson: Municipal Demarcation Board

Tel: (012) 342 2481
Fax: (012) 342 4697
e-mail: landiwe@demarcation.org.za

MANAGEMENT

Mr Rapulana H Monare
Acting Chief Executive Officer: Municipal Demarcation Board

Tel: (012) 342 2481
Fax: (012) 342 4697
e-mail: hillary@demarcation.org.za

CLUSTER HEADS

Ms Nalini Zoller
Head: Administration & HR

Tel: (012) 342 2481
Fax: (012) 342 2480
e-mail: Nalini@demarcation.org.z

Ms Irene Mathatho
Chief Financial Officer

Tel: (012) 342 2481
Fax: (012) 342 2480
e-mail: irene@demarcation.org.za

Mr Robert Willemse
Head: Research & Implementation

Tel: (012) 342 2481
Fax: (012) 342 2480
e-mail: Robert@demarcation.org.za

Mr Fazel Hoosen
Head: GIS & IT

Tel: (012) 342 2481
Fax: (012) 342 2480
e-mail: Fazel@demarcation.org.za