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Anisha Dharumrajh (1673)
SPECIAL COUNCIL: 25 April 2017



11. CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT
CITY OF TSHWANE DRAFT QUARTER 3 PERFORMANCE REPORT ON THE
INTEGRATED DEVELOPMENT PLAN (IDP) AND SERVICE DELIVERY AND
BUDGET IMPLEMENTATION PLAN (SDBIP) AND ON MUNICIPAL ENTITIES
BUSINESS PLANS IN TERMS OF SECTION 52(D) OF THE MUNICIPAL FINANCE
MANAGEMENT ACT (MFMA)
**(From the Executive Committee: 11 April 2017 and the Mayoral Committee:
19 April 2017)**

1. PURPOSE

To report progress to Council on the Service Delivery and Budget Implementation Plan (SDBIP) and Integrated Development Plan (IDP) in terms of Section 52 of the MFMA.

2. STRATEGIC OBJECTIVES

The report addresses the following IDP outcome-

- 2.1 Promote good governance and active citizenry

3. BACKGROUND

The Council approved the Integrated Development Plan (IDP) and Medium-Term Revenue and Expenditure Framework (MTREF) for FY 2016/17 in May 2016. The adjusted Service Delivery and Budget Implementation Plan (SDBIP) was approved by Council in February 2017. Section 52(d) of the MFMA requires the mayor to submit a report to council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the municipality.

This report was prepared in response to the requirements of Section 52(d) of the MFMA. However, it must be noted that the focus of this report is on the non-financial performance of the municipality. A separate financial report prepared by the CFO and the Accounting Officer will be tabled at Council. Two municipal entities reports are also attached.

4. DISCUSSION

4.1 EXCLUSIONS AND LIMITATIONS

The report contains progress information on the Service Delivery and Budget Implementation Plan (SDBIP) and municipal entities business plans as reported by management at the end of quarter three of the financial year, based on the approved adjusted Service Delivery and Budget Implementation Plan (SDBIP) and the approved business plans of municipal entities. Reported performance information is not yet audited by Internal Audit. Further, it is important to note that departments and entities implement cut-off dates for reporting in order to meet the

deadlines, which means that information for a quarter must be adjusted due to in-year review and audit processes. Internal combined assurance processes will make the necessary updates before all information is finalised for final audit at financial year end.

4.2 SUMMARY OF PROGRESS AGAINST THE INTEGRATED DEVELOPMENT PLAN (IDP)

The Integrated Development Plan (IDP) contains 23 annual targets at an outcome level, a number of which are driven by specific Service Delivery and Budget Implementation Plan (SDBIP) level outputs. Due to the IDP containing annual targets, progress is only reflected towards the annual target.

There are 12 annual targets on the Service Delivery and Budget Implementation Plan (SDBIP), some of which have a direct impact on the IDP scorecard, whereby no in-year progress is as yet recorded. Progress will be reported against these targets at financial year end.

At the end of quarter three 11 of the 23 IDP targets appear to be on track, with 4 of the targets appearing at risk due to underperformance on the SDBIP targets or on the capital projects.

Further, annual targets on the Service Delivery and Budget Implementation Plan (SDBIP) remain a risk, in that the targets they influence on the Integrated Development Plan (IDP) may not be achieved. Historic underperformance in previous financial years on the following indicators means the following are currently at high risk of under-performance-

- non-revenue energy;
- indigent households on the indigent register;
- achievement of all financial ratios; and
- waste removal services.

4.3 PERFORMANCE AGAINST THE SDBIP FOR QUARTER 3

The adjusted Service Delivery and Budget Implementation Plan (SDBIP) has a total of 39 targets, with 26 indicators having targets for the third quarter of the financial year. 12 Indicators have annual targets.

Reported results indicate that –

- 16 planned targets report achievement (62% achievement); and
- 7 planned targets were not achieved (27% under-performance).

In addition, the following indicators with annual targets have reflected progress for quarter 3 as follows-

- 4 647 indigent households were exited from the indigent register, exceeding the annual target;
- 1 279 new households were registered on the City's indigent register, which is approximately 21% of progress towards the annual target. The municipality may be at risk of not achieving the annual target; and

- 7 digital platforms were utilized to allow citizens to interact with the City, exceeding the annual target.

Year to date (July 2016-March 2017) reported performance results indicate that-

- 20 year-to-date targets appear to be on track; and
- 6 year-to-date targets have not been achieved; an indication that they may not be achieved at the end of the financial year. These targets are-
 - support of enterprises through the City business development programmes;
 - informal settlements with weekly waste removal services;
 - areas provided with weekly formal kerbside waste removal;
 - new electricity connections;
 - completed houses electrified; and
 - households provided with metered water connection.

4.4 PERFORMANCE ON CAPITAL PROJECTS

During the budget adjustment the City approved 236 projects including sub-projects in programmes. At the end of quarter three 39% (91 of 236 projects) reported achievement of their planned quarter 3 milestones.

4.4.1 SUMMARY OF THE IMPACT OF THE ADJUSTED BUDGET ON PROJECTS

Annexure A of this report contains information reflecting the detailed budget funds transfer as per the adjusted budget.

22 Projects were reduced by R344,540,706 due to delays in project implementation, poor planning and poor contract management. Out of the 22 projects 4 were put on hold while the project scope was reduced in 18 projects.

The following projects were put on hold-

- Disaster Recovery System Storage
- Upgrading of Garsfontein road
- Wonderboom Airport main terminal building, carousel and other mechanical baggage handling equipment maintenance
- Development and Upgrading of Existing Cemeteries

A total number of 33 projects & programmes received funds to the amount of R403,918,428. The allocation was distributed as follows-

- 16 projects received additional funds to increase the scope; and
- 17 projects were added to the projects list. These include projects that were put on hold in previous financial years, projects that had outstanding payment certificates that were not paid and new projects identified.

4.4.2 REASONS FOR UNDER-PERFORMANCE

Departments provided reasons for under-performance of projects. The detailed projects reports as submitted by departments are captured in the annexure to this report on capital projects. Annexure A to this report summarises reasons for under-performance.

A total of 102 projects are behind schedule due to various reasons ranging from supply chain delays, contractor issues, community disruptions & labour unrests, internal issues within the departments, late payments, delays by consultants in finalising the designs and reliance on external stakeholders.

The table below contains some examples of projects that are behind schedule and the reasons for the delays.

Table 1: Reasons for projects under-performance

Reasons for under-performance	Departments	Projects
Supply chain delays	Roads and Transport	<ul style="list-style-type: none"> • Mabopane Station Modal Interchange – The department reported awaiting appointment of the contractor. Yet the appointment letter was provided to the department in February 2017. • Systems Planning (Non-Motorised Transport) - procurement process suspended in December 2016 • Systems Planning (System Feeder and Complimentary Network Development) - procurement process temporarily suspended
	Utility services	<ul style="list-style-type: none"> • Mooikloof Reservoir - cancellation of consultant contract • Ramotse-Marokolong waterborne sanitation - City Manager to sign appointment letter • Mamelodi-3 132/11kv substation (2 x 40MVA Power Transformers) - Delay in finalising the appointment of the contractor • Doornkloof reservoir - Finalising of role mapping from supply chain delayed the process • Establishment of Water Distribution Depots - Justification memo not signed • Baviaanspoort waste water treatment works - late appointment of contractor • Babelegi Reservoir - lengthy process of appointing the contractor through regulation 32 • Replacement of Sewers - Tender not approved • Upgrade of the Moreleta bulk water pipeline – waiting for appointment of approval • Kentron 132/11kv Substation refurbishment - Tender to be re-advertised
Delays due to internal matters	Environment and agriculture management	<ul style="list-style-type: none"> • Development of Tshwane North Cemetery - Delayed submission of Radio-link quotation by ICT Department
	Utility services	<ul style="list-style-type: none"> • Sunderland Ridges WWTW new 30ML BNR – delays to finalise project scope
Delays due to late payments	Community and social development	<ul style="list-style-type: none"> • Lotus Gardens multi-purpose sport facility

Reasons for under-performance	Departments	Projects
	Environment and agriculture management	<ul style="list-style-type: none"> Extension of Garankuwa Cemetery Development of Klipkruisfontein Cemetery
Delays due to community disruptions and labour unrests	Utility services	<ul style="list-style-type: none"> Hatherley 132/11KV substation
	Roads and transport	<ul style="list-style-type: none"> Kopanong Intermodal Facility-West of the City
	Housing and human settlement	<ul style="list-style-type: none"> Winterveldt Roads construction Soshanguve X13 Roads construction
Delays due to consultants designs	Roads and transport	<ul style="list-style-type: none"> Design of Line 3-CBD to Atteridgeville Design and Construction of Hatfield Taxi Facility
	Utility services	<ul style="list-style-type: none"> Midas - 580 housing units - sewer provision Heights Iscor Feeder Atteridgeville Ext 16 - Bulk water plus outfall sewer to service future stands
	Housing and human settlement	<ul style="list-style-type: none"> Development of Saulsville hostels Development of Mamelodi hostels
Projects affected by contractor matters	Utility services	<ul style="list-style-type: none"> Electricity for All - Region 5 Electricity for All - Region 7 New Klipgat Reservoir Bulk Water Pipeline Wonderboom Annlin Reservoir Extension Garankuwa water bulk pipeline Replacement of Worn Out Network Pipes
	Roads and transport	<ul style="list-style-type: none"> The Design, Supply, Installation, Operation and Maintenance of an automated fare Collection (AFC) System Belle Ombre CNG Bus Depot: Civil Works Belle Ombre CNG Bus Depot -Bulk Earthworks Line 2B: Atterbury Rd (between Lois Avenue and January Masilela) Mabopane water reticulation and bulk pipeline Soshanguve Block BB Central South (C) Soshanguve Block NN South (K)
Delays due to unavailability of materials or late deliveries	Utility services	<ul style="list-style-type: none"> Strengthening 11kV Cable network Substations Tshwane Public Lighting Program Electricity for All - Region 1 Soshanguve DD bulk water pipeline (emergency pipeline to Stinkwater)

4.5 PERFORMANCE OF MUNICIPAL ENTITIES

The municipal entities are required to report on their performance against their business plans. The municipal entities business plans do not have a direct impact on the SDBIP or the IDP, and therefore have no direct impact on the predetermined objectives of the municipality, and will present separate annual performance reports as per the MFMA for purposes of submission to the AGSA for annual audit.

At the end of quarter 3, entities reported 70.37% of targets achieved. These are as yet unaudited results. The detailed extracts as reported by the entities are found in the annexure to this report.

The municipal entities have reported the following performance for Quarter 3 2016/17 FY.

Table 2: Summary of performance for municipal entities

Entity	Nr of targets for the year	Targets achieved for Q2	Targets not achieved for Q2	Nr of targets applicable for Q3	Targets achieved for Q3	Targets not achieved for Q3
TEDA	12[1]	7	0	6	6	0
Housing Company Tshwane	15	Did not report for Q2		12	7	5
Sandspruit Works Association	12	10	2	9	6	3
Total	39	17 (89.47%)	2 (0.11%)	27	19 (70.37%)	8 (29.6%)

[1] One KPI recorded performance without target

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

The contents of the report as well as the annexures to the report have been reviewed.

There are no financial implications emanating as a result of this report for the City of Tshwane as the purpose of the report is to provide an organizational progress report on the third (3) quarter performance as contained in the approved 2016/17 SDBIP to Council as per section 52 (d) of the MFMA.

5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to report progress to Council on the SDBIP and IDP in terms of Section 52 of the MFMA.

This report addresses the following Strategic Objective, namely:

- Promote good governance and active citizenry

In terms of chapter 6 of (sections 38-49), of the Local Government: Municipal Systems Act, (32 of 2000) which deals with performance management as envisaged. More specifically section 40 which inter alia provide that the municipality must establish mechanism to monitor and review its management system.

Further the provisions of regulation 7 of the regulations listed in the Municipal Systems Act which canvass that a municipality's performance management system entails a framework that describe and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted organized and managed, including determining the roles of the different role-players.

In developing the its performance management system, a municipality must ensure that the system complies with all the requirements set-out in the Act; demonstrates how it operates and be managed from the planning stage up to the stage of performance and reporting, clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system, clarifying the processes of implementing the system within the framework of the integrated development planning process; determines the frequency of reporting and the lines of accountability for performance; relates to the municipality employees performance management processes; provides for the procedure by which the system is linked to the municipality's integrated development planning processes.

Hence the provisions of section 52(d) of the MFMA requires the mayor to submit a report to council within 30 days of the end of each quarter on the implementation of the budget and the financial state of affairs of the municipality.

The provisions of section 153 of the Constitution of the Republic of South Africa stipulates that a municipality must structure and manage its administration and budgeting and planning process to give priority to the needs of the local community, and to promote the social and economic development of the community.

Having regards to the aforesaid and with specific reference to the context of the report, we advise that the report complies with supra mentioned provision of the legislation, and that Group Legal Services supports the recommendations thereof.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

There are no human resources implications of this report.

6.2 FINANCES

The financial performance on the ratios were not reported on the SDBIP. Financial reporting to comply with Section 52 of the MFMA will be done in a separate report. However it is important to note that non-revenue water of both the municipality and SWA and non-revenue energy of the municipality reflects losses that will impact on revenue.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

This report complies with Section 52 of the MFMA.

6.4 COMMUNICATION

Once tabled at Council, the resolutions of Council on this report must be made public by publication on the website within 5 days of Council. The report will also be delivered to National and Provincial Treasuries and to the National and Provincial departments of Local Government. It is required of the CME department to ensure that once received the information is loaded onto the website as required.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None.

7. CONCLUSION

The report presents performance for the third quarter of the 2016/17 financial year. The following results indicate performance at the end of quarter three-

- 62% of planned applicable targets for the quarter were achieved;
- 27% of the planned quarter three targets were not achieved;
- 8 of the 12 annual targets are at risk at this stage. It is not yet evident whether the target of an unqualified audit is at risk; and
- 109 of the 236 projects and sub-projects are behind schedule, with a further 43 projects having not being reported in quarter 3.

Critical risks on the performance reporting indicate that the revenue of the municipality is going to be affected, with the following-

- Non revenue electricity for the municipality is currently at 22,2% (as at end of Q2, as Q3 was not reported);
- Non-revenue water for the municipality is currently at 27,5%;
- Non-revenue water for SWA is currently at 35,86%; and
- SWA has indicated that its revenue collection is at 75%.

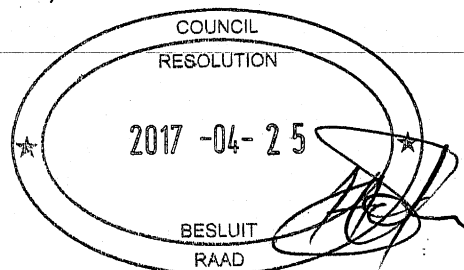
During consideration of this item by Council on 25 April 2017, and after RT Mashego addressed Council on this matter, it was resolved as set out below:

ANNEXURES:

- A. Quarter 3 IDP and SDBIP report
- B. Appendix Quarter 3 Capex Report
- C. SWA_cover
- C1 Annexure A to SWA report_Q3 SWA performance report covering page
- C2 Annexure A to SWA_201617 q3 performance report
- D Teda cover
- D1 Annexure A_1 to TEDA
- D2 Annexure A_2 TEDA Q3
- E HCT cover
- E1 Annexure A to HCT

RESOLVED:

That the draft quarter three report in terms of Section 52 of the Municipal Finance Management Act (MFMA) be tabled at Council for consideration.





Annexure A: City of Tshwane Performance report on the implementation of the IDP and SDBIP

Quarter 3 of FY 2016/17

Contents

1	PURPOSE	4
2	STRATEGIC OUTCOMES ON THE IDP	4
3	LIMITATIONS AND REPORTING REQUIREMENTS.....	4
3.1	REPORTING REQUIREMENTS	4
3.2	LIMITATIONS	4
4	PERFORMANCE AGAINST SERVICE DELIVERY TARGETS.....	4
4.1	PERFORMANCE TOWARDS THE ANNUAL IDP TARGETS	5
4.2	PERFORMANCE ON THE SDBIP TARGETS	7
4.2.1	QUARTER 3 SDBIP PERFORMANCE SUMMARY.....	7
4.2.2	DETAILED PROGRESS AGAINST THE SDBIP SCORECARD	11
5	SERVICE DELIVERY CHALLENGES.....	21
6	FEEDBACK FROM DEPARTMENTAL BUSINESS PLAN REPORTS	22
6.1	OFFICE OF THE CITY MANAGER.....	22
6.2	CITY STRATEGY AND ORGANISATIONAL PERFORMANCE	22
6.3	GROUP COMMUNICATION AND MARKETING	22
6.4	ECONOMIC DEVELOPMENT AND SPATIAL PLANNING	22
6.5	EMERGENCY MANAGEMENT SERVICES	24
6.6	METRO POLICE	25
6.7	HOUSING AND HUMAN SETTLEMENTS.....	27
6.8	UTILITY SERVICES	27
6.9	REGIONAL OPERATIONS AND COORDINATION.....	27
7	CAPITAL PROJECTS PERFORMANCE	28
7.1	INTRODUCTION AND BACKGROUND	28
7.2	IMPACT OF THE BUDGET ADJUSTMENT	28
7.2.1	SUMMARY OF THE IMPACT OF THE ADJUSTED BUDGET ON PROJECTS	28
7.2.2	REASONS FOR UNDER-PERFORMANCE	28
7.3	SUMMARY OF PERFORMANCE FOR QUARTER 3.....	29
7.3.1	PROJECTS BEHIND SCHEDULE	31
8	PERFORMANCE OF MUNICIPAL ENTITIES.....	35
8.1	BACKGROUND	35
8.2	PERFORMANCE OF MUNICIPAL ENTITIES FOR QUARTER 3	35
8.2.1	TEDA	36
8.2.2	HOUSING COMPANY TSHWANE (HCT).....	38
8.2.3	SANDSPRUIT WORKS ASSOCIATION (SWA)	41
9	CONCLUSION.....	45
10	RECOMMENDATIONS	45
	APPENDIX A: CAPITAL PROJECTS FUNDS TRANSFERS DUE TO ADJUSTMENTS	46

List of tables

Table 1: Performance against the IDP targets for the 2016/17 financial year5

Table 2: Achieved v non-achieved targets8

Table 3: Performance against the SDBIP targets for quarter 3 of the 2016/17 financial year11

Table 4: Service disruptions21

Table 5: Cable theft22

Table 6: Service Delivery highlights for the ROC27

Table 7: Summary of performance on capital projects by department for quarter 3.....29

Table 8: Summary of performance for municipal entities35

Table 9: Targets at risk - TEDA36

Table 10: TEDA Scorecard as per QPR.....36

Table 11: HCT scorecard38

Table 12: SWA scorecard.....41

Table 13: Funds in46

Table 14: Funds out.....50

1 PURPOSE

The purpose of this report is to report to Council progress on the implementation of the SDBIP incorporating progress on the IDP, in terms of section 52(d) of the Municipal Finance Management Act (MFMA).

The report is based on targets set in the adjusted SDBIP as approved by Council in February 2017.

2 STRATEGIC OUTCOMES ON THE IDP

The report addresses the outcome of “promoting good governance and active citizenry”.

3 LIMITATIONS AND REPORTING REQUIREMENTS

3.1 REPORTING REQUIREMENTS

It is a requirement that all departments implement sound controls as per their systems descriptions linked to the individual indicators. Should processes change due to organisational changes, the systems descriptions must be updated accordingly.

Further, senior management (heads of departments) are required to implement detailed multi-level review processes within departments to ensure that results reported are internally verified and tested. Reports are due at least between the 2nd or the 3rd of a month, and these should be accompanied by accurate listings.

3.2 LIMITATIONS

The report contains progress information on the SDBIP as reported by management in the first three quarters of the financial year, based on the original approved SDBIP and the adjusted SDBIP. Performance information for the first two quarters were audited by Internal Audit, and a process of verification was undertaken by the CSOP department, to test the reliability of the reported information against listings and evidence.

However, not all information for the first two quarters is conclusive, as departments were asked to perform further reviews, due to errors of findings identified by CSOP and Internal Audit. Where information had been confirmed for the first two quarters, this is reflected in the reporting on the scorecards.

The quarter 3 information is not yet tested, verified and audited, as the closing date for reporting was 3 April. Auditing and verification will be undertaken during April and May for reported information.

Further, it is important to note that departments implement cut-off dates for reporting in order to meet the deadlines, which means that information for a quarter must be adjusted due to in-year review and audit processes. Internal combined assurance processes will make the necessary updates before all information is finalised for final audit at financial year end. Therefore, information presented in individual quarterly reports may not necessarily tally with that presented in the final Annual Performance Report (APR).

Due to shifts in the organisation from January 2017 based on the implementation of a newly approved macro structure, which in some cases resulted in merged departments, split departments, and splitting of functions, there are numerous impacts on the performance reporting processes, that are being risk managed through assurance processes, to ensure qualitative and reliable reporting.

4 PERFORMANCE AGAINST SERVICE DELIVERY TARGETS

This section of the report –

- reports progress towards the annual IDP (outcome level) targets; and
- provides progress on the adjusted SDBIP (output level) targets.

4.1 PERFORMANCE TOWARDS THE ANNUAL IDP TARGETS

The IDP contains 23 annual targets at an outcome level, some of which are driven by specific SDBIP level outputs. Due to the IDP containing annual targets, progress can only be reflected towards the annual target. There are also 12 annual targets on the SDBIP, some of which have a direct impact on the IDP scorecard, whereby no in-year progress may be recorded as yet.

10 of the 23 (43.48%) targets appear to be on track year to date against the annual targets, based on current reported information. The figures reported on the IDP may change in the final APR based on the continuous audit and verification work done on reported results, during the year.

The table below shows progress against some of the indicators on the IDP scorecard. There are indicators that have reported steady progress while others will be reported at financial year end.

Legend:

- N/A indicated in the Q3 progress column is a reflection that the IDP indicator is dependent on an SDBIP annual indicator that will be reported in the last quarter
- Figures in the actual period to date column indicate for example actual number of households in the city that have access to that service or actual KM of roads that currently exist, depending on the indicator being measured.
- Items highlighted in **red** indicate that the SDBIP target or capital project is currently underperforming creating a risk that the IDP target may not be achieved at the end of the year. In the case of metro police, although the SDBIP targets may be achieving, the rate of increase in interventions may not be sufficient to achieve the IDP target
- Items highlighted in **green** indicate that the SDBIP target at the end of Q3 is reported achieved indicating a likelihood that the IDP target will be achieved at the end of the year.
- Items highlighted in **yellow** indicate that there is progress reported on the SDBIP against an annual target, however, progress is not sufficient to determine whether the IDP target will be realised.

Table 1: Performance against the IDP targets for the 2016/17 financial year

Key Performance Area	Indicator	5 Year Target	Baseline	Annual Target IDP	Actual IDP (Current)
Water security	Percentage of households in formal areas with access to water (metered connections)	87.09%	81.24%	81.97%	81.47%
Sustainable waste management	Percentage of formalised areas with access to weekly waste removal services	100%	100%	100%	98.85%
Water security	Percentage of households with access to sanitation	82.23%	78.63%	79.14%	78.77%

Key Performance Area	Indicator	5 Year Target	Baseline	Annual Target IDP	Actual IDP (Current)
Energy security	Percentage of formal households with access to electricity	86.45%	80.43%	81.46%	80.69%
Sustainable human settlement	Percentage of required municipal storm water drainage network provided	209.7%	37.76%	38.55%	38.60%
Sustainable human settlement	Percentage of roads provided to the required standard (km)	192%	23.1%	24.08%	24.04%
Transit oriented development	Percentage of completed TRT bus way lanes constructed	100%	17.72%	52.05%	0%
Sustainable human settlement	Percentage of informal settlements with access to rudimentary water services	100%	100%	100%	101.45%
Sustainable human settlement	Percentage of informal settlements with access to rudimentary sanitation services	100%	58%	100%	117.13%
Sustainable human settlement	Nr. of informal settlements formalised		10	5	N/A
Economic transformation	Nr of new work opportunities facilitated by the city	125500	152697	21500	12337
Sector support and investment attraction	Rand value of investment attracted to the city (annual)	13 billion	12.54 billion	2.2 billion	N/A
Economic transformation	Support through mentorship/training of the Tshepo 10 000 cooperative	1342	607	245	215
Healthy living	Percentage achievement of the child health index	100%	100%	100%	100%
Indigent and vulnerable support	Number of indigent households supported by the city through its social packages	20000	110863	114863	107495
Safe city	Percentage of reduction in safety incidents(Fire, rescue and specialised humanitarian incidents) (annual)	5	9592	1	41.83%
Safe city	Percentage of increase in interventions to root	5%	3706 incidents	1%	8.11%

Key Performance Area	Indicator	5 Year Target	Baseline	Annual Target IDP	Actual IDP (Current)
	out crime and related incidents (annual)				
Revenue maximisation and financial Management	Unqualified Audit Opinion achieved (Annual)	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	N/A as awaiting FY 2016/17 results
Revenue maximisation and financial Management	Percentage of financial targets met (regulated targets=cost coverage, debt coverage and % service debtors to revenue)	100%	100%	100%	The figures were not available due to finance processes, and are reported in the Q3 finance report of the City
Revenue maximisation and financial Management	Percentage of average of annual non-revenue energy (NRE)(Annual)	10%	19.28%	19%	N/A
Revenue maximisation and financial Management	Percentage reduction in non-revenue water (NRW) from 28.2% to 26.0% (2.2% annual reduction)	2.25%	23.83%	26%	27.5%
Institutional efficiency	Percentage of employee satisfaction rating	62%	60%		N/A
Civic education programme	Percentage of ward committees established and operational	100% of elected ward committees		Initiation of process for the election of ward committees	N/A

4.2 PERFORMANCE ON THE SDBIP TARGETS

The adjusted SDBIP has 39 output level targets for FY 2016/17¹,. 12 of these targets are annual targets. The SDBIP performance assessment for Q3 is based on reported figures by the departments, and is not yet audited.

4.2.1 QUARTER 3 SDBIP PERFORMANCE SUMMARY

A total of 26 indicators had targets for quarter 3. Reported results indicate that –

- 16 of 26 planned targets were reported achieved (62% estimated achievement); and
- 7 of 26 planned targets were not achieved (27% under-performance).

¹ Council approved the adjusted SDBIP in February 2017

The following three KPIs were not reported on due to a time lag between financial and non-financial reporting. They will be reported in the finance report for Q3 to Council:

- Percentage of service debtors to revenue
- Percentage of debt coverage
- Cost coverage ratio

Four annual indicators, reflected the following progress for quarter 3-

- 4 647 indigent households were exited from the indigent register, exceeding the annual target;
- 1 279 new households were registered on the City's indigent register, which is approximately 21% of progress towards the annual target. The municipality may be at risk of not achieving the annual target; and
- 7 digital platforms were utilized to allow citizens to interact with the City, exceeding the annual target.

Year to date performance results indicate that:

- 20 year-to-date targets have been realised; and
- 6 year-to-date targets have not been achieved; increasing risks that they may not be achieved at the end of the financial year. These targets are-
 - support of enterprises through the City business development programmes;
 - informal settlements with weekly waste removal services;
 - areas provided with weekly formal kerbside waste removal;
 - new electricity connections;
 - completed houses electrified; and
 - households provided with metered water connection.

The table below summarises achieved v non-achieved targets. Non-achieved targets present risks to the achievement of the planned IDP targets for the financial year.

Table 2: Achieved v non-achieved targets

IDP Focus area (KPA)	Achieved targets	Non-achieved targets for quarter 3	Non-achieved targets year to date	Annual targets at risk or with current no performance reported
Basic services provision	132 informal settlements were provided with access to rudimentary water services	679 households were provided with full water connections. There was an underperformance of 521 connections.	2 024 households were provided with full water meter connections as compared to a target of 3 360.	Provision of 1 500 serviced stands (water)
	64 informal settlements were provided with access to rudimentary sanitation services	217 completed houses were electrified to eradicate backlogs. There was an under-performance of 2 166 connections.	1 574 completed houses were electrified year to date compared to a target of 5 200.	Provision of 2 900 serviced stands (sewer)

IDP Focus area (KPA)	Achieved targets	Non-achieved targets for quarter 3	Non-achieved targets year to date	Annual targets at risk or with current no performance reported
	1 067 households were provided with a sanitation service	293 new electricity connections were provided. There was an under-performance of 407 connections.	1 524 of 1 850 new electricity connects were provided.	Building 765 houses
		122 of the 130 estimated informal settlements received weekly waste removal services	An average of 127 of the estimated 130 informal settlements received weekly waste removal services year to date.	Formalising 5 informal settlements
		2 329 of the estimated 2 446 formal areas received waste removal services	An average of 2 387 of the planned 2 415 formal areas were provided with weekly kerbside waste removal year to date.	
Roads, transport and mobility	8,922 km of roads were provided in the proclaimed areas to the full level of service 0,972km of stormwater drainage systems were provided to the full level of service	NA	NA	Delivering 0.65km of TRT bus lanes.
Social services	100% of City of Tshwane primary health care (PHC) fixed clinics- <ul style="list-style-type: none"> implemented the PMTCT of HIV programme provided immunisation coverage for children under 1 year of age; and provided HIV testing facilities for pregnant women. 	NA	NA	6 000 households registered in terms of the indigent register. Year to date there are 1 279 registered.
Safer city	513 fire incidents were reported and responded to 1 294 rescue incidents were reported and responded to	NA	NA	NA

IDP Focus area (KPA)	Achieved targets	Non-achieved targets for quarter 3	Non-achieved targets year to date	Annual targets at risk or with current no performance reported
	255 specialised and humanitarian incidents were reported and responded to			
	384 road policing operations were executed to comply with the road safety plan			
	161 by-law policing interventions/operations were executed to contribute to a reduction in by-law transgressions			
	435 crime prevention operations/interventions took place			
Job intensive economy	1 029 work opportunities were created in quarter 3	55 enterprises were supported by the City through the business development support programmes against a target of 75	174 enterprises were supported against a year to date target of 200.	R 2 200 000 000 investment
	75 mentorship/training opportunities were provided to the Tshepo 10 000 cooperatives			
Active citizenry	4 engagement sessions were held with traditional councils/leaders			
Financial and governance		Non-revenue water stood at 27,5% as compared to the target of 27,1%	Non-revenue water stood at 27,5% as compared to the target of 27,1%	Achievement of all three SDBIP financial ratios
				Achieving 19% or less non-revenue energy
				Employees appointed in terms of the EE Plan

4.2.2 DETAILED PROGRESS AGAINST THE SDBIP SCORECARD

Detailed progress on the SDBIP indicators and targets for quarter 3 are reported in the following table.

Legend:

- Achieved targets and KPIs showing positive progress against zero or no target are highlighted in green.
- Non achieved targets are highlighted in red.

Table 3: Performance against the SDBIP targets for quarter 3 of the 2016/17 financial year

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
6.3.1.1	City Manager	Number of digital platforms utilized to allow citizens to interact with the City	1	0	1	0	4	0	2	0	7	Annual target achieved
2.6.1.3	City Manager	Unqualified audit opinion achieved (Annual)	Unqualified Audit Opinion	Annual		Annual		Annual	Not yet applicable	0		Not yet applicable
3.4.1.1.1	Community Safety : Emergency Services	Number of fire incidents reported and responded to	4 640	1 425	1 622	1 120	754	815	513	3 360	2 889	Annual target achieved
3.4.1.1.3	Community Safety : Emergency Services	Number of specialised and humanitarian	1019	204	107	306	167	255	179	765	453	Annual target achieved

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
		incidents reported and responded to										
3.4.1.2.1	Community Safety : Emergency Services	Number of rescue incidents reported and responded to	7 892	2 130	1 522	1 973	1 630	1 816	1 294	5 919	4 446	Annual target achieved
3.4.1.2	Community Safety : Metro Police Services	Number of road policing operations / interventions executed in order to comply with the road safety plan (road policing)	764	191	339	191	412	191	384	573	1 135	Annual target achieved
3.4.1.3	Community Safety : Metro Police Services	Number of crime prevention operations / interventions executed to contribute to a reduction of crime throughout Tshwane	1 524	381	477	381	424	381	435	1 143	1 336	Annual target is likely to be achieved by the end of quarter 4
3.4.1.4	Community Safety : Metro Police Services	Number of by-law policing operations / interventions executed to contribute to a reduction in by-law transgressions	476	119	169	119	158	119	161	357	488	Annual target achieved

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
2.1.1.1	Economic Development and Spatial Planning	Number of new work opportunities facilitated by the City	21 500	0	9 038	10 000	2 270	0	1 029	10 000	12 337	The annual target is at risk because year to date achievement is around 57%. The annual target for 2015/16 was not achieved.
2.1.1.3	Economic Development and Spatial Planning	Rand value of investment attracted to the City	2 200 000 000		0		0		0		0	.
2.1.4.1	Economic Development and Spatial Planning	Support through mentorship/training to the Tshepo 10 000 cooperatives	245	45	76	60	64	75	75	180	215	Annual target is likely to be achieved by the end of quarter 4
2.1.4.2	Economic Development and Spatial Planning	Enterprises supported by the City through business development support programmes	260	50	79	75	40	75	55	200	174	The annual target is at risk because year to date achievement is around 67%.
5.1.1.1	Group Financial Services	% service debtors to revenue	25	27		26.25		25.5		25.5		The overall IDP annual target remains at risk due to cost coverage that was
5.1.1.2	Group Financial Services	% debt coverage	15	3.75		7.5		11.25		11.25		

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
5.1.1.3	Group Financial Services	Cost coverage ratio	1	0.25		0.5		0.75		0.75		not achieved in prior years.
6.1.1.2	Group Human Capital Management	% of employees appointed as per the approved EE plan (Annual)	100% adherence to approved EE plan (Annual Target)		Annual measure		Annual Measure		Annual Measure			<p>This target remains at risk.</p> <p>There were findings by the AG on this indicator in 2015/16.</p> <p>The department has to ensure that measures are in place to report accurately and that the targets as per the EE plan are realised.</p>
3.1.2.1	Health	% of City of Tshwane PHC fixed clinics providing immunisation coverage for children under 1yr of age	100	100	100	100	100	100	100	100	100	Annual target on track and likely to be achieved
3.1.2.3	Health	% of City of Tshwane PHC fixed clinics	100	100	100	100	100	100	100	100	100	Annual target on track and likely to be achieved

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
		providing HIV testing facilities for pregnant women										
3.2.1.1	Health	Number of new households registered in the City's indigent register	6 000		476		610		19		1 279	Although progress has been reported against the annual target, the annual target is at risk because year to date achievement is around 21%. The annual target for 2015/16 was not achieved.
3.2.1.2	Health	Number of indigent households exited from the indigent register	2 000		747		2 493		1 407		4 647	Annual target achieved
3.1.1.2	Health Department	% of City of Tshwane PHC fixed clinics implementing PMTCT programme	100	100	100	100	100	100	100	100	100	Annual target on track and likely to be achieved
1.1.2.2a	Housing and Human Settlement Department	Number. of serviced stands provided with water reticulation (Housing and	1 500		0		0		0		0	The annual target remains at risk due to it being an annual target that is project-based,

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
		Human Settlements Dept)										and the projects under-performed for the first two quarters.
1.1.2.3a	Housing and Human Settlement Department	Number. of serviced stands provided with sewer reticulation (Housing and Human Settlements Dept)	2 900		0		0		0		0	The annual target remains at risk due to it being an annual target that is project-based and the projects underperformed in the first two quarters.
1.1.2.4c	Housing and Human Settlement Department	Number. of houses built	765		0		0		0		0	The annual target remains at risk due to it being an annual target that is project-based, and the projects underperformed for the first two quarters.
1.9.1.4	Housing and Human Settlement Department	Number. of informal settlements formalised	5		0		0				0	The annual target remains at risk due to it being an annual target that is project-based and the projects

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
												underperformed for the first two quarters.
6.3.1.2	Office of the Speaker	Number. of engagement sessions held with traditional councils/leaders	4	1	2	1	7	1	4	3	13	Annual target achieved
1.1.2.1	Regional Operations & Coordination	Number. of informal settlements with access to rudimentary water services	130	130	132	130	132	130	132	130	132	Annual target on track
1.1.2.9	Regional Operations & Coordination	Number. of informal settlements with access to rudimentary sanitation services	54	54	62	54	64	54	64	54	64	Annual target on track
1.1.4.1	Regional Operations & Coordination	Number of informal settlements provided with weekly minimal waste removal services	130	130	132	130	126	130	122	130	127	Annual target at risk due to underperformance
1.1.4.2	Regional Operations & Coordination	Number. of areas provided with	2 399	2 446	2 500	2 446	2 332	2 352	2 329	2 415	2 387	Annual target at risk due to underperformance

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
		weekly kerbside waste removal										
1.4.1.1	Roads and Transport Department	Km of TRT bus lanes constructed	0.65		0	0		0	0	0	0	The annual target remains at risk due to it being an annual target that is project-based and the projects underperformed for the first two quarters.
1.4.1.6	Roads and Transport Department	Total length of roads in the proclaimed areas provided to the full level of service (km)	12.66	0	17.38	2.5	2.45	2.1	8.922	4.6	28.752	Annual target achieved
1.5.1.3	Roads and Transport Department	Total length of storm water drainage system in the proclaimed areas provided to the full level of service (km)	4.19	2	11.75	2	2.07	0.19	0.972	4.19	14.792	Annual target achieved
1.1.2.4	Utility Services : Energy and Electricity	Number. of new electricity connections	2 550	500	595	650	636	700	293 ²	1 850	1 524	The annual target is at risk because year to date achievement is

² This figure was verified by CSOP

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
		provided (New Connections)										around 59,7% of the annual target
1.1.2.6	Utility Services : Energy and Electricity	Number of completed houses electrified to eradicate backlog (electrification)	7 900	500	120	2 000	920	2 700	534 ³	5200	1 574 ⁴	The annual target is at risk because year to date achievement is around 19,9% of the annual target.
1.3.1.3	Utility Services : Energy and Electricity	% average of annual non-revenue energy (Annual)	19	19	17.48	19	2,2	19	Information not yet available	19	22,2	Target remains at risk due to historic underperformance in previous financial years. The mid-year performance was 22,2%.
1.1.2.2	Utility Services : Water and Sanitation	Number. of households provided with a full water meter connection	5 200	960	900	1 200	445	1200	679	3 360	2 024	The annual target is at risk because year to date achievement is around 39% of the annual target
1.1.2.3	Utility Services :	Number of households provided with a	1 800	100	120	150	90	150	1 067	400	1 277	Annual target is at risk as to date 70.9% of the

³ This figure was verified by CSOP up to February 2017 and the results verified up to feb 2017 was 217. Therefore there is a likelihood that this figure may be over-reported.

⁴⁴ Of this figure only 1 257 was verified up to February 2017.

ID	Department	Key performance indicator	Annual target	Quarter 1		Quarter 2		Quarter 3		Year to Date		Assessment of reported performance against annual target
				Q1 target	Q1 actual	Q2 target	Q2 actual	Q3 target	Q3 actual	Target YTD	Actual YTD	
	Water and Sanitation	sanitation service (Utility Services Dept.)										annual target is realised.
1.3.1.1	Utility Services : Water and Sanitation	% reduction in non-revenue water from 28.2% to 26.0% (2.2% annual reduction)	26	24.95	26.1	24.84	28.2	27.1	27.5	27.1	27.5	Annual target is at risk due to insufficient investment in the capital projects, and maintenance.

5 SERVICE DELIVERY CHALLENGES

The regions reported the following service delivery challenges for the past three quarters-

- Ageing electrical infrastructure within the regions
- Vandalism of Council property due to shortage and, in some instances, lack of security personnel and/or proper security systems (e.g. CCTV cameras that are monitored 24/7)
- Theft of Council property (e.g. cable theft)
- Illegal land occupation
- Illegal electricity connections
- Illegal dumping
- Illegal advertising
- Illegal hawkers and taxi ranks

The table below provides information on service disruptions that took place during quarter 3.

Table 4: Service disruptions

Region(s)	Details on service disruptions
1	Stealing of supply cables and protection covers or door, vandalism of street/high mast lights: poor visibility and non –functioning of lights: this causes many customer complaints and disrupts the operational maintenance plans.
2	More than 4 255 power outages were experienced in Quarter 3. All were responded to. Currently the greatest risk area is rural areas in Rooiwal, Waterval and Bonaccord / Onderstepoort Area. The approximate amount spent range between R600 000 and R800 000 over the quarter.
3	Energy & Electricity Services from Prince's Park depot experienced continuous disruptions on the electrical network due to theft and the old age of the electrical network. The main target and risk in terms of cable theft that affects Water & Sanitation Services in Region 3 is the power supply to the four existing sewage pumping stations, and especially the two big pump stations in Atteridgeville. However, no cable theft occurred during Q3.
5	<p>Services were disrupted in the Leeuwfontein, Kameelfontein and Sable hills area by Leeuwfontein plots 123/4/5 community members who were deliberately disrupting power to do illegal connections.</p> <p>There was an 18-hour water supply disruption in Refilwe due to the cleaning of the reservoir. The reservoir was successfully cleaned and the water quality is good.</p> <p>Waste management service providers, staged a tools down on 20 March 2017. This resulted in waste collection disruption. However, backlogs created have been addressed and service is back on schedule.</p> <p>The newly built sewer pump station at Bloemendal was totally vandalized as result of cable theft in February 17. This can be contributed due to no security at the station.</p>

7	The region has experienced water supply disruptions during the month of January and February 2017 due to mechanical and operational challenges at the Water Treatment Plant as well as poor water quality.
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Cable theft continues to negatively-affect the City's budget (cost of replacing the stolen cables), And service delivery throughout the city. The table below lists specific cable theft incidents that took place during quarter 3.

Table 5: Cable theft

Region(s)	Details on cable theft
1	Stealing of substations earthing system, wiring and circuit breakers: this causes unplanned power outages and compromises the integrity and safety of the electrical network.
5	Cable theft estimated at around R 12 300 was stolen in the third quarter in region 5, particularly in the rural lines. Cases have been opened with SAPS and claims submitted to the claims department.
6	A total of 10 cables has been stolen during this quarter and 10 cables were damaged.

6 FEEDBACK FROM DEPARTMENTAL BUSINESS PLAN REPORTS

6.1 OFFICE OF THE CITY MANAGER

All Public Protector Cases and PAIA requests have been monitored and tracked to ensure provision of responses within the applicable time. The OCM stakeholder Division coordinated a stakeholder workshop in partnership with Rand Water Foundation at Tshwane Academy on the 10 February attended by 22 representatives from various Departments and Regions.

6.2 CITY STRATEGY AND ORGANISATIONAL PERFORMANCE

The department succeeded in submitting a credible legislatively compliance IDP to Council for community consultation, based on the re-prioritised budget.

The CSPM and Research and Innovation departments have been successfully integrated as one department, and work is now continuing to establish this department as the centre of research, innovation, planning, performance and knowledge excellence.

6.3 GROUP COMMUNICATION AND MARKETING

Group Communications and Marketing have successfully hosted Tshwane Open Golf Tournament 2017. There was a launch of Tshwane Bus Services account on Facebook and Twitter.

6.4 ECONOMIC DEVELOPMENT AND SPATIAL PLANNING

The Gauteng Premier's Service Excellence Awards:

The Gauteng Premier's Service Excellence Awards was held at Gallagher estate on 28 February 2017. The event, hosted by the Honourable Premier, Mr David Makhura, is the first of what will be an annual series of

awards that seek to give due recognition to outstanding projects and individuals in government and civil society, who have committed themselves to servicing the people of Gauteng. The GaRankuwa eco-furniture factory was awarded the Gauteng Premier's special award. The Kgora community bakery received the Gauteng Premier's special award for the best community project. Kgora walked away with a prize money of R35 000 and with it, they managed to purchase a Point of Sales (POS) system.

Tshepo 10 000: Site visits:

The aim of the site visits is to confirm and verify the activities of the co-operative enterprises that are assisted through the consultation sessions. The following co-operatives were visited:

- Fedisatlala Co-operative is operating from Region 5 in the Refilwe community. The Co-operative is in the agricultural sector, where they have received 12 hectares of land from the Petra Diamond mine.
- The GaRankuwa Automotive Co-operative was formed by specialists in different sectors of the automotive sector. The Co-operative is part of a City of Tshwane incubator programme.
- Vukuzenzele Agricultural Co-operative is currently operating in the poultry and vegetation sectors of agriculture. The Co-operative is operating on three hectares of land with electricity and water supply.
- Phakamisani Textile Co-operatives from Region 6 presented a proposal for textile Co-operatives to work together, in order to produce an eco-friendly warmer/cooler. The name of the product is Wonder cooker/ Saver. The Co-operatives have agreed to develop a proposal, which will be submitted to the Social Development Department, so that they can supply it to indigent families in the Tshwane area. The product has been rolled out by the City four years ago.
- Refilwe Africa Co-operative from Region 1, is in the textile sector. The Co-operative is fully operational and is complying with the required regulations. They are in need of industrial and overlock machines and are currently operating in one of the members' home. They received a contract from the Provincial Department of Social Development to supply school uniforms.
- Ora et Labora from Region 1 has six members, who are currently operating informally and are in the process of registering as a Co-operative. They are operating from the land belonging to the City of Tshwane Economic Development and Spatial Planning Department, in a squatter camp in Soshanguve. They are running a day care centre and a food garden.
- Easy Touch Co-operative hails from Region 1. The Co-operative is fully compliant and has five members. They have a contract to supply used tyres to the Recycling and Economic Development Initiative of South Africa (REDISA) for recycling; REDISA has provided them with a container as storage, at a rental cost of R2 000 per month.
- Tloukgolo Co-operative from Region 1, is owned by five family members. They are leasing from their grandparents to do vegetable and poultry farming.
- WEJAS primary Co-operative is from Region 2, with five members, operating from the Chairperson's home in Majaneng in Hammanskraal. They have completed a contract from the Social Development Department, to supply 600 packs of school uniforms. Their market is local schools, government Departments and the local community. They are also providing events equipment like tents, chairs and tables and are in the process of acquiring catering equipment.

Tshwane Convention and Visitors service Bureau(TCVB)

The City of Tshwane recently hosted the Tshwane Open and the TCVB put in efforts to leveraging off the event: In its first four years the Tshwane Open directly and indirectly generated R512-million to the National Economy of South Africa and R274-million within the local economy of Tshwane. In addition, the event

received extensive international television coverage – raising the profile of the host city globally. Since its inception the event generated over \$73-million (just over R951-million) worth of marketing exposure value for the City of Tshwane, the Event and Sponsors. The event was broadcast for a cumulative total of nearly 6 700 hours. The 2017 event went out to 41 broadcasters in 150 countries, potentially reaching over 400-million households.

From 27 February to 01 March 2017, the Tshwane Convention & Visitors Bureau took part in Meetings Africa, held at the Sandton Convention Centre. This annual Business Tourism exhibition is owned and managed by South African Tourism. In recent years, the global meetings industry has begun to recognise Africa as a sought after destination. Meetings Africa showcases Africa's diverse offering of services and products where African associations and African meetings industry professionals can partner to help transform our continent.

Spatial Planning

The department has finalized the development application guidelines in line with SPLUMA and recently approved Tshwane Land Use Management By Law.

Corporate GIS section has renewed the corporate GIS license to ensure seamless provision of spatial data to the City and the community.

The department has managed to process 95% of the engineering surveying projects the only outstanding is the planning and setting out of control network for town survey marks throughout the city a two-year project focus working with National Geo-spatial Information (NGI), a component of Department of Rural Development and Land Reform (DRDLR).

6.5 EMERGENCY MANAGEMENT SERVICES

Training and Development

The department has a training centre whereby the personnel, members of the community and state organs are trained. During quarter three of 2016-2017 financial year, Training and Development Section conducted the following activities:

- 107 members of state organs were trained on First Aid Level and Basic Fire Fighting (safety issues based on requests received and risk assessment)
- 134 personnel were trained internally and externally through listed and approved courses. Courses such as Basic Life Support, Structural Collapse, HIRA, Incident Investigation, Batho Pele Principle, Confined Space Rescue Technician and Trench Rescue.
- 357 members of community members were trained on First Aid Level and Basic Fire Fighting (awareness and PIER).
- 3 507 members of the community were informed on emergency service safety issues.

Disaster Management

Monitoring, updating and disseminating early warnings risk information:

- Media release on Fire evacuation on Silverton Mall

- Media release on Tropical cyclone Dineo
- Early warning of heavy rains over the eastern and northern parts of South Africa

Disaster Risk Management Policy Framework (DRMPF)

The Service Level Agreement from Economic Development Department to implement the Current framework was signed and submitted to DMC.

The Service Level Agreement from Service Delivery and Transformation Management from Regional Executive Director (RED) Region 4 to implement the Current framework was signed and submitted to DMC.

The Service Level Agreement from City Planning Department to implement the Current framework was signed and submitted to DMC.

6.6 METRO POLICE

Visit by Sul Ross University to Tshwane Metro Police Department

Sul Ross State University from the United States of America visited Tshwane Metro Police Department on Friday, 27 January 2017. The visit was about the educational exchange student development program which is an outstanding initiative by the university to developing countries. The training program was proposed in 2012 whereby the TMPD and the university aim to further develop officers' skills through the exchange program, and have US exchange students visit Tshwane as part of their internship program. One of the delegates mentioned that they would like to provide global experience to the students to gain more exposure, and provide courses (that are also offered online) to the TMPD for manager skills development. It was highlighted that the link between law enforcement and education should be strengthened to improve service provision. The Sul Ross University would offer short courses to the officers, who would gain global law enforcement experience.

Anti- hijack handing over ceremony

The Tshwane Metro Police Academy officially handed over the Anti-Hijack Unit on Friday 10 March 2017. 74 Tshwane Metro Police Officers were selected through an extensive and grueling recruitment and training processes.

Training commenced on Sunday 30 October 2016 at the SANDF Training Camp. The 16-week journey included intense training on various techniques.

The SANDF Training consisted of a 12-week programme, however in line with the executive mayor's vision of a crime free City, it was deemed inadequate, an additional 4 week programme was added.

The officers will be sent to all the regions of the Tshwane Metro Police Department.

TMPD successes

A total of 34 arrests were done in different areas in the City. Amongst these arrests, 9 stolen and hijacked vehicles were recovered. Six illegal firearms were also recovered. Two firearms were recovered by region 3 sector 2 in Soshanguve block TT following a tip off about illegal firearms in Spaza shops owned by

Somalian nationals. One of the recovered firearms was later discovered to have been stolen from an SAPS official.

Four of the stolen vehicles were recovered by the k9 unit in one address in Soshanguve where one suspect was arrested, they also found a metro police bullet proof vest and pepper spray in the premises. The special operation unit also managed to trace a Mercedes Benz vehicle which was hijacked in Hatfield; they were on the lookout and spotted the vehicle in fountain circle. They arrested the suspect who was driving the vehicle.

Another vehicle was recovered by the drug law enforcement unit after it was stolen in the grove mall, two suspects were arrested. The drug unit team also recovered a suspected stolen vehicle in Sunnyside; there was no one in the vehicle. The cable theft unit recovered a hijacked vehicle in Mamelodi and arrested 1 suspect who was also in possession of an illegal firearm.

The TMPD drug unit arrested 14 suspects for dealing and possession of drugs; these arrests were made in areas such as Centurion, Pretoria West, CBD, Nellmapius, Winterveldt, Hercules and Soshanguve. The K9 unit arrested 2 suspects for possession of drugs, attempted murder and resisting arrest in Hercules. The drugs found include, crystal meth, cocaine, Nyaope and dagga. In Garsfontein, region 3 sector 2 arrested a 28 year old male for dealing and possession of drugs. He was found with drugs called white scank and mushrooms valued at R9000.

The cable unit arrested 10 people for cable theft, trespassing and damage to property in CBD and Onderstepoort.

6.7 HOUSING AND HUMAN SETTLEMENTS

Construction of the Townlands Social Housing project has commenced. The site was handed over on the 25th of January 2017. The contractor has completed the site establishment and earthworks.

6.8 UTILITY SERVICES

Water and Sanitation

Water and Sanitation education section endeavors to reach communities with the aim of teaching them how to save water and practice good sanitation, health and hygiene with a view of combating water loss and alleviating drought which is experienced by most part of the country. The drought has impacted negatively largely on farmers and is continuing to devour most of our water sources and it is for this reason that the Water and Sanitation saw it fit to arm against this monster by engaging the communities on water saving awareness and education.

National Water Week:

Celebrations were held at the Akasia Hall on the 23rd of March 2017. The intention was to raise awareness about the water usage, since the country is experiencing water shortage it's imperative to communicate the restrictions and measures to deal with. The awareness was also raised regarding the sanitation, promotional items in line with water and sanitation were given to the communities and the pledge to use water wisely was signed. The function was attended by 35 schools, each represented by ten learners, MMC for Utility Service and the Executive Mayor. .

6.9 REGIONAL OPERATIONS AND COORDINATION

Service delivery highlights for the ROC are presented in the table below:

Table 6: Service Delivery highlights for the ROC

Region(s)	Highlights
1	The opening and functioning of the long anticipated new Klipkruisfontein Cemetery in Soshanguve.
2	Implementation of Non-permitted Use Tax
3	The following income was generated at SRAC Facilities for Quarter 3: Sport and Recreation – R413,286.28 and for the FY (R856,632.58) Arts and Culture – R39,099.05 and for the FY (R130,130.45) Libraries – R70,411.27 and for the FY (R250,032.47)
4	Cleaning of the roads took place with limited resources. The Region has 8 general workers for a total of approximately 1 148km of roads within the region (municipal registered roads). And it is a norm for the Region to attend to class 3 roads as well.
5	Region 5 held a Public Consultation on Customer Complaints and Complements at the Refilwe Community Hall.
6	The Ward based program has been launched in the Region in March 2017 and the program has covered the following Wards so far: Ward 10,97, 41,46,47.
7	Back to school campaign BHS Library and Althea independent school to encouraging education and library usage.

7 CAPITAL PROJECTS PERFORMANCE

7.1 INTRODUCTION AND BACKGROUND

The total budget of 2016-17 capital projects approved by the City of Tshwane, inclusive of sub-projects in programmes, amounts to R4, 465,208,687 and the current approved budget adjustment amount to R4,524,586,409

There were 196 approved capital projects on the IDP and MTREF. At the end of quarter one 29% of planned milestones were realized, and at the end of quarter two, 21.6% of planned milestones were achieved.

7.2 IMPACT OF THE BUDGET ADJUSTMENT

During budget adjustment the City approved 236 projects including sub-projects in programmes. The non-financial achievement at the end of quarter three is 39% which is 91 projects out of 236 that achieved their planned quarter 3 milestones.

7.2.1 SUMMARY OF THE IMPACT OF THE ADJUSTED BUDGET ON PROJECTS

22 Projects were reduced by R344,540,706 due to delays in project implementation, poor planning and poor contract management. Out of the 22 projects 4 were put on hold while the project scope was reduced in 18 projects.

The following projects were put on hold-

- Disaster Recovery System Storage
- Upgrading of Garsfontein road
- Wonderboom Airport main terminal building, carousel and other mechanical baggage handling equipment maintenance
- Development and Upgrading of Existing Cemeteries

A total number of 33 projects & programmes received funds to the amount of R403,918,428. The allocation was distributed as follows-

- 16 projects received additional funds to increase the scope; and
- 17 projects were added to the projects list. These include projects that were put on hold in previous financial years, projects that had outstanding payment certificates that were not paid and new projects identified.

7.2.2 REASONS FOR UNDER-PERFORMANCE

Departments provided reasons for under-performance of projects. The detailed projects reports as submitted by departments are captured in the annexure to this report on capital projects. Annexure A to this report summarises reasons for under-performance.

A total of 102 projects are behind schedule due to various reasons ranging from supply chain delays, contractor issues, community disruptions & labour unrests, internal issues within the departments, late payments, delays by consultants in finalising the designs and reliance on external stakeholders

7.3 SUMMARY OF PERFORMANCE FOR QUARTER 3

The table below provides a summary of performance by department on the capital projects for quarter 3: The detailed projects report as reported by departments is contained in the appendix to this report.

Table 7: Summary of performance on capital projects by department for quarter 3

Old Department	Nr of projects planned for Q2	Nr of projects that achieved Q2 targets	Current Department	Nr of projects planned for Q3	Nr of projects that achieved Q3 targets	Nr of projects not reported in Q3	Nr of projects behind schedule in Q3
Office of City Manager	17	0	Office of City Manager	4	0	2	2
Group Audit and Risk	2	0					
Group Financial Services	3	0	Group Financial Services	5	4	0	1
Metro Police Services	1	0	Community Safety	3	2	0	1
Emergency Services	2	0					
			Regional Operations and Coordination	1	0	1	0
Economic Development	4	1	Economic Development and Spatial Planning	5	2	1	2
City Planning & Development	1	0					
Group Property Management	1	0	Group Property Management	2	0	2	0

Old Department	Nr of projects planned for Q2	Nr of projects that achieved Q2 targets	Current Department	Nr of projects planned for Q3	Nr of projects that achieved Q3 targets	Nr of projects not reported in Q3	Nr of projects behind schedule in Q3
Corporate & Shared Services	1	0	Shared Services	9	5	0	4
Group Information & Technology	10	4					
Health and Social Development	6	3	Health	4	1	2	1
Sports and Recreational Services	6	3	Community and Social Development Services	14	6	6	2
Environmental Management	6	0	Environment and Agriculture Management	9	4	2	3
Housing and Human Settlement	36	9	Housing and Human Settlement	33	6	9	18
Tshwane Rapid Transport	12	1	Roads and Transport	53	18	18	17
Transport	36	17					
Energy & Electricity	24	7	Utility Services	94	43	0	51
Water and Sanitation	28	8					
Total	196	53		236	91	43	102
Percentage Achieved		27.3%			38.6%		

7.3.1 PROJECTS BEHIND SCHEDULE

A total of 102 projects are behind schedule due to various reasons ranging from supply chain delays, contractor issues, community disruptions & labour unrests, internal issues within the departments, late payments, delays by consultants in finalising the designs and reliance on external stakeholders. The sections below summarise some of the projects indicated by departments to be delayed. However, it must be noted that in certain cases there appears to be insufficient review of the reports done, as the projects status may not be accurately reported.

7.3.1.1 PROJECTS AT RISK DUE TO SUPPLY CHAIN DELAYS

Roads & Transport

- Mabopane Station Modal Interchange – The department reported awaiting appointment of the contractor. Yet the appointment letter was provided to the department in February 2017.
- Systems Planning (Non-Motorised Transport) - procurement process suspended in December 2016
- Systems Planning (System Feeder and Complimentary Network Development) - procurement process temporarily suspended

Utility Services

- Mooikloof Reservoir - cancellation of consultant contract
- Ramotse-Marokolong waterborne sanitation - City Manager to sign appointment letter
- Mamelodi-3 132/11kv substation (2 x 40MVA Power Transformers) - Delay in finalising the appointment of the contractor
- Doornkloof reservoir - Finalising of role mapping from supply chain delayed the process
- Establishment of Water Distribution Depots - Justification memo not signed
- Baviaanspoort waste water treatment works - late appointment of contractor
- Babelegi Reservoir - lengthy process of appointing the contractor through regulation 32
- Replacement of Sewers - Tender not approved
- Upgrade of the Moreleta bulk water pipeline – waiting for appointment of approval
- Kentron 132/11kv Substation refurbishment - Tender to be re-advertised

Community & Social Development

- Tshwane House IT Infrastructure
- Upgrade Refilwe stadium – waiting for EAC approval

Shared Services

- Tshwane House IT Infrastructure
- Tshwane Leadership and Management Academy - waiting for SCM to allocate dates for tenders and Q-files to be evaluated.

Health

- Refurbishment of Rayton Clinic - waiting BEC approval

7.3.1.2 PROJECTS AT DELAYED BY INTERNAL MATTERS

Group Financial Services

- Buildings & Equipment - - Delay in project management role-mapping

Environment and Agriculture Management

- Development of Tshwane North Cemetery - Delayed submission of Radio-link quotation by ICT Department

Utility Services

- Sunderland Ridges WWTW new 30ML BNR – delays to finalise project scope

Shared Services

- Implementation of Storage Area Network - To finalise project scope

Economic Development and Spatial Planning

- Informal Trade Market (Inner City) - project still in design. Delay in bill of quantities approval
- Brick Making Facility – delay in approval of savings report

7.3.1.3 PROJECTS AT DELAYED BY LATE PAYMENTS

The projects were delayed due to the late approval of the budget adjustment and service providers experienced cash flow problems:

Community & Social Development

- Lotus Gardens multi-purpose sport facility

Environment and Agriculture Management

- Extension of Garankuwa Cemetery
- Development of Klipkruisfontein Cemetery

Housing & Human Settlement

- Roads - Zithobeni Ext 8&9
- Water - Zithobeni 8&9

7.3.1.4 PROJECTS AFFECTED DUE TO COMMUNITY DISRUPTIONS & LABOUR UNRESTS

Utility services

- Hatherley 132/11KV substation

Roads & Transport

- Kopanong Intermodal Facility-West of the City

Housing & Human Settlement

- Winterveldt Roads construction
- Soshanguve X13 Roads construction

7.3.1.5 PROJECTS DELAYED BY CONSULTANTS DESIGNS

Roads & Transport

- Design of Line 3-CBD to Atteridgeville
- Design and Construction of Hatfield Taxi Facility

Utility Services

- Midas - 580 housing units - sewer provision
- Heights Iscor Feeder
- Atteridgeville Ext 16 - Bulk water plus outfall sewer to service future stands

Housing & Human Settlement

- Development of Saulsville hostels
- Development of Mamelodi hostels

7.3.1.6 PROJECTS CURRENTLY AFFECTED BY CONTRACTOR MATTERS

These delays relate to contractor capacity issues, poor quality work, project behind schedule, contract on penalties due to failure to complete project on time or contractor has cash-flow problems.

Utility Services

- Electricity for All - Region 5
- Electricity for All - Region 7
- New Klipgat Reservoir
- Bulk Water Pipeline Wonderboom
- Annlin Reservoir Extension
- Garankuwa water bulk pipeline
- Replacement of Worn Out Network Pipes

Roads & Transport

- The Design, Supply, Installation, Operation and Maintenance of an automated fare Collection (AFC) System
- Belle Ombre CNG Bus Depot: Civil Works
- Belle Ombre CNG Bus Depot -Bulk Earthworks
- Line 2B: Atterbury Rd (between Lois Avenue and January Masilela)
- Mabopane water reticulation and bulk pipeline
- Soshanguve Block BB Central South (C)
- Soshanguve Block NN South (K)

Housing & Human Settlement

- Roads - Soshanguve X12
- Water & Sewer at Rama City

7.3.1.7 RELIANCE ON EXTERNAL PARTIES

Certain projects are experiencing delays due to reliance on external parties. These include-

Roads & Transport

- Design and Construction of Menlyn Overpass - contractual issues between CoT's Implementing Agent (SANRAL) and the design team for Menlyn station
- Design of Wonderboom Intermodal Facility-Permanent Phase 1 - Constant changes in designs
- NMT facilities line 2A 9Park street) – wayleave approvals

Housing & Human Settlement

- Chantel x39 Water and Sewer provision – signing of SLA with Legal department

Community Safety

- Fire arms - Service provider delay to register at National Treasury Central supplier database

Utility Services

- Electricity for All - Region 6

7.3.1.8 PROJECTS DELAYED DUE TO UNAVAILABILITY OF MATERIAL OR LATE DELIVERIES

Utility Services

- Strengthening 11kV Cable network
- Substations
- Tshwane Public Lighting Program
- Electricity for All - Region 1
- Soshanguve DD bulk water pipeline (emergency pipeline to Stinkwater)

Shared Services

- Upgrade of IT Networks

8 PERFORMANCE OF MUNICIPAL ENTITIES

8.1 BACKGROUND

Municipal entities are separate legal entities headed by a board of directors and utilised by a municipality to deliver services to its community and must perform per service delivery agreements and performance objectives set by the Municipality.

The city has 3 municipal entities that are responsible to deliver certain services to its community and are accountable to the municipality. These three entities under the leadership of the Chief Operations Officer, perform according to service delivery agreements and performance objectives as set by the municipality.

Namely:

1. Housing Company Tshwane (HCT)
2. Sandspruit Works Association (SWA)
3. Tshwane Economic Development Agency (TEDA)

8.2 PERFORMANCE OF MUNICIPAL ENTITIES FOR QUARTER 3

The municipal entities are required to report on their performance against their business plans. At the end of quarter 3, 62.06% of targets were reported achieved by entities against their planned targets. These are as yet unaudited results. The detailed extracts as reported by the entities are found in the appendices to this report..

The municipal entities have reported the following performance for Quarter 3 2016/17 FY:

Table 8: Summary of performance for municipal entities

Entity	Nr of targets for the year	Targets achieved for Q2	Targets not achieved for Q2	Nr of targets applicable for Q3	Targets achieved for Q3	Targets not achieved for Q3
TEDA	12[1]	7	0	6	6	0
Housing Company Tshwane	15	Did not report for Q2		12	7	5
Sandspruit Works Association	12	10	2	9	6	3
Total	39	17 (89.47%)	2 (0.11%)	27	19(70.37%)	8 (29.6%)

8.2.1 TEDA

In total the entity has 12 targets for the year, 6 of which were applicable for Q3. Achievement of 100% was reported.

Annual targets present a risk that in the last quarter of the financial year the planned targets may not be achieved. The following table indicates annual targets of TEDA that may be at risk.

Table 9: Targets at risk - TEDA

Annual targets that could be at risk	Mitigating actions to fast track performance	CSOP Comments
<ul style="list-style-type: none"> Rand value of investment attracted to the City by TEDA Income/funding generated by TEDA Number of income earning opportunities facilitated by TEDA 	Not provided	These targets pose a performance risk since they are annual targets and no monthly activities are reported to indicate positive movement on achieving these targets.

8.2.1.1 Targets showing steady performance YTD and achievement by Quarter 3:

- Infrastructure feasibility study for the Hub produced
- Number of trade and investment missions participated in
- Development facilitation
- Number of exhibitions and trade shows participated in

8.2.1.3 TEDA scorecard as reported on QPR

This scorecard may differ in results presented in the annexure to this report, as the entities subsequent to reporting on QPR may have changed their reports. Internal audit is encouraged to fast-track the audit, to confirm the results.

Table 10: TEDA Scorecard as per QPR

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
TEDA	Preliminary Design of the Hub produced	Mar-17	Preliminary Design of the HUB						
TEDA	Rand value of investment attracted to the City by TEDA	Mar-17	1000000000	0		0			
TEDA	Number of trade and investment	Mar-17	3	1	1	2	2		

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
	missions participated in								
TED A	Development facilitation	Mar-17	Quarterly Project reports	Project reports	Project report produced				
TED A	Number of capacity building initiatives held for SMME export readiness	Mar-17	2	0	1	1	3	Export Capacity Workshop held at the Manhattan Hotel, Pretoria from 8 - 10 March 2017.	
TED A	Income/funding generated by TEDA	Mar-17	2500000						
TED A	Development of a commercialisation model for the City's facilities (Park and Resorts)	Mar-17	Commercialisation model for the City's facilities (Parks and Resorts)						
TED A	% of strategic risks monitored against the approved strategic risk register	Mar-17	100	100		100	100		
TED A	Number of exhibitions and trade shows participated in	Mar-17	4	1	2	1	6		
TED A	No of income earning opportunities	Mar-17	300						

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
	facilitated by TEDA								
TED A	Infrastructure feasibility study for the Hub produced	Mar-17	Infrastructure feasibility for the Hub	Infrastructure feasibility study for the Hub signed-off	Infrastructure feasibility study for the hub produced and signed-off				
TED A	Number of trade and investment reports produced	Mar-17	3	1	0	3	2		

8.2.2 HOUSING COMPANY TSHWANE (HCT)

The Housing Company Tshwane is a municipal entity under the Housing and Human Settlement department and is responsible for the development and management of social housing and other forms of institutional housing in and around Tshwane. The entity recorded a 58.33% achievement of their total targets for Q3.

8.2.2.1 Targets not achieved by Quarter 3:

- Detailed Designs completed in Timberland
- Bulk infrastructure provision completed in Sunnyside
- Internal reticulation completed in Chantelle X39
- 31% of total expenditure to be spent on procurement from BEE SMME's
- % of Levies collection of billed units above baseline

8.2.2.2 HCT scorecard

The scorecard below was reported on in the QPR reporting system by the entity.

Table 11: HCT scorecard

Entity	Key performance indicator	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
Housing Company Tshwane	Construction of Social Housing Units : Chantelle X39	Bulk infrastructure provision completed in Chantelle X39	Upgrading of bulk infrastructure					

Entity	Key performance indicator	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
Housing Company Tshwane	Review of Internal Governance Structures and Processes	Entity annual strategic review and approval						
Housing Company Tshwane	Turnaround in resolving tenant complaints	88	86		86			
Housing Company Tshwane	Policy review and approval i.e Supply Chain, Delegations of Authority, Human Resources, Marketing & Communication, Management, Financial and Internal control							
Housing Company Tshwane	Transfer of units from CoT to HCT	280 rental units transferred from CoT to HCT	Management of the transferred units					
Housing Company Tshwane	Construction of Social Housing Units : Townlands	100 units completed Townlands	50 units completed					
Housing Company Tshwane	Development of BEE and SMMEs	31	29		29			
Housing Company Tshwane	Construction of Social Housing Units : Timberlands	Detailed planning and installation of Timberland bulk services completed	Appointment of contractor for installation of bulk services					

Entity	Key performance indicator	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
Housing Company Tshwane	Maintaining entity asset liquidity to an acceptable level	Achieving Liquidity Ratio of 1:1	Liquidity ration of 1:1					
Housing Company Tshwane	Construction of Social Housing Units : Sunnyside Erf 708 and 709	130 units completed in Sunnyside	Construction of 130 units commenced					
Housing Company Tshwane	Occupancy level in units under management : Eloff	95	95		95	97		
Housing Company Tshwane	Manage budget processes of the entity in accordance with regulatory frameworks	25	25		25			
Housing Company Tshwane	Occupancy level in units under management : Clarina	100	96		96			
Housing Company Tshwane	Levies collection	14	3		10	-11.9		
Housing Company Tshwane	Rental collection	2.5	2		2			

8.2.3 SANDSPRUIT WORKS ASSOCIATION (SWA)

The principal activity of the SWA entity is to develop, prepare, install and maintain water and sanitation services as well as related services to these areas. It also fulfils the complete operational, financial, marketing, human resource and legal functions. The entity provides water and sanitation services in the northern region of Tshwane and thus has the function of a water services provider in terms of the Water Services Act, 1997 (Act 108 of 1997).

The entity reported an achievement of 66.6% of its targets for quarter 3.

8.2.3.1 Targets reported achieved

- Financial Compliance in terms s87 (11) of the MFMA annually
- SCM compliance in terms of Regulation 12 and 36 of the SCM regulations
- Compliance with Section 33, Section 16 of Companies Act 71 of 2008 and Board governance documents
- Outsourcing 40 % job opportunities to SMMEs (30%) and Co-operatives (10%) annually
- 100% of Mitigation Strategies monitored against Approved Risk Register
- Stakeholder meetings per ward to discuss community concerns

8.2.3.2 Targets reported not achieved

- Achieve an annual target of 20% Non-Revenue Water
- IT Compliance in terms of COBIT, KINH III & ITIL
- Reduce the number of registered indigents who consume excess of the allocated basic water consumption
- Implement 30% of the Reviewed Approved Organisational structure
- Achieve Revenue collections of 75% Annually

8.2.3.4 Detailed scorecard SWA

The scorecard below was reported on the QPR system. This may differ compared to the annexure due to changes in reporting as a result of late corrections or amendments. The internal audit report is awaited to confirm results.

Table 12: SWA scorecard

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
Sandspruit	Financial Compliance in terms s87 (11) of the MFMA annually	Mar-17	100	100	100	100	100		

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
Sandspruit	SCM compliance in terms of Regulation 12 and 36 of the SCM regulations	Mar-17	100	100	100	100	100		
Sandspruit	Compliance with Section 33, Section 16 of Companies Act 71 of 2008 and Board governance documents	Mar-17	100	100	100	100	100	This process is only done once a year in the first quarter	
Sandspruit	Branding	Mar-17	100 %	Service Centre Branding	0				
Sandspruit	Outsourcing 40 % job opportunities to SMMEs (30%) and Co-operatives (10%) annually	Mar-17	40	10	63.4	30	220.51		
Sandspruit	100% of Mitigation Strategies monitored against Approved Risk Register	Mar-17	100	100	100	100	100		

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
Sandspruit	Achieve an annual target of 20% Non-Revenue Water	Mar-17	19.5	19.5	35.86	19.5	35.22428571	Ageing infrastructure	Leak detection meter (MAGFLOWs) to be installed in SWA bulk zonal chambers to be able to detect all leaks in the network system.
Sandspruit	IT Compliance in terms of COBIT, KINH III & ITIL	Mar-17	100	100	98.66666667	100	84.5		
Sandspruit	Reduce the number of registered indigents who consume excess of the allocated basic water consumption	Mar-17	30	20	0	33.33333333	9.821428571		
Sandspruit	Implement 30% of the Reviewed Approved Organisational structure	Mar-17	25	25	0	25	0	he process has been cancelled due to the unwinding resolution by the council dated 27	

Entity	Key performance indicator	Period	Annual target	Q3 target	Q3 actual	Target YTD	Actual YTD	Reasons for non perf	Mitigation plan
								October 2016	
Sands pruit	Achieve Revenue collections of 75% Annually	Mar-17	80	80	60.94	80	54.786		
Sands pruit	Stakeholder meetings per ward to discuss community concerns	Mar-17	40	10	18	30	38		

9 CONCLUSION

The report presents un-audited performance results as reported by the departments for quarter three on both the approved IDP and SDBIP.

For quarter three 16 of 26 planned targets were reported achieved. Two additional indicators with zero targets for the quarter showed positive progress. 7 of the 26 planned targets were not achieved for the quarter.

7 of the year to date targets (from Q1 to Q3) have not been realised.

8 of the 12 annual targets are at risk at this stage. It is not yet evident whether the target of an unqualified audit is at risk.

109 of the 236 projects and sub-projects are behind schedule, with a further 43 projects having not being reported in quarter 3.

Critical risks on the performance reporting indicate that the revenue of the municipality is going to be affected, with the following-

- Non revenue electricity for the municipality is currently at 22,2% (as at end of Q2, as Q3 was not reported);
- Non-revenue water for the municipality is currently at 27,5%;
- Non-revenue water for SWA is currently at 35,86%; and
- SWA has indicated that its revenue collection is at 75%.

10 RECOMMENDATIONS

It is recommended that the draft quarter 3 report be submitted to Council. The current under-performing departments are to put in place urgent rescue plans to address under-performance, in order to achieve the planned IDP outcomes.

APPENDIX A: CAPITAL PROJECTS FUNDS TRANSFERS DUE TO ADJUSTMENTS
Detailed Budget Funds Transfer: Funds -In
Table 13: Funds in

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds In	Adjusted Budget 2016/17
1	Community & Social Development Services: Social Development	Social Development centre in Mabopane	9.712955.1.01 7	7,000,000	6,000,000	13,000,000
2	Community & Social Development Services: Social Development	Social Development centre in Hammanskraal	9.712948.1.01 7	7,000,000	7,000,000	14,000,000
3	Community & Social Development Services: Social Development	Social Development centre in Winterveldt	9.712954.1.01 7	7,000,000	7,000,000	14,000,000
4	Community & Social Development Services: Sports and Recreation	Capital Funded from Operating	9.712773.1.01 3	5,283,600	1,694,629	6,978,229
5	Community & Social Development Services: Sports and Recreation	Solomon Mahlangu Freedom Square - Cultural Centre	9.711439.1.01 5	-	1,813,637	1,813,637
6	Community & Social Development Services: Sports and Recreation	Cullinan Library Park	9.712936.1.01 5	-	3,400,000	3,400,000

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds In	Adjusted Budget 2016/17
7	Community & Social Development Services: Sports and Recreation	Upgrading of Zithobeni Sport Stadium	9.712883.1.01 5	-	3,700,000	3,700,000
8	Economic Development & Spatial Planning: City Planning & Development	Inner City Regeneration	9.713023.1.02 1	-	36,254,200	36,254,200
9	Environment & Agriculture Management	Upgrade infrastructure Nature Reserves	9.713024.1.01 5	-	650,000	650,000
10	Group Financial Services	Corporate Capital Movables	9.712989.1.00 7	5,000,000	13,500,000	18,500,000
11	Health	New clinic in Doornpoort	9.710075.1.01 5	-	661,714	661,714
12	Housing & Human Settlement	Roads and Stormwater - Low Cost Housing - Project Linked Housing	9.710865.2.00 5	193,739,207	3,388,000	197,127,207
13	Housing & Human Settlement	Project Linked Housing - Water Provision	9.710863.2.00 5	128,909,831	4,000,000	132,909,831
14	Housing & Human Settlement	Roads and Stormwater - Low Cost Housing - Project Linked Housing	9.710865.2.01 5	-	32,000,000	32,000,000
15	Regional Operations and Coordination	Jojo Tanks - Re Aga Tshwane	9.713021.1.00 5	-	3,000,000	3,000,000

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds In	Adjusted Budget 2016/17
16	Roads & Transport	Flooding Backlogs: Mamelodi, Eersterust & Pta Eastern Area	9.712223.1.005	-	55,000	55,000
17	Roads & Transport	Contributions: Services for Township Development	9.710115.1.015	6,437,061	530,560	6,967,621
18	Roads & Transport	Separation Airside/Landside movements	9.711953.2.015	5,000,000	2,000,000	7,000,000
19	Roads & Transport	Improvement of dirt road leading to Clover hill club	9.712947.1.015	-	2,500,000	2,500,000
20	Roads & Transport	Rehabilitation of Stormwater Systems & Sidewalks	9.710220.2.015	-	5,525,100	5,525,100
21	Roads & Transport	Spoorview - Re Aga Tshwane	9.713022.1.005	-	20,000,000	20,000,000
22	Roads & Transport	Internal Roads: Northern Areas	9.711863.2.015	12,915,683	30,000,000	42,915,683
23	Shared Services: Group Information & Communication Technology	IT infrastructure -Tshwane House	9.713005.1.015	29,000,000	56,713,288	85,713,288
24	Utility Services: Energy & Electricity	Communication Upgrade: Optical Fibre Net	9.710325.1.005	-	8,000,000	8,000,000
25	Utility Services: Energy & Electricity	Pre-paid Electricity Meters	9.711862.1.015	-	11,900,000	11,900,000

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds In	Adjusted Budget 2016/17
26	Utility Services: Energy & Electricity	Pre-paid Electricity Meters	9.711862.1.00 5	-	17,000,000	17,000,000
27	Utility Services: Water & Sanitation	Establishment of Water Distribution Depots	9.712124.1.01 5	2,000,000	2,000,000	4,000,000
28	Utility Services: Water & Sanitation	Reduction Water Losses: Water Networks	9.711542.1.01 6	5,000,000	4,000,000	9,000,000
29	Utility Services: Water & Sanitation	Refurbishing of Water Networks and Backlog Eradication	9.710878.2.01 6	-	6,182,300	6,182,300
30	Utility Services: Water & Sanitation	Water Conservation and Demand Management (Installation of water meters Steve	9.712896.1.00 5	-	10,000,000	10,000,000
31	Utility Services: Water & Sanitation	Replacement and Upgrading: Redundant Bulk Pipeline Infrastructure	9.711335.1.01 5	5,500,000	12,350,000	17,850,000
32	Utility Services: Water & Sanitation	Refurbishing of Water Networks and Backlog Eradication	9.710878.2.01 5	10,000,000	35,100,000	45,100,000
33	Utility Services: Water & Sanitation	Refurbishing of Water Networks and Backlog Eradication	9.710878.2.00 5	213,000,00 0	56,000,000	269,000,000
	Total			642,785,38 2	403,918,42 8	1,046,703,81 0

Detailed Budget Funds Transfer: Fund -Out

Table 14: Funds out

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds Out	Adjusted Budget 2016/17
1	Utility Services: Water & Sanitation	RE - AGA - Tshwane	9.712970.1. 005	191,450,00 0	89,000,000	102,450,00 0
2	Roads & Transport	Flooding Backlogs: Sosh & Winterveldt Area	9.712220.1. 015	114,652,61 5	38,555,660	76,096,955
3	Utility Services: Water & Sanitation	Replacement, Upgrade, Construct Wwtw Facilities	9.710411.1. 015	33,000,000	32,350,000	650,000
4	Community & Social Developmen t Services: Sports and Recreation	Redevelopment of Caledonian	9.712915.1. 015	50,000,000	29,000,000	21,000,000
5	Roads & Transport	Mabopane Station Modal Interchange	9.710657.2. 005	54,097,344	25,000,000	29,097,344
6	Shared Services: Group Information & Communicat ion Technology	Upgrade of IT Networks	9.710200.1. 015	30,000,000	20,000,000	10,000,000
7	Shared Services: Group Information & Communicat ion Technology	Disaster Recovery System Storage	9.712950.1. 015	20,000,000	20,000,000	-
8	Utility Services: Water & Sanitation	Reservoir Extensions	9.712534.1. 015	66,000,000	17,100,000	48,900,000

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds Out	Adjusted Budget 2016/17
9	Roads & Transport	Upgrading of Garsfontein road	9.712956.1.018	12,071,107	12,071,107	-
10	Shared Services: Group Information & Communication Technology	Credit Control Solution	9.712969.1.015	20,000,000	11,713,288	8,286,712
11	Utility Services: Water & Sanitation	Replacement, Upgrade, Construct Wwtw Facilities	9.710411.1.016	22,000,000	10,182,300	11,817,700
12	Community & Social Development Services: Sports and Recreation	Greening Sportfields	9.712941.1.015	20,000,000	8,913,637	11,086,363
13	Housing & Human Settlement	Sewerage - Low Cost Housing	9.710864.2.005	153,437,500	7,000,000	146,437,500
14	Utility Services: Energy & Electricity	New Bulk Electricity Infrastructure	9.712279.1.015	140,000,000	6,900,000	133,100,000
15	Community & Social Development Services: Sports and Recreation	Upgrade Refilwe Stadium	9.712916.1.015	10,000,000	5,000,000	5,000,000
16	Shared Services: Group Information & Communication Technology	Implementation of Storage Area Network	9.710344.1.015	15,000,000	5,000,000	10,000,000

N o	Department	Project Name	WBS Level 3	Original Budget 2016/17	Funds Out	Adjusted Budget 2016/17
1 7	Group Property	Replacement/Moderni- zation of all the Lifts within various Council Buildings	9.712743.1. 015	5,000,000	3,000,000	2,000,000
1 8	Roads & Transport	Main terminal Building, carousel and other mechanical baggage handling equipment maintenance	9.712891.1. 015	2,000,000	2,000,000	-
1 9	Health	Replacement of Rayton Clinic	9.712684.1. 015	7,700,000	661,714	7,038,286
2 0	Environment & Agriculture Managemen t	Development and Upgrading of Existing Cemeteries	9.712498.1. 015	650,000	650,000	-
2 1	Housing & Human Settlement	Project Linked Housing - Acquisition of Land	9.710868.2. 005	31,358,713	388,000	30,970,713
2 2	Roads & Transport	Flooding Backlogs: Sosh & Winterveldt Area	9.712220.1. 005	220,488,28 4	55,000	220,433,28 4
Total				1,218,905,5 63	344,540,70 6	874,364,85 7



City of Tshwane Quarter 3 performance report

Appendix B: Report on Capital projects performance

OFFICE OF THE CITY MANAGER	1
CITY MANAGER - CAPEX REGION 6	1
CITY MANAGER : GROUP AUDIT & RISK - CAPEX CITY WIDE	1
COMMUNITY AND SOCIAL DEVELOPMENT SERVICES	6
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX CITY WIDE	6
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 1	6
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 2	7
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 3	8
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 4	9
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 5	9
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 6	10
COMMUNITY & SOCIAL DEVELOPMENT SERVICES - CAPEX REGION 7	10
COMMUNITY SAFETY	11
COMMUNITY SAFETY : EMERGENCY SERVICES - CAPEX REGION 2	11
COMMUNITY SAFETY : EMERGENCY SERVICES - CAPEX REGION 3	11
COMMUNITY SAFETY : METRO POLICE SERVICES - CAPEX REGION 3	12
ECONOMIC DEVELOPMENT AND SPATIAL PLANNING	13
ECONOMIC DEVELOPMENT & SPATIAL PLANNING - CAPEX REGION 1	13
ECONOMIC DEVELOPMENT & SPATIAL PLANNING - CAPEX REGION 2	14
ECONOMIC DEVELOPMENT & SPATIAL PLANNING - CAPEX REGION 3	16
ENVIRONMENT & AGRICULTURE MANAGEMENT - CAPEX CITY WIDE	17
ENVIRONMENT AND AGRICULTURE MANAGEMENT	18
ENVIRONMENT & AGRICULTURE MANAGEMENT - CAPEX REGION 1	18
ENVIRONMENT & AGRICULTURE MANAGEMENT - CAPEX REGION 2	18
ENVIRONMENT & AGRICULTURE MANAGEMENT - CAPEX REGION 3	18
GROUP FINANCIAL SERVICES	20
GROUP FINANCIAL SERVICES - CAPEX CITY WIDE	20
GROUP FINANCIAL SERVICES - CAPEX REGION 3	21
GROUP PROPERTY MANAGEMENT	21
GROUP PROPERTY MANAGEMENT - CAPEX REGION 3	21
HEALTH	22
HEALTH - CAPEX REGION 2	22

HEALTH - CAPEX REGION 5	22	463
HEALTH - CAPEX REGION 6	22	
HEALTH - CAPEX REGION 7	23	
HOUSING AND HUMAN SETTLEMENT	23	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 1	23	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 2	29	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 3	30	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 4	34	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 5	34	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 6	35	
HOUSING & HUMAN SETTLEMENT - CAPEX REGION 7	35	
REGIONAL OPERATIONS AND COORDINATION	37	
REGIONAL OPERATIONS & COORDINATION - CAPEX TSHWANE WIDE	37	
ROADS AND TRANSPORT	37	
ROADS AND TRANSPORT - CAPEX CITY WIDE	37	
ROADS AND TRANSPORT - CAPEX REGION 1	37	
ROADS AND TRANSPORT - CAPEX REGION 2	42	
ROADS AND TRANSPORT - CAPEX REGION 6	44	
ROADS AND TRANSPORT - CAPEX REGION 7	45	
ROADS AND TRANSPORT - TRT - CAPEX CITY WIDE	45	
ROADS AND TRANSPORT - TRT - CAPEX REGION 2	46	
ROADS AND TRANSPORT - TRT - CAPEX REGION 3	48	
ROADS AND TRANSPORT - TRT - CAPEX REGION 6	49	
SHARED SERVICES	51	
SHARED SERVICES : CSS - CAPEX CITY WIDE	51	
SHARED SERVICES : GICT - CAPEX CITY WIDE	52	
SHARED SERVICES : GICT - CAPEX REGION 3	53	
UTILITY SERVICES	54	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX CITY WIDE	54	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 1	58	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 2	60	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 3	60	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 4	60	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 5	62	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 6	63	
UTILITY SERVICES : ENERGY & ELECTRICITY - CAPEX REGION 7	64	

UTILITY SERVICES : WATER& SANITATION - CAPEX CITY WIDE	65	464
UTILITY SERVICES : WATER& SANITATION - CAPEX REGION 1	68	
UTILITY SERVICES : WATER& SANITATION - CAPEX REGION 2	69	
UTILITY SERVICES : WATER& SANITATION - CAPEX REGION 3	72	
UTILITY SERVICES : WATER& SANITATION - CAPEX REGION 4	73	
UTILITY SERVICES : WATER& SANITATION - CAPEX REGION 6	74	
UTILITY SERVICES : WATER& SANITATION - CAPEX REGION 7	76	

NOTE:

Where (M1), (M2), (M3) or (Q) exists it refers to the months in the quarter and the quarter (in this case quarter 3) itself.

Should these appear without any further information , it reflects non-reporting by the department.

OFFICE OF THE CITY MANAGER

City Manager - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712533.1.001 Mamelodi East Walkways	Completion of sidewalks	(M1) (M2) (M3)	(M1)100% excavation / 70% subbase / 10% kerbing (M2)100% excavation / 70% subbase / 10% kerbing Q3: Compaction of subbase / 65% kerbing / 15% paving	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712533.1.001 Nellmapius sidewalk	Construction of sidewalks completed	(M1) (M2) (M3)	(M1)100% excavation / 20% Preparation of subbase / 25% compaction / 20% kerbing (M2)100% excavation / 20% Preparation of subbase / 25% compaction / 20% kerbing Q3: 100% kerbing / 50% paving	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

City Manager : Group Audit & Risk - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712449.1.001 Insurance replacements(CTMM Contribution)	Replacement of Capital Assets for which the claims were settled by the Insurers	(M1)No replacements done (M2)No replacements done (M3)No replacements done No replacements done	(M1)Replacement of Capital Assets (M2)Replacement of Capital Assets Q3: Replacement of capital assets for which the claims were settled	(M1)No replacements done (M2)No replacements done (M3)No replacements done (Q)No replacements done	(M1)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers	(M1)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M2)Reinstatement be regarded as emergency	(M1)Budget constraints, insufficient funds to proceed with the procurement of the capital assets (M2)Budget constraints, insufficient funds to proceed with the procurement of the capital assets (M3)Budget constraints, insufficient funds to proceed with the procurement of the capital assets (Q)Budget constraints, insufficient funds to proceed with the procurement of the capital assets	(M1)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
					(M2)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M3)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled. Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects (Q)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.	replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M3)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled. Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects (Q)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled. Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as		for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M2)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M3)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled. Creators and Approvers of Departments have been linked to

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
					Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects	Approvers to Insurance Projects		Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects (Q)Reinstatement be regarded as emergency replacement. Budget be made available in order for service delivery not to be hampered. Relevant department proceed with the procurement process and the award of the tender in the financial year in which the claim was settled. Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects
9.712450.1.001 Insurance replacements	Replacement of Vehicles	(M1)No procurement done (M2)No procurement done (M3)No procurement done No procurement done	(M1)Replacement of Vehicles (M2)Replacement of Vehicles Q3: Replacement of Vehicles, for claims approved, by Corporate and Shared Services Department after the Tender has been awarded.	(M1)No procurement done (M2)No procurement done (M3)No procurement done (Q)No procurement done	(M1)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers	(M1)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year. Creators and Approvers of Departments have to be linked to Insurance	(M1)Budget constraints, insufficient funds to proceed with the procurement of the vehicles (M2)Budget constraints, insufficient funds to proceed with the procurement of the vehicles (M3)Budget constraints, insufficient funds to proceed with the procurement of the vehicles	(M1)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			.		of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M2)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M3)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects. (Q)Reinstatement be regarded as emergency replacements.Budget be	Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M2)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M3)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects. (Q)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the	(Q)Budget constraints, insufficient funds to proceed with the procurement of the vehicles	after the tender was awarded in the same financial year.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M2)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have to be linked to Insurance Projects on E-Procurement in order for them to procure. Developers at E-Procurement busy with linking of Departmental Creators and Approvers (M3)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
					made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects.	same financial year.Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects.		proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects. (Q)Reinstatement be regarded as emergency replacements.Budget be made available in order for service delivery not to be hampered. Corporate and Shared Services Department must proceed with the procurement process after the tender was awarded in the same financial year.Creators and Approvers of Departments have been linked to Insurance Projects on E-Procurement in order for them to procure. System changed: E-Procurement Developers have to link SED's , ED's & RED's as Approvers to Insurance Projects.

COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

Community & Social Development Services - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712941.1015 Greening of Sportsfields	Ground works, fencing and construction of clubhouse and change rooms - roofing	(M1)All works completed at Rethabiseng. Commence with procurement of contractor Stinkwater project. (M2)All works completed at Rethabiseng. (M3)All works completed at Rethabiseng. All works completed.	(M1)Rethabiseng multi-purpose project complete and handed over. (M2)Detail planning and submission of tender to SCM for advertising Q3: Site establishment, ground works, excavations, trenching and fencing	(M1)All works completed at Rethabiseng. Commence with procurement of contractor Stinkwater project.	(M1)n/a (M2)n/a (M3)n/a (Q)n/a	(M1)None required (M2)None required (M3)None required (Q)None required	(M1)Insufficient funds to complete all phases of the Programme (M2)Insufficient funds to complete full scope of project. (M3)Insufficient funds to complete full scope of work. (Q)Insufficient funds to complete full scope of work.	(M1)Reduced scope of work (M2)Reduce scope of woork. (M3)Reduce cope of work. (Q)Reduce cope of work.

Community & Social Development Services - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712910.1.015 New Ga-Rankuwa Library	Establishment of a new community library	(M1)Brickwork and plastering in process. Commence with roofing. (M2)Construction of roof. (M3)Construction of roof. Brick work and plastering in process.	(M1)Roofing, plastering, painting (M2)Interior finishes, paving of parking areas and landscaping Q3: Interior finishes and landscaping	(M1)Brickwork and plastering in process. Commence with roofing. (Q)Construction of roof.	(Q)Achieved	(M1)None required. (M2)None required. (M3)None required. (Q)None required.	(M1)Possible shortfall to complete project to proper standards (M2)Possible shortfall to complete project to proper standards (M3)Possible shortfall to complete project to proper standards (Q)Possible shortfall to complete project to proper standards	(M1)Reduction of initial scope (M2)Reduction of initial scope (M3)Reduction of initial scope (Q)Reduction of initial scope
9.712954.1 017 Social Development centre in Winterveldt	Construction: Roof covering and ceiling for Administration Building, Early Childhood Development Centre, Adult Community Centre, Hall, Guard Hut, Standby Generator completed. In progress partitions.	(M1) (M2) (M3)	(M1)Construction: Complete masonry for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator. (M2)Construction: Start with waterproofing and Roof covering for Administration Building, Early Childhood Development Centre, Adult Community	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			Centre, Guard Hut, Standby Generator . Q3: Construction: Continue with waterproofing and Roof covering for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator .					
9.712955.1.017 Social Development centre in Mabopane	Construction: Roof covering and ceiling for Administration Building, Early Childhood Development Centre, Adult Community Centre, Hall, Guard Hut, Standby Generator completed. In progress partitions.	(M1) (M2) (M3)	(M1)Construction: Complete masonry for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator. (M2)Construction: Start with waterproofing and Roof covering for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator . Q3: Construction: Continue with waterproofing and Roof covering for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator .	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Community & Social Development Services - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712948.1017 Social Development centre in Hammanskraal	Construction: Roof covering and ceiling for Administration Building, Early Childhood Development Centre, Adult Community Centre,	(M1) (M2) (M3)	(M1)Construction: Complete masonry for Administration Building, Early Childhood Development Centre, Adult Community	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
	Hall, Guard Hut, Standby Generator completed. In progress partitions.		Centre, Guard Hut, Standby Generator. (M2)Construction: Start with waterproofing and Roof covering for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator . Q3: Construction: Continue with waterproofing and Roof covering for Administration Building, Early Childhood Development Centre, Adult Community Centre, Guard Hut, Standby Generator .					

Community & Social Development Services - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712260.1.015 Lotus Gardens Multi-Purpose Sport Facility	Completion of the existing multi-purpose sport facility. (Ablutions and spectator stands)	(M1)Embankment seating completed. Change rooms only final finishes outstanding. Irrigation ssystem completed. Electrical installations in process. (M2)No activities on site. (M3)No activites on site. eating embankments complete. Upgrade of irrigation system in process. Hard courts in process.	(M1)Erection of flood lights (M2)Erection of flood lights Q3: Completion of grassed pitch. Completion of hard courts.	(M1)Embankment seating completed. Change rooms only final finishes outstanding. Irrigation ssystem completed. Electrical installations in process. (M2)No activities on site. (M3)No activites on site. (Q)No activites on site.	(M1)Achieved (M2)Payment delays. (M3)Payment delays. (Q)Payment delays.	(M1)None required (M2)Accellerated plan. (M3)Accellerated plan. (Q)Accellerated plan.	(M1)Capacity of contractor (M2)Capacity of contractor (M3)Capacity of contractor (Q)Capacity of contractor	(M1)Close monitoroing and assisting contractor (M2)Close monitoroing and assisting contractor (M3)Close monitoroing and assisting contractor (Q)Close monitoroing and assisting contractor
9.712681.1.015 Multipurpose Development Centre next to Phomolong Clinic	Construction: Complete Earthworks, Framework, Reinforcement, Precast Concrete for Administration Building, Early Childhood Development Centre, Adult Community Centre, Hall, Guard Hut,	(M1) (M2) (M3)	(M1)Procurement: Adjudication and Finalise Supply Chain Management Processes (M2)Appointment of Contractor Q3: Appointment of contractor and receiving documentation	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
	Standby Generator. Start with masonry.							
9.712773.1.013 Capital Moveable's	Procurement of library books, IT equipment and furniture,	(M1)Delivery of Librry books in process. Furniture tender awaiting final approval. (M2)Procurement of library books, IT equipment and furniture in process. (M3)Procurement of library books, IT equipment and furniture in process. Procurement of library book in process.	(M1)Procurement of library books, IT equipment and furniture, (M2)Procurement of library books, IT equipment and furniture, Q3: Procurement of library books, IT equipment and furniture,	(M1)Delivery of Librry books in process. Furniture tender awaiting final approval. (M2)Procurement of library books, IT equipment and furniture in process. (M3)Procurement of library books, IT equipment and furniture in process. (Q)Procurement of library books, IT equipment and furniture in process.	(M1)n/a (M2)n/a (M3)n/a (Q)n/a	(M1)None required (M2)None required. (M3)None required. (Q)None required.	(M1)Limited funds available for new library books (M2)Limited funds available for library books. (M3)Limited funds available for library books (Q)Limited funds available for library books	(M1)Request additional funds (M2)Request additional funds (M3)Request additional funds (Q)Request additional funds
9.712915.1.015 Upgrading of Caledonian Stadium	Upgrading of the Caledonian Stadium: refurbishment of existing clubhouse, change rooms, pavilions and parking areas. New skating park. Preservation of heritage structures and new museum.	(M1) (M2) (M3)	(M1)20% of foundations (M2)40% of foundations Q3: Adjusted milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Community & Social Development Services - CAPEX Region 4

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711432.2.015 Olievenhoutbosch Multi-Purpose sport facility	Completion of the existing multi-purpose sport facility	(M1)Project completed (M2)Project completed (M3)Project completed Project completed	(M1)30 Jan - Upgrading of existing fencing. Project completed (M2)Project complete Q3: Fencing	(M1)Project completed (M2)Project completed (M3)Project completed (Q)Project completed	(M1)n/a (M2)n/a (M3)n/a (Q)n/a	(M1)Insufficient funds to complete all phases of the project - rising escalation cost (M2)Insufficient funds to complete full scope of project (M3)Insufficient funds to complete full scope of project (Q)Insufficient funds to complete full scope of project	(M1)Repeated budget request (M2)Repeated budget requests (M3)Repeated budget request (Q)Repeated budget request	

Community & Social Development Services - CAPEX Region 5

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712916.1.015 Upgrade Refilwe Stadium	Upgrading of existing Sport Stadium	(M1)Procurement of new contractor (M2)Procurement of new contravtor (M3)Procurement of new contractor	(M1)Procurement of new contractor. (M2)Procurement of new contractor.	(M1)Procurement of new contractor (M2)Procurement of new contravtor (M3)Procurement of new contractor	(M1)Project estimates exceeds available budget. (M2)Consultant appointments to be renewed. EAC approval required.			

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		Procurement of new contractor	Q3: Procurement of new contractor. Site establishment	(Q)Procurement of new contractor	(M3)Consultant appointments to be renewed. EAC approval required. (Q)Consultant appointments to be renewed. EAC approval required.			
9.712936.1.015 Cullinan Library Park	Project completion	(M1) (M2) (M3)	(M1)Project completed. Final payment to contractor (M2)Project completed. Final payment to contractor Q3: Project completed. Final payment to contractor	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Community & Social Development Services - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711439.1.015 Solomon Mahlangu Freedom Square Cultural Centre	Project completion	(M1) (M2) (M3)	(M1)Project completed. Final payment to consultants (M2)Project completed. Final payment to consultants Q3: Project completed. Final payment to consultants	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Community & Social Development Services - CAPEX Region 7

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712883.1.015 Upgrading of Zithombeni Sport Stadium	Project completion	(M1) (M2) (M3)	(M1)Project complete. Only consultant fees outstanding. (M2)Project complete. Only consultant fees outstanding. Q3: Project completed. Retention payment to contractor and consultant fees	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

COMMUNITY SAFETY

Community Safety : Emergency Services - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711455.1.015 Renovation & Upgrading Of Facilities	With this project the upgrading and renovation will bring the facilities to a standard that will be low in maintenance cost and better working conditions for all staff	(M1)Installation and commissioning of video wall at Pieter Delpport Centre Horse shoe completed. (M2)Video wall installation completed at Pieter Delpport Centre EOCC (M3)Supply, delivery installation of new aircon at PDS server room. Video wall installed at Pieter Delpport Disaster Centre and Control room. Video wall and control centre upgrade completed at Central Emergency Services Centre. The alterations of the EOCC at Pieter Delpport Centre still in working progress. No payments processed for December 2016.	(M1)27 Jan - Construct new perimeter wall and electric fence at Hazelwood station. Additions to Atteridgeville carports. (M2)Supply and delivery of two medical waste containers for Innesdale and Hazelwood station. (M3)24 Mar - Supply and install heat pumps at various stations. Q3: Payment of contractor for services rendered	(M1)Installation and commissioning of video wall at Pieter Delpport Centre Horse shoe completed. (M2)Video wall installation completed at Pieter Delpport Centre EOCC (M3)Supply, delivery installation of new aircon at PDS server room. Video wall installed at Pieter Delpport Disaster Centre and Control room. Video wall and control centre upgrade completed at Central Emergency Services Centre. (Q)Supply, delivery installation of new aircon at PDS server room. Video wall installed at Pieter Delpport Disaster Centre and Control room. Video wall and control centre upgrade completed at Central Emergency Services Centre.	(M1)None (M2)Medical waste containers not yet delivered. Video wall installation at Central EOCC still in progress and behind schedule due to the relocation of personnel and telephone lines. (M3)None (Q)None	(M1)None (M2)Video wall installation to be completed during March 2017. (M3)None (Q)None	(M1)Installation video walls at EOCC Pieter Delpport Centre and Central Station still in process (M2)None (M3)None (Q)None	(M1)Service providers on site busy with installations (M2)None (M3)None (Q)None

Community Safety : Emergency Services - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712587.1015 Emergency Services Tools and Equipment	Obtain tools and equipment needed for daily operations. To ensure good governance. Financial management to ensure financial viability.	(M1)Fire suit collected from SCM store. 34 TETRA mobile radios delivered. One TETRA signal tester and tripod delivered and invoiced (M2)None (M3)Supply, delivery, installation and commissioning of BA compressor. Purchased 34 TETRA mobile radios, two wet suits and one TETRA signal tester. Delivery of 92 TETRA handheld radios. Delivery of 24 fire suits.	(M1)26 Jan - Supply and delivery of 20 fire suits (M2)24 Feb - Supply and delivery of 20 fire suits (M3)24 Mar - Supply and delivery of 15 fire suits Q3: Delivery and payment of goods received	(M1)Fire suit collected from SCM store. 34 TETRA mobile radios delivered. One TETRA signal tester and tripod delivered and invoiced (M2)None (M3)Supply, delivery, installation and commissioning of BA compressor. Purchased 34 TETRA mobile radios, two wet suits and one TETRA signal tester. Delivery of 92 TETRA handheld radios. Delivery of 24 fire suits. (Q)Supply, delivery, installation and	(M1)Tender ES02-2015/16 for the supply and delivery of uniform and protective clothing served at the EAC on 21 December whereby the committee recommended that the tender be referred back to the BEC for further evaluation. (M2)Tender ES02-2015/16 for the supply and delivery of uniform and protective clothing not yet awarded by the EAC. The tender served at the EAC on 9 February 2017 but was referred back to the BEC as recommended.	(M1)BEC committee was re-appointed to commence re-evaluation process. (M2)BEC to conclude on recommendations made by the EAC. (M3)BEC forwarded recommendations to EAC. (Q)BEC forwarded recommendations to EAC.	(M1)Evaluation of tender ES02-2015/16 still in process. (M2)Tender ES02-2015/16 not yet awarded (M3)Tender ES02-2015/16 not yet awarded Tender still to be awarded by the EAC (Q)Tender ES02-2015/16 not yet awarded Tender still to be awarded by the EAC	(M1)Tender still to be awarded by the EAC (M2)Tender still to be awarded by the EAC (M3)Tender still to be awarded by the EAC (Q)Tender still to be awarded by the EAC

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		Tender ES02-2015/16 for the supply and delivery of uniform and protective clothing served at the EAC on 1 December 2016.		commissioning of BA compressor. Purchased 34 TETRA mobile radios, two wet suits and one TETRA signal tester. Delivery of 92 TETRA handheld radios. Delivery of 24 fire suits.	(M3)None. Note that tender ES02-2015/16 still to be awarded by the EAC. (Q)None. Note that tender ES02-2015/16 still to be awarded by the EAC.			

Community Safety : Metro Police Services - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712500.1.015 Fire Arms	Procurement of an estimated 2000 x 9mm pistols and approximately 700 Shotguns	(M1)Delivery of firearms and invoicing (M2)Reprioritising of budget as instructed by the Chief of Police. (M3)Await the approval of EAC report to utilise SAPS tender for the procurement of Tetra Radios. Submitted board quotation documentation to SCM for advertisement. • Firearms not registered with SAPS	(M1)Project complete for 2016/17 Financial Year (M2)Project complete for 2016/17 Financial Year (M3)No activity planned	(M1)Delivery of firearms and invoicing (M2)Reprioritising of budget as instructed by the Chief of Police. (M3)Await the approval of EAC report to utilise SAPS tender for the procurement of Tetra Radios. Submitted board quotation documentation to SCM for advertisement. (Q)Await the approval of EAC report to utilise SAPS tender for the procurement of Tetra Radios. Submitted board quotation documentation to SCM for advertisement.	(M1)Delay experienced with eProcurement (M2)Delay experienced with eProcurement (M3)The delay by service provider to register on the National Treasury Central Supplier Data base resulted in the under performance in respect to the procurement of the Shotguns. (Q)The delay by service provider to register on the National Treasury Central Supplier Data base resulted in the under performance in respect to the procurement of the Shotguns.	(M1)No capital movables allocation was made to TMPD for 2016/17 financial year. Funding can be used to procure all/any policing equipment in line with the department's Ward Based Deployment Strategy (M2)No capital movables allocation was made to TMPD for 2016/17 financial year. Funding can be used to procure all/any policing equipment in line with the department's Ward Based Deployment Strategy (M3)No capital movables allocation was made to TMPD for 2016/17 financial year. Funding can be used to procure all/any policing equipment in line with the department's Ward Based Deployment Strategy (Q)No capital movables allocation was made to TMPD for 2016/17 financial year. Funding can be used to procure all/any policing equipment in line with the department's Ward Based Deployment Strategy		

ECONOMIC DEVELOPMENT AND SPATIAL PLANNING

Economic Development & Spatial Planning - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712985.1.015 Brick Making Facility	Technical training for beneficiaries - concrete mixing and brick	(M1)January 2017: Estimated costing on the two design options concluded by the internal Architects. (M2)February 2017: The MMC approved a letter seeking permission to declare the budget allocated to the brick making facility as a saving and a report to the Revenue, Expenditure and Performance Committee (REPCO) to that effect was also prepared. (M3)March 2017: The MMC approved a letter seeking permission to declare the budget allocated to the brick making facility as a saving and a report to REPCO to that effect was also prepared. However, it should be noted that this saving was not approved during the 2016/17 adjusted Service Delivery and Budget Implementation Plan (SDBIP) and adjustments budget. December 2016: Draft architectural designs completed.	(M1)Submission of designs for approval Initiate process to appoint a Contractor for construction (M2)Facilitate the process to appoint a Contractor Q3: Submission of designs for approval. Appoint a Contractor for construction	(M1)January 2017: Estimated costing on the two design options concluded by the internal Architects. (M2)February 2017: The MMC approved a letter seeking permission to declare the budget allocated to the brick making facility as a saving and a report to the Revenue, Expenditure and Performance Committee (REPCO) to that effect was also prepared. (M3)March 2017: The MMC approved a letter seeking permission to declare the budget allocated to the brick making facility as a saving and a report to REPCO to that effect was also prepared. However, it should be noted that this saving was not approved during the 2016/17 adjusted Service Delivery and Budget Implementation Plan (SDBIP) and adjustments budget. (Q)March 2017: The MMC approved a letter seeking permission to declare the budget allocated to the brick making facility as a saving and a report to REPCO to that effect was also prepared. However, it should be noted that this saving was not approved during the 2016/17 adjusted Service Delivery and Budget Implementation Plan	(M1)None (M2)None (M3)None (Q)None	(M1)Supply Chain Management procurement delays. (M2)None (M3)None (Q)None	(M1)Utilisation of panels, as opposed to normal processes. (M2)None (M3)None (Q)None	

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
				(SDBIP) and adjustments budget.				

Economic Development & Spatial Planning - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712974.1.015 Tshwane Packaging Facility	The objectives of the project is to: (i) raise the productivity and quality of products; (ii) enhance the value added of the targeted products through processing and packaging; and (iii) improve producers' access to more lucrative markets.	(M1)January 2017: The construction site was closed from 5 December 2016 to 16 January 2017. The Contractor has commenced with construction and the following has been completed to date: site clearing and soil filling. Foundation work is almost complete. (M2)February 2017: % progress to date: Foundations:- Setting out: 100%; - Strip footings: 100%; and - Backfill and compaction: 100%.External envelope: - Foundation brickwork: 100%; and - Erection of steel structures: 10%. (M3)March 2017: % progress to date: 1. Ground floor - Concrete and formwork: 100%. 2. External envelope: - Foundation brickwork top: 85%. 3. Structural frame: 90%. 4. Roof: 80%. 5. Ceiling: 80%. December 2016: % progress to date: Foundations: - Setting out: 5%; - Strip footings: 55%; and - Backfill and compaction: 40%. External envelope: - Foundation brickwork: 10%.	(M1) Bricklaying Plumbing Erection of steel structure (M2) Roof installation Internal divisions Wall finishes, ceiling and floors (M3) Bulk services infrastructure – drainage, roads, parking Electrical installation Plumbing installation Fire and security services installation Q3: Construction of the facility	(M1)January 2017: The construction site was closed from 5 December 2016 to 16 January 2017. The Contractor has commenced with construction and the following has been completed to date: site clearing and soil filling. Foundation work is almost complete. (M2)February 2017: % progress to date: Foundations:- Setting out: 100%; - Strip footings: 100%; and - Backfill and compaction: 100%.External envelope: - Foundation brickwork: 100%; and - Erection of steel structures: 10%. (M3)March 2017: % progress to date: 1. Ground floor - Concrete and formwork: 100%. 2. External envelope: - Foundation brickwork top: 85%. 3. Structural frame: 90%. 4. Roof: 80%. 5. Ceiling: 80%. (Q)March 2017: % progress to date: 1. Ground floor - Concrete and formwork: 100%. 2. External envelope: - Foundation brickwork top: 85%. 3. Structural frame: 90%. 4. Roof: 80%. 5. Ceiling: 80%.	(M1)None (M2)None (M3)None (Q)None	(M1)None (M2)The progress has been very slow, due to continuous heavy rainfall on site and disruptions and clashes between the main Contractor and the appointed sub Contractors. (M3)None (Q)None	(M1)None (M2)A project meeting with the main Contractor and Project Manager was scheduled for 24 February 2017. (M3)None (Q)None	
9.712977.1015 Business Process Outsourcing (BPO) Park Construction	Bulk Services Installations (continued) Roads, parking Landscaping	(M1)January 2017: Progress on construction as at 18 January 2017 was recorded as follows: Building 1: Excavation	(M1)Bricklaying Plumbing Erection of steel structure	(M1)January 2017: Progress on construction as at 18 January 2017 was recorded as follows: Building 1: Excavation	(M1)None (M2)None (M3)None (Q)None	(M1)The concern still remains the finalisation of legal and regulatory issues, including the approval of plans. The Traffic Impact Assessment	(M1)Fast tracking the approval of building plans. (M2)The Group Property Department	

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
	Finishes Facades Building Trades and finishes; Facades	100%, Bases/Foundations 90%, Vertical Elements 30%, Backfill Foundations 25%. Building 2: Excavations 100%, Bases/Foundations 100%, Vertical Elements 50%, Brick Work 10%, Backfill Foundations 50%. Sewer: Excavations 50%, Pipe Laying 40%, Backfill 30%. Storm Water: Excavations 30%, Pipe laying 25%, Backfill 25%. The appointment of the electrical sub Contractor was finalised, however, this grossly affected the project. The concern still remains the finalisation of legal and regulatory issues, including the approval of plans. The Traffic Impact Assessment Management Division has requested a revised site development plan. (M2)February 2017: Progress on site as at 21 February 2017: Building 1:Foundations – 95%, Vertical Elements Ground 1st Floor – 40%, Brickwork – 5%. Building 2: Foundations – 100%, Vertical Elements Ground 1st Floor – 80%, Brickwork – 30%, Stormwater – 15%, Sewer – 15%. (M3)March 2017: Progress on construction as at 22 March 2017: Building 1: Excavations: 100%; Bases/foundations: 95%; Vertical elements: 45%; Backfill foundations: 45%; and Brickwork: 15%. Building 2: Excavations: 100%;	(M2)Roof installation Internal divisions Wall finishes, ceiling and floors (M3)Bulk services infrastructure – drainage, roads, parking Electrical installation Plumbing installation Fire and security services installation Q3: Construction of the facility	100%, Bases/Foundations 90%, Vertical Elements 30%, Backfill Foundations 25%. Building 2: Excavations 100%, Bases/Foundations 100%, Vertical Elements 50%, Brick Work 10%, Backfill Foundations 50%. Sewer: Excavations 50%, Pipe Laying 40%, Backfill 30%. Storm Water: Excavations 30%, Pipe laying 25%, Backfill 25%. The appointment of the electrical sub Contractor was finalised, however, this grossly affected the project. The concern still remains the finalisation of legal and regulatory issues, including the approval of plans. The Traffic Impact Assessment Management Division has requested a revised site development plan. (M2)February 2017: Progress on site as at 21 February 2017: Building 1:Foundations – 95%, Vertical Elements Ground 1st Floor – 40%, Brickwork – 5%. Building 2: Foundations – 100%, Vertical Elements Ground 1st Floor – 80%, Brickwork – 30%, Stormwater – 15%, Sewer – 15%. (M3)March 2017: Progress on construction as at 22 March 2017: Building 1: Excavations: 100%; Bases/foundations: 95%; Vertical elements: 45%; Backfill foundations: 45%; and Brickwork: 15%. Building 2: Excavations: 100%; Bases/foundations: 100%; Vertical elements: 73%; Horizontal elements: 30%; Brickwork: 15%; and Backfill foundations: 60%.		Management Division has requested a revised site development plan. (M2)Delays in finalising legal and regulatory issues - township establishment application. Approval of plans, delays and interference with the appointment of sub Contractors, delays due to labour unrests, outstanding database of labourers and SMMEs. (M3)Delays in finalising legal and regulatory issues - township establishment application. Approval of site development plans, delays and interference with the appointment of sub Contractors, delays due to labour unrests. (Q)Delays in finalising legal and regulatory issues - township establishment application. Approval of site development plans, delays and interference with the appointment of sub Contractors, delays due to labour unrests.	was requested to assist in finalising their revised comments on the servitude swap report on the C9 system. The Contractor was requested to continue with the appointment of sub Contractors and not await finalisation of the database; the Contractor to submit a recovery plan to the project management team. (M3)The Group Property Department was requested to assist in finalising their revised comments on the servitude swap report on the C9 system. The Contractor was requested to continue with the appointment of sub Contractors and not await the finalisation of the database; the Contractor to submit a recovery plan to the project management team. (Q)The Group Property Department was requested to assist in finalising their revised comments on the servitude swap report on the C9 system. The Contractor was requested to continue with the appointment of sub Contractors and not await the finalisation of the database; the Contractor to submit a	

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified		Risk Mitigation
		Bases/foundations: 100%; Vertical elements: 73%; Horizontal elements: 30%; Brickwork: 15%; and Backfill foundations: 60%. Stormwater: Excavations: 40%; Pipe laying: 35%; and Backfill: 35%. Sewer: Excavations: 60%; Pipe laying: 45%; and Backfill: 40%. The Group Property Department was further requested to submit outstanding comments on the servitude swap report, that is at this point delaying the finalisation of the site development plans. December 2016: Progress on construction as at 30 November 2016 was recorded as follows: Building 1: • Excavations - 100% • Blinding - 100% • Foundations - 75% • Vertical Ground 1st Lift - 5% Building 2: • Excavations - 100% • Blinding - 100% • Foundations - 95% • Vertical elements ground first lift - 75% • Brick work - 5% • Sewer pipe excavated & laid - 5% • Storm water pipe excavated - 3%		Stormwater: Excavations: 40%; Pipe laying: 35%; and Backfill: 35%. Sewer: Excavations: 60%; Pipe laying: 45%; and Backfill: 40%. The Group Property Department was further requested to submit outstanding comments on the servitude swap report, that is at this point delaying the finalisation of the site development plans. (Q)March 2017: Progress on construction as at 22 March 2017: Building 1: Excavations: 100%; Bases/foundations: 95%; Vertical elements: 45%; Backfill foundations: 45%; and Brickwork: 15%. Building 2: Excavations: 100%; Bases/foundations: 100%; Vertical elements: 73%; Horizontal elements: 30%; Brickwork: 15%; and Backfill foundations: 60%. Stormwater: Excavations: 40%; Pipe laying: 35%; and Backfill: 35%. Sewer: Excavations: 60%; Pipe laying: 45%; and Backfill: 40%. The Group Property Department was further requested to submit outstanding comments on the servitude swap report, that is at this point delaying the finalisation of the site development plans.			recovery plan to the project management team.		

Economic Development & Spatial Planning - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified		Risk Mitigation
9.712988.1015 Informal Trade Market(Inner City)	Construction at Marabastad centre (complete first upper floor construction)	(M1)January 2017: The request to appoint a service provider has been sent to Supply Chain Management; awaiting the approval thereof.	(M1)None (M2)Starting with: Water and power connection, Contractor on site, ablution facilities; civil engineering services	(M1)January 2017: The request to appoint a service provider has been sent to Supply Chain Management; awaiting the approval thereof.	(M1)None (M2)None (M3)None (Q)None	(M1)Waiting for confirmation from Supply Chain Management. (M2)Delay in approval of plans. (M3)Delayed appointment of Contractor.	(M1)None. (M2)Fast track approval. (M3)Request Supply Chain Management to fast track the appointment process.		

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M2)February 2017: Bill of Quantity (BoQ) received from the Contractor; BoQ received from Engineers; specifications submitted to Supply Chain Management; drawings still under approval. (M3)March 2017: Architectural drawings approved by Spatial Planning; Bill of Quantities revised. December 2016: Bill of Quantities submitted; drawings sent for approval.	installation; earthwork preparation; installation of augured pipes, drainage pipes, water pipes, interlocking pipes, storm water grid, asphalt surfacing, kerbing installation Q3: Continuation of: Water and power connection, Contractor on site, ablution facilities; civil engineering services installation; earthwork preparation; installation of augured pipes, drainage pipes, water pipes, interlocking pipes, storm water grid, asphalt surfacing, kerbing installation	(M2)February 2017: Bill of Quantity (BoQ) received from the Contractor; BoQ received from Engineers; specifications submitted to Supply Chain Management; drawings still under approval. (M3)March 2017: Architectural drawings approved by Spatial Planning; Bill of Quantities revised. (Q)March 2017: Architectural drawings approved by Spatial Planning; Bill of Quantities revised.		(Q)Delayed appointment of Contractor.	(Q)Request Supply Chain Management to fast track the appointment process.	
9.713023.1.021 Inner City Regeneration		(M1) (M2) (M3)	(M1)None (M2)None Q3: New project. Detail plans to be developed	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Environment & Agriculture Management - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712092.1.015 240 Litre Containers	Procure and distribute 30 000 bins	(M1) (M2) (M3)	(M1)Procure 5 000 bins (M2)Distribute bins in Region 5 (M3)Distribute remaining bins as the need arises Q3: Procure and distribute 5 000 bins, Prioritising Region 5 and then other Regions as the need arises	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	
9.712964.1.015 Refurbishment of landfill sites		(M1) (M2) (M3)	(M1)None (M2)None (M3)Q3: None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

ENVIRONMENT AND AGRICULTURE MANAGEMENT

Environment & Agriculture Management - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712808 .1.015 Development of Klip-Kruisfontein Cemetery	Complete construction of internal roads, sign off, payment.	(M1) (M2) (M3)	(M1)Project completed (M2)Project completed Q3: Project completed	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	
9.712983.1.015 Extension of Ga-Rankuwa Cemetery	Construction of disabled ablution facilities and guard house	(M1) (M2) (M3)	(M1)Continue with construction of ablution facilities and guard house - paintworks (M2)Continue with construction of ablution facilities and guard house -fixing snags (M3)Project completed Q3: Continue with construction of disabled ablution facilities and guard house: Jan: paint works Feb: fixing snags March 2017: project completed	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Environment & Agriculture Management - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712809.1.015 Development of Tshwane North cemetery		(M1) (M2) (M3)	(M1)Start with landscaping of cemetery (M2)Finish landscaping. Start with procurement process of electrical connections and radio link Q3: None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Environment & Agriculture Management - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710276.1.015 Upgrading and Extension of Market Facilities	Complete BAC cold room and installer chiller and compressor	(M1) (M2) (M3)	(M1)Commissioning of the new chiller and screw compressor (M2)Obtain quotations for light covers in halls. Proceed with plastering walls of Hall A	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			(M3)Install light covers in Hall A Q3: Commissioned chiller and compressor and completed light covers.					
9.711562.1.015 Atmospheric Pollution Monitoring Network	Procure air quality monitoring analysers	(M1) (M2) (M3)	(M1)Procurement process (M2)Delivery and installation of met sensors at Hammanskraal (M3)Delivery and installation of NOX and CO for Ekandustria Q3: NOx, CO, at Ekandustria and met sensors, Hammanskraal.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	
9.712498.1.015 Upgrade infrastructure Nature Reserves	Security upgrades Klapperkop Nature Reserve	(M1) (M2) (M3)	(M1)None (M2)Planning for security upgrades (M3)Q3: Start with fencing	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	
9.712868.1.015 Upgrading Of the market trading system	Complete and implement sales system	(M1) (M2) (M3)	(M1)02 Jan - Factory acceptance testing and prepare for user group testing and user acceptance testing. (M2)Finalize the acceptance testing and continue with the user acceptance testing. Receive and install new terminals for the client service centers. (M3)Complete user acceptance testing. Complete the reporting testing and commence with training. Receive the hardware of a new server and two network switches. Q3: Complete user acceptance testing and new server and network switches.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation

GROUP FINANCIAL SERVICES

Group Financial Services - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712444.1.001 Building and Equipment	Modification of Council chambers in Sammy marks into a customer care center	(M1) (M2) (M3)	(M1)Project completed (M2)Project completed Q3: Project completed	(M1) (M2) (M3) (Q)	(M1)Delay in project management rolemapping (M2) (M3) (Q)	(M1)Delay in project management rolemapping (M2) (M3) (Q)	(M1)Assign a project manager from Budget Office to the project (M2) (M3) (Q)	
9.712444.1.015 Buildings & Equipment (security at the stores)	Replacement of doors and installation of burglar bars	(M1)Three sites have been completed, One site has been completed and two sites have purchased orders committed (M2)Three sites have been completed, One site has been completed and two sites have purchased orders committed (M3)	(M1)02 Jan - Install window frames sliding doors and burglar doors (M2)none Q3: Installation of burglar door in all the stores within supply chain	(M1)Three sites have been completed, One site has been completed and two sites have purchased orders committed (M2)Three sites have been completed, One site has been completed and two sites have purchased orders committed (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)n/a (M2)n/a (M3) (Q)	
9.712978.1.015 Automation of Supply Chain	Elimination of SCM risks	(M1)in progress still to be effected (M2)in progress still to be effected (M3)	(M1)02 Jan - Customisation of software according to process Integration development support desk vendor portal technical acceptance testing completed. Training User Acceptance Technical Acceptance Testing Training User Acceptance Deployment of production system (M2)Support and maintenance until the remainder of the financial year Q3: Maintenance and Support	(M1)in progress still to be effected (M2)in progress still to be effected (M3) (Q)	(M1)n/a (M2)n/a (M3) (Q)	(M1)none (M2)none (M3) (Q)	(M1)n/a (M2)n/a (M3) (Q)	
9.712989.1.007 Corporate Capital Movables	Procurement of movable assets	(M1)procurring of furniture for finance department	(M1)Training User Acceptance Deployment of production system	(M1)procurring of furniture for finance department	(M1)n/a (M2)n/a (M3) (Q)	(M1)n/a (M2)n/a (M3) (Q)	(M1)n/a (M2)n/a (M3) (Q)	

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M2)procurring of furniture for finance department (M3)	(M2)Procuring of 25% of furniture identified (M3)None Q3: Procurement of furniture	(M2)procurring of furniture for finance department (M3) (Q)				

Group Financial Services - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712961.1.015 BPC and SCOA	Configuration of software according to SCOA requirements	(M1)Blueprint phase I is completed and phase II is not in existence as per the urgent executive management meeting resolution taken. Configuration of the system (M2)Blueprint phase I is completed and phase II is not in existence as per the urgent executive management meeting resolution taken. Configuration of the system and phase II is not in existence as per executive meeting resolution; Configuration of the system (M3) Blueprint phase I is completed and phase II is continuing	(M1)Configuration (M2)Configuration (M3)SLO Q3: Configuration	(M1)Blueprint phase I is completed and phase II is not in existence as per the urgent executive management meeting resolution taken. Configuration of the system (M2)Blueprint phase I is completed and phase II is not in existence as per the urgent executive management meeting resolution taken. Configuration of the system and phase II is not in existence as per executive meeting resolution; Configuration of the system (M3) (Q)	(M1) (M2) (M3) (Q)			

GROUP PROPERTY MANAGEMENT

Group Property Management - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712743.1.015 Replacement/Modernization of all the lifts within various Council buildings	Complete existing installation and technical specs for outstanding lift installation	(M1) (M2) (M3)	(M1) New parts delivered (M2) New parts delivered (M3) New parts delivered	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712960.1.015 City Hall Renovations	ICT installation. Security Installation. Office Building Work.	(M1) (M2) (M3)	(M1)ICT installation. Security Installation. Office Building Work. (M2)ICT installation.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			Security Installation. Office Building Work. Q3: ICT installation. Security Installation. Office Building Work.					

HEALTH

Health - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Mitigation plan	Risks Identified	Risk Mitigation	
9.710075.1.015 New clinic in Doornpoort		(M1) (M2) (M3)	(M1)None (M2)None Q3: Start with IT optic fibre Connectivity to Doornpoort Clinic	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Health - CAPEX Region 5

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712684.1.015 Refurbishment of Rayton Clinic	Construction: Earthworks completed. Start with masonry	(M1)Tender advertised and the extended closing date was on the 20th January 2017, awaiting Bid Executive Committee meeting (M2)Evaluation Committee members have been nominated, awaiting Bid Executive Committee meeting (M3) Tender advertised and the extended closing date is on the 20th January 2017	(M1)Procurement: start with Bid Evaluation Process (M2)Procurement: Adjudication and Finalise Supply Chain Management Processes (M3)Appointment of Contractor Q3: Submission of Administration documentation by contractor	(M1)Tender advertised and the extended closing date was on the 20th January 2017, awaiting Bid Executive Committee meeting (M2)Evaluation Committee members have been nominated, awaiting Bid Executive Committee meeting (M3) (Q)	(M1)Approved contractor panels' have expired, public tender processes alternatively considered despite lengthy turnaround time (M2)With budget adjustment, milestones have changed and therefore project is on target (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)None (M2)None (M3) (Q)	

Health - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712278.1.015 Upgrading Of Clinic Dispensaries	Construction of clinic dispensaries completed. Site handed back. Assets delivered.	(M1)Public tender in the progress of cancellation and Panel processes has been adopted (M2)Tender closed on the 14th February 2017, awaiting appointment of contractor (M3)	(M1)Procurement: start with Bid Specification and Tender Advert (M2)Procurement: start with Bid Evaluation Process (M3)Procurement: start with Bid Evaluation Process	(M1)Public tender in the progress of cancellation and Panel processes has been adopted (M2)Tender closed on the 14th February 2017, awaiting appointment of contractor (M3)	(M1)Approved contractor panels' have expired, public tender processes alternatively considered despite lengthy turnaround time. (M2)With budget adjustment, milestones have	(M1)Handling of the tender to be closely monitored and managed (M2)With budget adjustment, milestones have changed and therefore project is on target (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)None (M2)None (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		Committee members have been nominated, awaiting Bid Specification Committee	Q3: Procurement: Adjudication and Finalise Supply Chain Management Processes	(Q)	changed and therefore project is on target (M3) (Q)			

Health - CAPEX Region 7

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712683.1.015 Upgrade and extension of Zithobeni Clinic		(M1) (M2) (M3)	(M1)None (M2)None (M3)Practical Completion Q3 : Clinic Handover	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

HOUSING AND HUMAN SETTLEMENT

Housing & Human Settlement - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710863.2.005 Water - Rama City	Installation of water services (300 stands)	(M1)The site has been handed over on the 10th January 2017. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)Site establishment, setting out and excavation. % achieved for February 2017: 2%. Overall % achieved: 2%. (M3)Excavation, bedding and blanket. % achieved for March 2017: 6%. Overall % achieved: 8%. None. % achieved for December 2016: 0%. Overall % achieved: 0%.	(M1)Site establishment, clearing of site. (M2)Excavation and Bedding Q3: Laying of pipes	(M1)The site has been handed over on the 10th January 2017. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)Site establishment, setting out and excavation. % achieved for February 2017: 2%. Overall % achieved: 2%. (M3)Excavation, bedding and blanket. % achieved for March 2017: 6%. Overall % achieved: 8%. (Q)Excavation, bedding and blanket. % achieved for March 2017: 6%. Overall % achieved: 8%.	(M1)The contractor had to submit guarantee and safety file before commencing with construction work. (M2)None (M3)None (Q)None	(M1)The contractor has committed to submit the guarantee and safety file on the 03 February 2017. (M2)None (M3)None (Q)None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710863.2.005.D Water - Kopanong Phase 2	Construction of water (315 stands)	(M1)Excavation, blasting, bedding, pipe lying and backfilling. % achieved for Jnaury 2017: 3%. Overall % achieved: 82%. (M2)Excavation, blasting, bedding, pipe laying and backfilling. % achieved for February 2017: 4.7%. Overall % achieved: 86.7%.	(M1)The contractor is at 75% completen and he will be completing the project by end of April 2017 (M2)Connection of 100 stands with water and sewer. Q3: Connection of 100 stands with water and sewer.	(M1)Excavation, blasting, bedding, pipe lying and backfilling. % achieved for Jnaury 2017: 3%. Overall % achieved: 82%. (M2)Excavation, blasting, bedding, pipe laying and backfilling. % achieved for February 2017: 4.7%. Overall % achieved: 86.7%. (M3)	(M1)Hard rock that requires blasting. (M2)Hard rock that requires blasting. (M3) (Q)	(M1)The contractor has increased his blasting team on site. (M2)The contractor has increased his blasting team on site (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M3) Excavation, blasting, pipe laying and preparation of trenches. % achieved for December 2016: 2%. Overall % achieved: 70%.		(Q)				
9.710863.2.005.L Water - Chantel X39	completion of water network	(M1)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded.The construction of the units is planned for 2017/18 financial year therefore the tender for the appointment of contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017, the award is expected towards the end of February or early March 2017. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded. (M3)The construction of the units is planned for the 2017/18 financial year; therefore a tender for the appointment of the contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017. None. % achieved for December 2016: 0%. Overall % achieved: 0%.	(M1)Continuation of excavation, trenching and laying of pipes (M2)Continuation of excavation, trenching and laying of pipes Q3: Continuation of excavation, trenching and laying of pipes	(M1)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded.The construction of the units is planned for 2017/18 financial year therefore the tender for the appointment of contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017, the award is expected towards the end of February or early March 2017. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded. (M3)The construction of the units is planned for the 2017/18 financial year; therefore a tender for the appointment of the contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017. (Q)The construction of the units is planned for the 2017/18 financial year; therefore a tender for the appointment of the contractor to install the bulk services / internal services reticulation was	(M1)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA. (M2)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA. (M3)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA. (Q)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA.	(M1)Meeting with departments to try and expedite the approval process. (M2)Meeting with departments to try and expedite the approval process. (M3)The MMC for Housing & Human Settlements has been requested to take the matter up with the MMC of the Legal Department. (Q)The MMC for Housing & Human Settlements has been requested to take the matter up with the MMC of the Legal Department.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
				advertised and it closed on 20th January 2017.				
9.710863.2.005.L Water - Winterveldt	completion of water network	(M1) (M2) (M3)	(M1)Laying of pipes (M2)Laying of pipes (M3)Q3: Laying of pipes	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005 C Water - Mabopane Ext 1	Construction of water reticulation (646 stands)	(M1)Backfilling and closing off deep trenches . % achieved for January 2017: 1%. Overall % achieved: 44%. (M2)Backfilling and closing off deep trenches . % achieved for February 2017: 1%. Overall % achieved: 44%. (M3) None. % achieved for December 2016: 0%. Overall % achieved: 42%.	(M1)The budget allocated for water & sewer reticulation has been exhausted which will affect completion of the project. (M2)The budget allocated for water & sewer reticulation has been exhausted which will affect completion of the project. (M3)Q3: The budget allocated for water & sewer reticulation has been exhausted which will affect completion of the project.	(M1)Backfilling and closing off deep trenches . % achieved for January 2017: 1%. Overall % achieved: 44%. (M2)Backfilling and closing off deep trenches . % achieved for February 2017: 1%. Overall % achieved: 44%. (M3) (Q)	(M1)There are delays, due to the budget allocation for the project, which has caused the contractor to reduce resources on the project and scaled down on the works on site. (M2)There are delays, due to the budget allocation for the project, which has caused the contractor to reduce resources on the project and scaled down on the works on site. (M3) (Q)	(M1)Awaiting adjustment budget process to obtain additional funding. (M2)Project will be stopped as there are no funds available to process invoices. (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005 Sewer - Rama City	Completion of laying of pipes in Rama City	(M1)Contractor suspended work on site due to delay payment by the City. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)Site establishment, setting out and excavation. % achieved for February 2017: 2%. Overall % achieved: 2%. (M3)Excavation, bedding and blanket. % achieved for March 2017: 6%. Overall % achieved : 8%. None. % achieved for December 2016: 0%. Overall % achieved: 0%.	(M1)Laying of pipes (M2)Laying of pipes (M3) Laying of pipe Q3: Laying of pipes	(M1)Contractor suspended work on site due to delay payment by the City. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)Site establishment, setting out and excavation. % achieved for February 2017: 2%. Overall % achieved: 2%. (M3)Excavation, bedding and blanket. % achieved for March 2017: 6%. Overall % achieved : 8%. (Q)Excavation, bedding and blanket. % achieved for March 2017: 6%. Overall % achieved : 8%.	(M1)The contractor had to submit guarantee and safety file before commencing with construction work. (M2)None (M3)None (Q)None	(M1)The contractor has committed to submit the guarantee and safety file on the 03 February 2017. (M2)None (M3)None (Q)None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005 Sewer - Winterveldt	Upgrading of sewer network	(M1) (M2) (M3)	(M1)None (M2)None (M3) Excavation, trenching and laying of pipes	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710864.2.005 Sewer Development of Chantel X39	Completion, inspection, practical completion and handover	(M1)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded. The construction of the units is planned for 2017/18 financial year therefore the tender for the appointment of contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017, the award is expected towards the end of February or early March 2017. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded. (M3)The construction of the units is planned for the 2017/18 financial year; therefore a tender for the appointment of the contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017. None. % achieved for December 2016: 0%. Overall % achieved: 0%.	(M1)Continuation of excavation, trenching and laying of pipes (M2)Continuation of excavation, trenching and laying of pipes Q3: Continuation of excavation, trenching and laying of pipes	(M1)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded. The construction of the units is planned for 2017/18 financial year therefore the tender for the appointment of contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017, the award is expected towards the end of February or early March 2017. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)The process of finalizing the Township Establishment process is underway. The rezoning will be done once the proclamation process is concluded. (M3)The construction of the units is planned for the 2017/18 financial year; therefore a tender for the appointment of the contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017. (Q)The construction of the units is planned for the 2017/18 financial year; therefore a tender for the appointment of the contractor to install the bulk services / internal services reticulation was advertised and it closed on 20th January 2017.	(M1)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA. (M2)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA. (M3)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA. (Q)The POA is still outstanding as it is required that SLA's with stakeholder departments need to be concluded first before the signing of the POA.	(M1)Meetings with these departments have been conducted to try and expedite the approval process. (M2)Meetings with these departments have been conducted to try and expedite the approval process. (M3)The MMC for Housing & Human Settlements has been requested to take the matter up with the MMC of the Legal Department. (Q)The MMC for Housing & Human Settlements has been requested to take the matter up with the MMC of the Legal Department.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005.C Sewer - Mabopane Ext1	Completion of sewer reticulation	(M1)Backfilling and closing off deep trenches . % achieved for January	(M1)Laying of pipes (M2)Laying of pipes Q3: Laying of pipes	(M1)Backfilling and closing off deep trenches . % achieved for January 2017:	(M1)There are delays, due to the budget allocation for the project, which has	(M1)Awaiting adjustment budget process to obtain additional funding.	(M1) (M2) (M3)	(M1) (M2) (M3)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		2017: 0%. Overall % achieved: 44%. (M2)Backfilling and closing off deep trenches. % achieved for February 2017: 1%. Overall % achieved: 44%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 44%. Excavations, bedding, pipe laying, back filling and manhole. % achieved for December 2016: 0%. Overall % achieved: 42%.		0%. Overall % achieved: 44%. (M2)Backfilling and closing off deep trenches. % achieved for February 2017: 1%. Overall % achieved: 44%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 44%. (Q)None. % achieved for March 2017: 0%. Overall % achieved: 44%.	caused the contractor to reduce resources on the project and scaled down on the works on site. (M2)There are delays, due to the budget allocation for the project, which has caused the contractor to reduce resources on the project and scaled down on the works on site. (M3)The allocated budget for 2016/17 fy has been exhausted. (Q)The allocated budget for 2016/17 fy has been exhausted.	(M2)Project will be stopped as there are no funds available to process invoices. (M3)The contractor will reduce the pace of site to ensure that are community unrests. Project has been budgeted for in the 2017/18fy. (Q)The contractor will reduce the pace of site to ensure that are community unrests. Project has been budgeted for in the 2017/18fy.	(Q)	(Q)
9.710864.2.005.D Sewer - Kopanong Ext 1	Completion of sewer reticulation	(M1)Excavation, blasting, bedding, pipe lying and backfilling. % achieved for Jnaury 2017: 3%. Overall % achieved: 82%. (M2)Excavation, blasting, bedding, pipe laying and backfilling. % achieved for February 2017: 4.7%. Overall % achieved: 86.7%. (M3)Construction of sewer house connections. % achieved for March 2017: 2%. Overall % achieved: 88%. Excavation, blasting, pipe laying and preparation of trenches. % achieved for December 2016: 2%. Overall % achieved: 70%.	(M1)Laying of pipes (M2)Laying of pipes Q3: Laying of pipes	(M1)Excavation, blasting, bedding, pipe lying and backfilling. % achieved for Jnaury 2017: 3%. Overall % achieved: 82%. (M2)Excavation, blasting, bedding, pipe laying and backfilling. % achieved for February 2017: 4.7%. Overall % achieved: 86.7%. (M3)Construction of sewer house connections. % achieved for March 2017: 2%. Overall % achieved: 88%. (Q)Construction of sewer house connections. % achieved for March 2017: 2%. Overall % achieved: 88%.	(M1)Hard rock that requires blasting. (M2)Hard rock that requires blasting. (M3)None (Q)None	(M1)The contractor has increased his blasting team on site. (M2)The contractor has increased his blasting team on site (M3)None (Q)None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710865.2.005 Contrsuction of Roads - Winterveldt	Construction of 2.19km of roads	(M1)Engineering designs approved. Site establishment completed. Full construction commenced 21 November 2016. % achieved for January 2017: 5%. Overall % achieved: 25%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 25%. (M3)	(M1)Construct of road bed, subbase, kerbing, cover slab for storm water drainage (M2)Construct of road bed, subbase, kerbing, cover slab for storm water drainage (M3) Construction of prime Q3: Construct of road bed, subbase, kerbing,	(M1)Engineering designs approved. Site establishment completed. Full construction commenced 21 November 2016. % achieved for January 2017: 5%. Overall % achieved: 25%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 25%. (M3) (Q)	(M1)Obstruction in the way of construction and the moving/relocation. (M2)Disruption by ward councillor and community with the appointment of local sub-contractors (M3) (Q)	(M1)Intensive communication and consultation with residents and local community structures. (M2)Intensive communication and consultation with residents and local community structure (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		None. % achieved for December 2016: 0%. Overall % achieved: 0%.	cover slab for storm water drainage					
9.710865.2.005.B Construction of Roads - Thorntreeview	Construction 1.9Km roads, 40m bridge crossing (roadlink)	(M1)Project completed. Contractor is currently snagging. % achieved for January 2017: 0%. Overall % achieved: 99%. (M2)Bridge foundation, bridge piers, head walls, parapet walls and parapet walls and bridge armco arches. % achieved for February 2017: 0%. Overall % achieved: 99.9%. (M3) Soshanguve A: Roadbed completed, storm water trenches, pipes laid, manholes constructed. % achieved for November 2016: 0%. Overall % achieved: 99%. Soshanguve South Ext 6: Bridge foundation, bridge piers, head walls, parapetwalls. % achieved for December 2016: 0%. Overall % achieved 73%.	(M1)Construct of road bed, subbase, kerbing, cover slab for storm water drainage (M2)Construct of road bed, subbase, kerbing, cover slab for storm water drainage (M3) Construction of asphalt and inspections Q3: Construct of road bed, subbase, kerbing, cover slab for storm water drainage	(M1)Project completed. Contractor is currently snagging. % achieved for January 2017: 0%. Overall % achieved: 99%. (M2)Bridge foundation, bridge piers, head walls, parapet walls and parapet walls and bridge armco arches. % achieved for February 2017: 0%. Overall % achieved: 99.9%. (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710865.2.005.I Construction of Roads - Soshanguve X5	Construction of phase 1: 3,825 km of roads and stormwater systems.	(M1)Base (G1), priming, kerbing and surfacing. % achieved for January 2017: 1%. Overall % achieved: 85%. (M2)Base (G1), priming, kerbing and surfacing. % achieved for February 2017: 1%. Overall % achieved: 86% (M3) Base (G1), priming, kerbing, surfacing and securing site for contractors December break. % achieved for December 2016: 2%. Overall % achieved: 84%.	(M1)Budget allocated has been exhausted, outstanding invoices to be paid amount to R10 024 635.40. (M2)Budget allocated has been exhausted, outstanding invoices to be paid amount to R10 024 635.40. Q3: Budget allocated has been exhausted, outstanding invoices to be paid amount to R10 024 635.40.	(M1)Base (G1), priming, kerbing and surfacing. % achieved for January 2017: 1%. Overall % achieved: 85%. (M2)Base (G1), priming, kerbing and surfacing. % achieved for February 2017: 1%. Overall % achieved: 86% (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710865.2.005.J Construction of Roads - Soshanguve X12	Completion of construction of Roads in Soshanguve X12	(M1)Construction of kerbs and stormwater pipes. % achieved for January 2017: 4%. Overall % achieved: 69%. (M2)Construction of stormwater pipes. % achieved for February 2017: 1%. Overall % achieved: 69.5% (M3)None. % achieved for March 2017: 0%. Overall % achieved: 69.5% Sub-base stabilisation, kerbing. % achieved for December 2016: 1%. Overall % achieved: 63%.	(M1)Construction of prime (M2)Construct of asphalt and inspections (M3) Completion, inspection and practical completion and hand over (2.7km constructed) Q3: Construct of asphalt and inspections	(M1)Construction of kerbs and stormwater pipes. % achieved for January 2017: 4%. Overall % achieved: 69%. (M2)Construction of stormwater pipes. % achieved for February 2017: 1%. Overall % achieved: 69.5% (M3)None. % achieved for March 2017: 0%. Overall % achieved: 69.5% (Q)None. % achieved for March 2017: 0%. Overall % achieved: 69.5%	(M1)Rainfall. (M2)Contractor slow on site (M3)Non-performance of the contractor. (Q)Non-performance of the contractor.	(M1)Contractor had committed to work on weekends to composite lost days due to rain. (M2)Contractor had committed to work on weekends to compensate lost days due to rain. (M3)CoT Legal department has been consulted to advise on the termination of the contract. (Q)CoT Legal department has been consulted to advise on the termination of the contract.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710865.2.005.K Construction of Roads - Soshanguve X13	Completion of construction of Roads in Soshanguve X13	(M1)Construction of Sub-base layer and upper selected layer. % achieved for January 2017: 2%. Overall % achieved: 64%. (M2)Construction of Sub-base layer and base layer. % achieved for February 2017: 3%. Overall % achieved: 77%. (M3)Construction of kerbs. % achieved for March 2017: 1%. Overall % achieved: 78%. Upper selected layer. % achieved for December 2016: 1%. Overall % achieved: 63%.	(M1)Construct of prime (M2)Construct of asphalt and inspections (M3) Completion, inspection, practical completion and handover (2.23km constructed) Q3: Construct of asphalt and inspections	(M1)Construction of Sub-base layer and upper selected layer. % achieved for January 2017: 2%. Overall % achieved: 64%. (M2)Construction of Sub-base layer and base layer. % achieved for February 2017: 3%. Overall % achieved: 77%. (M3)Construction of kerbs. % achieved for March 2017: 1%. Overall % achieved: 78%. (Q)Construction of kerbs. % achieved for March 2017: 1%. Overall % achieved: 78%.	(M1)Rainfall. (M2)Contractor slow on site. (M3)Community disruptions demanding sub-contracting jobs. (Q)Community disruptions demanding sub-contracting jobs.	(M1)Contractor had committed to work on weekends to composite lost days due to rain. (M2)Contractor had committed to work on weekends to composite lost days due to rain. (M3)Meeting was held with the community and the matter was resolved. (Q)Meeting was held with the community and the matter was resolved.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Housing & Human Settlement - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Status YTD	Mitigation plan	Risks Identified	Risk Mitigation
710863.2.005.J Soutpan (phase 2)	Construction of 6.7 km bulk water pipe line.	(M1) (M2) (M3)	(M1)Construction of chamber covers. (M2)Testing of the pipeline. Q3 Practical Completion	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Housing & Human Settlement - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710863.2.005 Water Infrastructure - Sunnyside	Completion of laying of pipes in Sunnyside	(M1)SDP and Building plans are being circulated for approval.The consolidation and rezoning application has been submitted to the city but the POA is still outstanding.The tender for the appointment of the main contractor for the construction of the 264 units has been advertised, closed, evaluated and adjudicated.The QSB (project technical feasibility) is almost completed pending the outstanding information regarding the approval of SDP, Building plan and town planning. Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)SDP and Building plans are being circulated for approval. (M3)Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney. The tender for the appointment of the main contractor for the construction of the 264 units has been advertised, closed, evaluated and adjudicated. % achieved for December 2016: 0%. Overall % achieved: 0%.	(M1)Excavation, trenching and laying of pipes (M2)Excavation, trenching and laying of pipes (M3)No activity planned	(M1)SDP and Building plans are being circulated for approval.The consolidation and rezoning application has been submitted to the city but the POA is still outstanding.The tender for the appointment of the main contractor for the construction of the 264 units has been advertised, closed, evaluated and adjudicated.The QSB (project technical feasibility) is almost completed pending the outstanding information regarding the approval of SDP, Building plan and town planning. Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)SDP and Building plans are being circulated for approval. (M3)Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney. (Q)Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney.	(M1)BAC has resolved that, the tender for the appointment of the main contractor shall be re- advertised due to the high cost offered by the bidders.The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA. (M2)The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA (M3)The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA. (Q)The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA.	(M1)The re-value engineering exercise is currently underway and the report will be presented on 30th January 2017. (M2)The project has been put on hold due to the project being non- financially viable. (M3)BAC has resolved that, the tender for the appointment of the main contractor shall be re- advertised due to the high cost offered by the bidders. The re-value engineering exercise is currently underway and the report will be presented on 30th January 2017 (Q)BAC has resolved that, the tender for the appointment of the main contractor shall be re- advertised due to the high cost offered by the bidders. The re-value engineering exercise is currently underway and the report will be presented on 30th January 2017	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710863.2.005.L Water - Fortwest 4 & 5	completion of water network	(M1)None. % achieved for January 2017: 0%. Overall %: 98%. (M2)excavations, blanket and cradle, pipe lying and bedding. % achieved for February 2017: 1%. Overall % achieved: 99%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 99%. House connections. % achieved for December 2016: 1%. Overall % achieved: 87%.	(M1)Laying of pipes (M2)Allocated budget has been exhausted. (M3)No activity planned	(M1)None. % achieved for January 2017: 0%. Overall %: 98%. (M2)excavations, blanket and cradle, pipe lying and bedding. % achieved for February 2017: 1%. Overall % achieved: 99%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 99%. (Q)None. % achieved for March 2017: 0%. Overall % achieved: 99%.	(M1)The contractor still has to connect water reticulation to the bulk line (M2)The contractor has exhausted the allocated budget. (M3)Outstanding WULA approval from the Department of Water and Sanitation. (Q)Outstanding WULA approval from the Department of Water and Sanitation.	(M1)The contractor is still awaiting WULA approval from Department of Water Affairsbefore commencing with the construction of bulk line. (M2)Discussions to take place with the contractor to wrap up work. (M3)Application has been assessed however the contractor must resubmit the (Q)Application has been assessed however the contractor must resubmit the	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005 Sewer - Sunnyside	Completion of laying of pipes in Sunnyside	(M1)SDP and Building plans are being circulated for approval.The consolidation and rezoning application has been submitted to the city but the POA is still outstanding. The tender for the appointment of the main contractor for the construction of the 264 units has been advertised, closed, evaluated and adjudicated. The QSB (project technical feasibility) is almost completed pending the outstanding information regarding the approval of SDP, Building plan and town planning. Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)SDP and Building plans are being circulated for approval. (M3)Letters from services departments have been obtained to substitute	(M1)Excavation, trenching and laying of pipes (M2)Excavation, trenching and laying of pipes Q3: Excavation, trenching and laying of pipes	(M1)SDP and Building plans are being circulated for approval.The consolidation and rezoning application has been submitted to the city but the POA is still outstanding. The tender for the appointment of the main contractor for the construction of the 264 units has been advertised, closed, evaluated and adjudicated. The QSB (project technical feasibility) is almost completed pending the outstanding information regarding the approval of SDP, Building plan and town planning. Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)SDP and Building plans are being circulated for approval. (M3)Letters from services departments have been obtained to substitute service level agreement in	(M1)BAC has resolved that, the tender for the appointment of the main contractor shall be re-advertised due to the high cost offered by the bidders.The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA. (M2)The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA. (M3)The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project funding requirements as prescribed by SHRA. (Q)The QSC (project financial viability) couldn't be performed because of the high design cost estimate for the project which is above the acceptable project	(M1)The re-value engineering exercise is currently underway and the report will be presented on 30th January 2017. (M2)The project has been put on hold due to the project being non- financially viable. (M3)BAC has resolved that, the tender for the appointment of the main contractor shall be re-advertised due to the high cost offered by the bidders. The re-value engineering exercise is currently underway and the report will be presented on 30th January 2017 (Q)BAC has resolved that, the tender for the appointment of the main contractor shall be re-advertised due to the high cost offered by the bidders. The re-value engineering exercise is currently underway and the report will be presented on 30th January 2017	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		service level agreement in order to finalize the power of Attorney. The tender for the appointment of the main contractor for the construction of the 264 units has been advertised, closed, evaluated and adjudicated. % achieved for December 2016: 0%. Overall % achieved: 0%.		order to finalize the power of Attorney. (Q)Letters from services departments have been obtained to substitute service level agreement in order to finalize the power of Attorney.	funding requirements as prescribed by SHRA.			
9.710864.2.005.L Sewer - Fortwest 4 & 5	Completion, inspection, practical completion and handover	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 98%. (M2)excavations, blanket and cradle, pipe lying and bedding. % achieved for February 2017: 1%. Overall % achieved: 99%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 99%. House connections. % achieved for December 2016: 1%. Overall % achieved: 87%.	(M1)Laying of pipes (M2)Laying of pipes Q3: Laying of pipes	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 98%. (M2)excavations, blanket and cradle, pipe lying and bedding. % achieved for February 2017: 1%. Overall % achieved: 99%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 99%. (Q)None. % achieved for March 2017: 0%. Overall % achieved: 99%.	(M1)The contractor still has to connect water reticulation to the bulk line. (M2)The contractor has exhausted the allocated budget (M3)Outstanding WULA approval from the Department of Water and Sanitation. (Q)Outstanding WULA approval from the Department of Water and Sanitation.	(M1)The contractor is still awaiting WULA approval from Department of Water Affairsbefore commencing with the construction of bulk line. (M2)Discussions to take place with the contractor to wrap up work (M3)Application has been assessed however the contractor must resubmit the engineering designs as requested by Water and Sanitation department. (Q)Application has been assessed however the contractor must resubmit the engineering designs as requested by Water and Sanitation department.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710865.2.005.H Construction of Roads - Fortwest 4 & 5	Phase 1 completed	(M1)Construction of lower selected layer and stormwater pipe. % achieved for January 2017: 3%. Overall % achieved: 30%. (M2)Construction of lower selected layer and stormwater pipe. % achieved for February 2017: 3%. Overall % achieved: 25%. (M3)Construction of subbase, tipping of base material, box cutting and roadbed. % achieved for March 2017: 8%. Overall % achieved: 33%.	(M1)construction of asphalt and inspections (M2)Completion inspection and practical completion and handover (3km constructed) (M3) Phase 1 completed Q3: Completion inspection and practical completion and handover (3km constructed)	(M1)Construction of lower selected layer and stormwater pipe. % achieved for January 2017: 3%. Overall % achieved: 30%. (M2)Construction of lower selected layer and stormwater pipe. % achieved for February 2017: 3%. Overall % achieved: 25%. (M3)Construction of subbase, tipping of base material, box cutting and roadbed. % achieved for March 2017: 8%. Overall % achieved: 33%.	(M1)Contractor has exhausted allocated budget for roads and stormwater. (M2)Contractor has exhausted allocated budget for roads and stormwater. (M3)None (Q)None	(M1)The contractor has been advised on unavailability of funds for roads and stormwater and awaiting adjustment budget. (M2)The contractor has been advised on unavailability of funds for roads and stormwater and awaiting adjustment budget. (M3)None (Q)None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		Clearing & grubbing, excavation, laying of storm water pipe, backfilling, roadbed and sub-base layer. % achieved for December 2016: 2%. Overall % achieved: 27%.		(Q)Construction of subbase, tipping of base material, box cutting and roadbed. % achieved for March 2017: 8%. Overall % achieved: 33%.				
9.711712.2.005 Development of Saulsville hostels	Approval of designs	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 0%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 0% None	(M1)Preparation of designs (M2)Preparation of designs (M3) Submission of infrastructure designs for approval Q3: Preparation of designs	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 0%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 0% (Q)None. % achieved for March 2017: 0%. Overall % achieved: 0%	(M1)Awaiting date of designs presentation for the Department (M2)Awaiting date of designs presentation for the Department (M3)Appointed consultants consolidating the Urban Development Framework report (Q)Appointed consultants consolidating the Urban Development Framework report	(M1)None (M2)None (M3)A meeting has been arranged for 21 April 2017 for presentation of the draft Urban Development Framework to the Department (Q)A meeting has been arranged for 21 April 2017 for presentation of the draft Urban Development Framework to the Department	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.713003.2.005 Townlands Marabastad	Completion of laying of pipes in Marabastad	(M1)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017. The sewer pipeline has been re-routed but it still needs to be connected to the main sewer. Fencing of the whole perimeter of the site has been completed. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017. (M3)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017. SDP and Building plans have been submitted and comments have been obtained and incorporated. % achieved	(M1)Laying of pipes (M2)Laying of pies Q3: Laying of pipes	(M1)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017. The sewer pipeline has been re-routed but it still needs to be connected to the main sewer. Fencing of the whole perimeter of the site has been completed. % achieved for January 2017: 0%. Overall % achieved: 0%. (M2)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017. (M3)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017. (Q)Magic Labour Hire has been appointed as the main contractor and site handover took place on 25 January 2017.	(M1)There have been delays in obtaining the Power of Attorney (PoA) in order to enable the Town Planning processes to unfold. (M2)There has been delays in obtaining the approval of building plans. This has caused delays in the enrollment of the project with the NHBRC. As such, the contractor cannot start with the execution of the work. (M3)The discovery of electrical cables is delaying the sewer-rerouting. This has probed the contractor to stop the re-routing. (Q)The discovery of electrical cables is delaying the sewer-rerouting. This has probed the contractor to stop the re-routing.	(M1)The department is always in constant communication with other departments in order to ensure that the plans get approved as soon as possible. (M2)The department is always in constant communication with other departments in order to ensure that the plans get approved as soon as possible. (M3)The sewer pipeline has been re-routed but it still needs to be connected to the main sewer. Fencing of the whole perimeter of the site has been completed. (Q)The sewer pipeline has been re-routed but it still needs to be connected to the main sewer. Fencing of the whole perimeter of the site has been completed.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		for December 2016: 0%. Overall % achieved: 0%.						

Housing & Human Settlement - CAPEX Region 4

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710868.2.005.A Acquisition Of Land Upstream (Region 7,5,4)	Acquisition of land	(M1) (M2) (M3) None	(M1)Project complete (M2)Project complete (M3) Project complete Q3: No activity	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Housing & Human Settlement - CAPEX Region 5

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710863.2.005.L Refilwe Manor - Reservoir	Construction of Reservoir	(M1) (M2) (M3)	(M1)Laying of pipes (M2)Laying of pipes Q3: Laying of pipes	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005.N Refilwe Manor Ext 9 -Waste water treatment plant	Upgrading of Water Waste Treatment Works (WWTW)	(M1) (M2) (M3)	(M1)Practical completion. (M2)Attending to snag list. Q3: Final completion	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005.O Kudube Unit 9	Construction of 10ML water reservoir & two sewer pump stations.	(M1) (M2) (M3)	(M1)Backfill platform results, engineer plate bearing tests (reservoir) . Sand trap reinforcement & still works (pump stations). (M2)Construction of structural works and steel works. Q3: Construction of structural works and steel works.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710963.2.005.L Refilwe Manor WWTW	Construction of WWTW	(M1) (M2) (M3)	(M1)Laying of pipes (M2)Laying of pipes Q3: Laying of pipes	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Housing & Human Settlement - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711713.2.005 Development of Mamelodi hostels	Final approval of designs	(M1)Refurbishment of ablution blocks, the contractor is currently snagging. % achieved for January 2017: 0%. Overall % achieved: 98%. (M2)Refurbishment of ablution blocks, the contractor is currently snagging. % achieved for February 2017: 0%. Overall % achieved: 98%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 0%. None	(M1)Submission of infrastructure designs for approval (M2)Submission of plans for approval (M3) Approval of designs Q3: Submission of plans for approval	(M1)Refurbishment of ablution blocks, the contractor is currently snagging. % achieved for January 2017: 0%. Overall % achieved: 98%. (M2)Refurbishment of ablution blocks, the contractor is currently snagging. % achieved for February 2017: 0%. Overall % achieved: 98%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 0%. (Q)None. % achieved for March 2017: 0%. Overall % achieved: 0%.	(M1)None (M2)None (M3)Appointed consultants consolidating the Urban Development Framework report (Q)Appointed consultants consolidating the Urban Development Framework report	(M1)None (M2)None (M3)A meeting has been arranged for 21 April 2017 for presentation for presentation of the draft Urban Development Framework to the Department (Q)A meeting has been arranged for 21 April 2017 for presentation for presentation of the draft Urban Development Framework to the Department	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Housing & Human Settlement - CAPEX Region 7

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710863.2.005.L Water Zithobeni Heights	completion of water network	(M1) (M2) (M3)	(M1)Laying of pipes (M2)Laying of pipes Q3: Laying of pipes	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710863.2.005.M Water - Zithobeni 8&9	Construction of water and sewer reticulation, bulk water and sewer line (100 stands connections)	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 81%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 81%. (M3)None. % achieved for Marxch 2017: 0%. Overall % achieved: 81%. None. % achieved for December 2016: 0%. Overall % achieved: 81%.	(M1)Adjusted milestones not provided (M2)Adjusted milestones not provided (M3)Adjusted milestones not provided	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 81%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 81%. (M3)None. % achieved for Marxch 2017: 0%. Overall % achieved: 81%. (Q)None. % achieved for Marxch 2017: 0%. Overall % achieved: 81%.	(M1)Contractor suspended work due to delay payments by the City and budgetary constraints. (M2)Contractor suspended work due to delay payments by the City and budgetary constraints. (M3)Contractor suspended work on site due to outstanding roads invoice. Contractor (Q)Contractor suspended work on site due to outstanding roads invoice. Contractor	(M1)The contractor has exhausted the allocated budget however still waiting for adjustment budget. (M2)Additional funds of R13m allocated for roads once paid, the contractor will go back to site. (M3)The invoice of R13mhas been sent to finance for payment. (Q)The invoice of R13mhas been sent to finance for payment.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710864.2.005.H Sewer - Zithobeni Heights	Completion of laying of pipes in Zithobeni Heights	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 94%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 44%.	(M1)Budget allocated has been exhausted (water reticulation). Hard rock and community sub-	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 94%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 44%.	(M1)Behind schedule due to rock on site. Community protests on site due to non- payment of sub-contractors.	(M1)The contractor is to ensure that he pays the sub-contractors all monies due to them. (M2)The contractor is to ensure that he pays the sub-	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M3)None. % achieved for March 2017: 0%. Overall % achieved: 16%. Rock blasting, backfilling, compaction, casting manhole covers. % achieved for December 2016: 0%. Overall % achieved: 94%	contractors interruptions (sewer reticulation). (M2)Budget allocated has been exhausted (water reticulation). Hard rock and community sub-contractors interruptions (sewer reticulation). Q3: None	(M3)None. % achieved for March 2017: 0%. Overall % achieved: 16%. (Q)None. % achieved for March 2017: 0%. Overall % achieved: 16%.	(M2)Delay in processing of payments has resulted in delays on site. (M3)Allocated budget exhausted. (Q)Allocated budget exhausted.	contractors all monies due to them and has been granted extension of time to finish off the outstanding. (M3)Additional funding after budget adjustment has been allocated on the project. Contractor instructed to continue with works on site. (Q)Additional funding after budget adjustment has been allocated on the project. Contractor instructed to continue with works on site.		
9.710864.2.005.M Sewer - Zithobeni 8&9	Completion of laying of pipes in Zithobeni Ext 8&9	(M1) (M2) (M3)	(M1)Construction of pump station (M2)Construction of pump station (M3)Completion, inspection, practical completion and handover Q3: Laying of pipes	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710865.2.005.L Construction of Roads - Zithobeni Ext 8&9	Completion of stormwater drainage in Zithobeni Ext 8&9	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 60%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 84%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 84% None. % achieved for December 2016: 0%. Overall % achieved: 0%.	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)None. % achieved for January 2017: 0%. Overall % achieved: 60%. (M2)None. % achieved for February 2017: 0%. Overall % achieved: 84%. (M3)None. % achieved for March 2017: 0%. Overall % achieved: 84% (Q)None. % achieved for March 2017: 0%. Overall % achieved: 84%	(M1)Contractor suspended work due to outstanding payment. (M2)Contractor suspended work due to outstanding payment. (M3)Contractor suspended work due to outstanding payments. (Q)Contractor suspended work due to outstanding payments.	(M1)The contractor has exhausted allocated budget however still waiting for adjustment allocated budget. (M2)The contractor has exhausted allocated budget however still waiting for adjustment budget. (M3)The contractor has since submitted the outstanding invoice for work done and it has been processed. (Q)The contractor has since submitted the outstanding invoice for work done and it has been processed.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

REGIONAL OPERATIONS AND COORDINATION

Regional Operations & Coordination - CAPEX Tshwane Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
Jojo Tanks - Re Aga Tshwane		(M1) (M2) (M3)	(M1) (M2) Q3: Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	

ROADS AND TRANSPORT

Roads and Transport - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710115.1.015 Contributions : Services For Township Development	Payment of contributions to Ptn 1 of erf 2 Verwoerdburgstad and Hondsrivier 508 JR: and Portion 379 and 378 of the farm Olievenhoutbosch 389- JR	(M1) (M2) (M3)	(M1)None (M2)None (M3)No actiity planned	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710220.2.015 Rehabilitation of Stormwater Systems & Sidewalks	Payment of court order	(M1) (M2) (M3)	(M1)None (M2)None (M3)Q3: None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712920.1.015 Rainbow junction and Rehabilitation of the Apies River	Payment of Expropriation of land	(M1) (M2) (M3)	(M1)None (M2)None (M3)Q3 None	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710657.2.015 Mabopane Station Modal Interchange	Construction of 2033m² block paving. Water reticulation(725). Electrical work installations, construction of 2 traffic circles at Buitekant street and 56 food stalls	(M1)No work done (M2) (M3)	(M1)Construction of structural steelwork for the stalls (M2)Finishing off 56 food stalls and 1 ablution block which are at the roof level. (M3)Q3: Site establishment, Assessment of Remedial work to be done	(M1)No work done (M2) (M3) (Q)	(M1)Awaiting appointment of the contractor (M2) (M3) (Q)	(M1)Awaiting appointment of the contractor (M2) (M3) (Q)	(M1)Delay on the appointment of the contractor (M2) (M3) (Q)	(M1)Delay on the appointment of the contractor (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711164.2.005 Soshanguve Block W - Stormwater Drainage	Design Review	(M1)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M2)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M3)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process.	(M1)Setting out (M2)Excavations (M3)Bedding preparation Q3: Setting out, excavation and bedding preparation	(M1)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M2)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M3)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (Q)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process.	(M1)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M2)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M3)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (Q)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process.	(M1)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M2)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M3)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (Q)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process.	(M1)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M2)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M3)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (Q)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process.	(M1)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M2)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (M3)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process. (Q)No funding. The funding has been transferred through the 2016/17 Adjustment Budget process.
9.711863.2.005 Internal Roads: Northern Areas	6.4 km of Stormwater and preparing 4.5km Pavement layers	(M1) (M2) (M3) 4.4 km of Roadbed	(M1)busy preparing 4.5km Pavement layers (M2)busy preparing 4.5km Pavement layers Q3: Busy preparing 4.5km Pavement layers	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.711863.2.015 Internal Roads: Northern Areas	4km of pavement Layers	(M1) (M2) (M3) 4.4 km of Roadbed	(M1)No activity planned (M2)No activity planned Q3: Busy Preparing 4km of pavement Layers	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712220.005.H Soshangue Blocks GG, LL & NN North	Road = 4.535km, Sidewalks = 1.9km; Speed humps = 15No. and Road signs = 15No. completed	(M1)Contractor resumed with work on 15 January 2017 from the Builder's holidays. (M2)Road = 0.127km; Sidewalks = 1.150km and Speedhumps = 31No. completed (M3) Roads = 2.137km completed	(M1)Sidewalks preparations (M2)Sidewalks preparations Q3: Sidewalks = 1km	(M1)Contractor resumed with work on 15 January 2017 from the Builder's holidays. (M2)Road = 0.127km; Sidewalks = 1.150km and Speedhumps = 31No. completed (M3) (Q)	(M1)Target achieved during previous months (M2)None (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)Late delivery of construction material (M2)Excessive rain (M3) (Q)	(M1)Contractor to make pre-arrangements with Material Suppliers to deliver on time (M2)Contractor to make provision for rain in his programme (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712220.1.005.A Soshanguve Block BB North West	Road = 1.6km, Sidewalks = 0.84km; Speed humps = 10No. and Road signs = 10No. completed. Project completed.	(M1)Snaglist (M2)Snaglist (M3) Snaglist	(M1)Snag list (M2)Snag list (M3)Project completed Q3: Snag list; Project completed	(M1)Snaglist (M2)Snaglist (M3) (Q)	(M1)Contractor resumed with work on 15 January 2017 from the Builder's holidays. (M2)Contractor was stopped by some members of the community. Dispute has been resolved through the intervention of the Ward Councillor. (M3) (Q)	(M1)Contractor to provide revised programme. (M2)Contractor to provide revised programme. (M3) (Q)	(M1)Community disruptions (M2)Excessive rain (M3) (Q)	(M1)Engage the community through PSC and Councillor (M2)Contractor to make provision for rain in his programme (M3) (Q)
9.712220.1.005.C Soshanguve Block BB Central South	Stormwater .103km Road = 0.3km, Sidewalks = 0.3km; Speed humps = 10No. and Road signs = 14No. completed	(M1)No work: Site Agent resigned. (M2)No work: Site Agent resigned. (M3) Sidewalks = 0.5km completed	(M1)Snag list (M2)Snag list Q3:Snag list	(M1)No work: Site Agent resigned. (M2)No work: Site Agent resigned. (M3) (Q)	(M1)The contractor was instructed to stop with construction activities due to the resigned Site Agent. Contractor to appoint new site agent. (M2)The contractor was instructed to stop with construction activities due to the resigned Site Agent. New site agent appointed on 06 February 2017. Contractor resumed with work on 13 February 2017. (M3) (Q)	(M1)Contractor to provide revised programme. (M2)Revised programme provided on 10 February 2017 (M3) (Q)	(M1)Slow progress of contractor (M2)Excessive rain (M3) (Q)	(M1)Contractor to provide revised programme (M2)Contractor to make provision for rain in his programme (M3) (Q)
9.712220.1.005.E Soshanguve Block BB North East	Sidewalks = 0.6km completed. Project completed	(M1)The project has been completed (M2) (M3)The project has been completed The project has been completed	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)The project has been completed (M2) (M3)The project has been completed (Q)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed (Q)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed (Q)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed (Q)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed (Q)The project has been completed
9.712220.1.005.F Soshanguve Block GG North West	Road = 1.042km; Sidewalks = 0.5km; Speed humps = 6No. and Road signs = 6No. completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed Project has been completed	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed
9.712220.1.005.G Soshanguve Block GG Central North	Sidewalks = 0.3km. Speed humps = 10No. and Road signs = 10No.	(M1)Project has been completed	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)Project has been completed	(M1)Project has been completed	(M1)Project has been completed	(M1)Project has been completed	(M1)Project has been completed

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M2)Project has been completed (M3)Project has been completed Project has been completed		(M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M2)Project has been completed (M3)Project has been completed (Q)Project has been completed
9.712220.1.005.I Soshanguve Block NN North Central	Sidewalks 2.1km; Speed humps = 5; No. and Road signs = 5 completed	(M1)Preparations to lay box culverts (M2)Additional stormwater: Laying box culverts (M3) Additional Stormwater = 0.250km completed	(M1)Stormwater preparations (M2)Stormwater preparations Q3: Stormwater = 0.3km	(M1)Preparations to lay box culverts (M2)Additional stormwater: Laying box culverts (M3) (Q)	(M1)Target achieved during previous months (M2)Target achieved during previous months (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)Excessive rain (M2)Community disruptions (M3) (Q)	(M1)Contractor to make provision for rain in his programme (M2)Engage the community through PSC and Councillor (M3) (Q)
9.712220.1.005.J Soshanguve Block NN Central	Snaglist	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed Project has been completed	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)None (M2)None (M3)None (Q)None	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed
9.712220.1.005.K Soshanguve Block NN South	Sidewalks = 2.2km; Speed humps = 5; No. and Road signs = 5 completed	(M1)The contractor was instructed to stop with construction activities due to the resigned Site Agent. (M2)Contractor appointing new site agent (M3) Laying of edge beams for sidewalk	(M1)Sidewalks preparations (M2)Sidewalks preparations Q3: Sidewalks = 0.5km	(M1)The contractor was instructed to stop with construction activities due to the resigned Site Agent. (M2)Contractor appointing new site agent (M3) (Q)	(M1)Site agent resigned. (M2)New site agent appointed on 06 February 2017. Contractor resumed with work on 13 February 2017. (M3) (Q)	(M1)Contractor to appoint new site agent. Paving material delivered in mid January 2017. (M2)Contractor to provide revised programme (M3) (Q)	(M1)Excessive rain (M2)Slow progress of contractor (M3) (Q)	(M1)Contractor to make provision for rain in his programme (M2)Contractor to provide revised programme (M3) (Q)
9.712220.1.005.L Soshanguve Block BB East	Stormwater .504km - Road = 2km, Sidewalks = 1.6km; Speed humps = 5No. and Road signs = 10No. completed	(M1)Asphalt preparations (M2)Roads = 2.958km completed (M3) Priming	(M1)Asphalt preparations (M2)Road = 1km (M3)Layer works Q3: Road = 1km	(M1)Asphalt preparations (M2)Roads = 2.958km completed (M3) (Q)	(M1)Target achieved during previous months (M2)Target achieved during previous months (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)Excessive rain (M2)Late payment of the subcontractors (M3) (Q)	(M1)Contractor to make provision for rain in his programme (M2)Engage the main contractor to submit payment certificate by 25th of every month in order to pay subcontractors on time. (M3) (Q)
9.712220.1.005.M Soshanguve Block IA East	Road = 1.75km completed; Speed humps = 5No. and Road signs = 5No. completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed	(M1)Project Completed (M2)Project Completed Q3: Project completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed	(M1)The project has been completed (M2)The project has been completed (M3)The project has been completed

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		The project has been completed		(Q)The project has been completed	(Q)The project has been completed	(Q)The project has been completed	(Q)The project has been completed	(Q)The project has been completed
9.712220.1.005.N Soshanguve Block IA West	Stormwater .36km; Road = 3.1km, Sidewalks = 1.0km; Speed humps = 5; No. and Road signs = 5No. completed	(M1)Preparations for additional sidewalks (M2)Earthworks for additional sidewalks (M3) Road signs = 14No. completed	(M1)Snag list (M2)Snag list Q3:Snag list	(M1)Preparations for additional sidewalks (M2)Earthworks for additional sidewalks (M3) (Q)	(M1)Target achieved during previous months (M2)Target achieved during previous months (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)Excessive rain (M2)Community disruptions (M3) (Q)	(M1)Contractor to make provision for rain in his programme (M2)Engage the community through PSC and Councillor (M3) (Q)
9.712220.1.005.O Soshanguve Block LL South	Stormwater = .09km; Road = 4.575km, Sidewalks = 1km; Speed humps = 5; No. and Road signs = 5No. completed	(M1)0 (M2)30% of Base preparation complete (M3)2.438 km of road surfacing complete. 4.500 km of subbase complete. Base preparations to commence after builders holidays.	(M1)Layer works (M2)Layer works Q3: Roads = 1km	(M1)0 (M2)30% of Base preparation complete (M3)2.438 km of road surfacing complete. (Q)2.438 km of road surfacing complete.	(M1)no work done. Site closed for Dec holidays from 15 Dec2016-12 Jan 2017 (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)Excessive rain (M2)Rain delays (M3)none (Q)none	(M1)contractor to make provision for rain in the program of works. (M2)contractor to make provision for rain in the program of works. (M3)none (Q)none
9.712220.1.005.P Soshanguve Block GG East Area1	Roads = 3.4km completed; Sidewalks = 2.2km; Speed humps = 10No. and Road signs = 10No. completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed Project has been completed	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed	(M1)Project has been completed (M2)Project has been completed (M3)Project has been completed (Q)Project has been completed
9.712220.1.005.Q Soshanguve Block GG East Area 2	Road = 1.044km, Sidewalks = 2.0km; Speed humps = 5No. and Road signs = 5No. completed	(M1)Snaglist (M2)Snaglist (M3) Sidewalks = 0.335km and road signs = 3No. completed	(M1)Snag list (M2)Snag list Q3: Snag list; Project completed	(M1)Snaglist (M2)Snaglist (M3) (Q)	(M1)Target achieved during previous months (M2)Target achieved during previous months (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)Community disruptions (M2)Excessive rain (M3) (Q)	(M1)Engage the community through PSC and Councillor (M2)Contractor to make provision for rain in his programme (M3) (Q)
9.712220.1.005.R Soshanguve Blocks GG Central	Road = 1km and Stormwater = 2.127km completed	(M1)0 (M2)Stormwater=0.697km complete (M3)1.570km of road surfacing complete Stormwater=0.167km complete	(M1)Layer works (M2)Layer works Q3: Roads = 0.8km	(M1)0 (M2)Stormwater=0.697km complete (M3)1.570km of road surfacing complete (Q)1.570km of road surfacing complete	(M1)site was closed for december hoilidays.15 Dec- 12 Jan (M2) (M3)none (Q)none	(M1) (M2) (M3)none (Q)none	(M1)comunity disputes due to late resuming after December holidays (M2)Rain delays (M3)none (Q)none	(M1)Engineer was adviced to liased with the contractor concerning the maater of late resuming and outstanding payments. (M2)Contractor to make provision for rain in his programme (M3)none (Q)none

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712220.1.005.S Soshanguve Block BB Central	Stormwater 1.1km - Road = 1.229km, Sidewalks = 0.6km; Speed humps = 4No. and Road signs = 6No. completed	(M1)Asphalt preparations: Contractor resumed with work on 15 January 2017 from the Builder's holidays. (M2)Roads = 1.829km completed (M3) Processing base	(M1)Base corrections (M2)Base corrections Q3: Roads = 1km	(M1)Asphalt preparations: Contractor resumed with work on 15 January 2017 from the Builder's holidays. (M2)Roads = 1.829km completed (M3) (Q)	(M1)Target achieved during previous months (M2)None (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)Community disruptions (M2)Excessive rain (M3) (Q)	(M1)Engage the community through PSC and Councillor (M2)Contractor to make provision for rain in his programme (M3) (Q)
9.712220.1.015 Flooding backlogs : Sosh & Winterveldt Area		(M1) (M2) (M3)	(M1)No activity planned (M2)No activity planned Q3: Preparing road layers	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712221.1.015 Flooding backlog: Mabopane Area	Design Review	(M1) (M2) (M3)	(M1)None (M2)None (M3)No activity planned	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.713022.1.005 Sporview - Re Aga Tshwane	Road designs	(M1) (M2) (M3)	(M1)None (M2)None (M3)None Q3: Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711953.2.001 Separation: Airside/Landside: Required legislative compliance with Civil Aviation Regulations, and the National Aviation Security Program (NASP)	Complete installation of access point canopies, fencing, paving, security/screening equipment, upgrade of permit office	(M1) (M2) (M3)	(M1)Continue installation of access point canopies, fencing, paving, security/screening equipment, upgrade of permit office (M2)Continue installation of access point canopies, fencing, paving, security/screening equipment, upgrade of permit office (M3)March: Continue installation of access point canopies, fencing, paving, security/screening equipment, upgrade of permit office Q3: Continue installation of access point canopies,	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			fencing, paving, security/screening equipment, upgrade of permit office, etc					
9.712506.1.015 Flooding backlog: Matanteng		(M1) (M2) (M3)	(M1)Relocation of 6 houses (M2)Construction of 500m Stormwater (M3)Construction of 500m Stormwater Q3: 1000 m of Stormwater Complete	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712884.1.001 Upgrade and replacement of all runway and taxiway lights, Papi lights, apron lights, security and lighting system to meet legislative compliance	Ground lighting replacements completed	(M1) (M2) (M3)	(M1)Proceed with ground lighting replacements (M2)Proceed with ground lighting replacements Q3: Proceed with ground lighting replacements	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712998.1.015 Construct improved security accesses to restricted maintenance areas with CCTV system and upgraded control room to meet CAA compliance requirements	Complete installation of person intruder identification system, CCTV installation and upgrade of control room according to available budget	(M1) (M2) (M3)	(M1)Continue installation of person intruder identification system, CCTV installation and upgrade of control room (M2)Continue installation of person intruder identification system, CCTV installation and upgrade of control room Q3: Continue installation of person intruder identification system, CCTV installation and upgrade of control room	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.713000.1.015 Elevator/escalator for main terminal building	Access options for installation of an elevator for the main terminal building(construction partially completed)	(M1) (M2) (M3)	(M1)Finalise appointment of service provider (M2)Initiate ordering of elevator (M3)Awaiting delivery of elevator and equipment	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			Q3: Continue installation of fire detection system in main terminal building					
9.713002.1.015 Fire sprinklers and smoke detectors in the main terminal building	Complete installation of fire detection system	(M1) (M2) (M3)	(M1)Continue installation of fire detection system in main terminal building (M2)Continue installation of fire detection system in main terminal building Q3: Continue installation of fire detection system in main terminal building	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.713004.1.015 Provision, upgrade and replacement of security fences/gates, fence lighting and equipment	Completed fourth phase installation of fences/gates, fence lighting and equipment	(M1) (M2) (M3)	(M1)Continue with installation of fences/gates, fence lighting and equipment (M2)Continue with installation of fences/gates, fence lighting and equipment Q3: Continue with installation of fences/gates, fence lighting and equipment	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711800.1.002 Doubling of Simon Vermooten	Expropriation on Portion 253 Equestria Ext 61 • Expropriation on Portion 2, Samcor Park Township • Expropriation of Erf 42, Willow Park Manor, Extension	(M1) (M2) (M3)	(M1)No work planned (M2)No work planned Q3: No work planned	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712223.1.005 Flooding backlog: Mamelodi Eersterust		(M1) (M2) (M3)	(M1)No activity planned (M2)No activity planned (M3)No activity planned	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - CAPEX Region 7

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712895.1.015 Upgrading road from gravel to tar in Ekangala Ward 11 & 12	Design Review	(M1) (M2) (M3)	(M1)No activity planned (M2)No activity planned (M3)No activity planned	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712947.1.015 Improvment of dirt road leading to Clover hill club, Bronkhorstspuit dam	Designs of approximately 2.3 km of roads and Stormwater and a 10m bridge	(M1) (M2) (M3)	(M1)No activity planned (M2)Appointment of Consultant Q3: Busy with Designs of approximately 2.3 km of roads and Stormwater and a 10m bridge	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - TRT - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712591.002.Q Design supply and install of APTMS system	On going system maintenance Operational support	(M1) (M2) (M3)	(M1)On going system maintenance Operational support (M2)On going system maintenance Operational support Q3: On going system maintenance Operational support	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002 Industry Compensation	Compensation of affected PT operators	(M1) (M2) (M3)	(M1)Milestones not submitted (M2)Milestones not submitted (M3)Milestones not submitted Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002 Systems Planning (System Feeder and Complimentary Network Development)	Systems Planning Report 100% complete.	(M1) (M2) (M3)	(M1)Planning Report 30% complete (M2)Planning Report 55% complete Q3: Planning Report 70% complete	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712591.1.002 Project Management Unit (Professional Fees)	Annual report of work done on different projects	(M1) (M2) (M3)	(M1)Milestone not submitted (M2)Milestone not submitted (M3)Milestone not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002.AC System planning (Non-Motorised Transport)	NMT Planning Report 100% complete	(M1) (M2) (M3) Overall work done: 23%	(M1)NMT Planning Report 50% complete (M2)NMT Planning Report 80% complete Q3: NMT Planning Report 100% complete	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002.P The Design, Supply, Installation, Operation and Maintenance of an automated fare Collection (AFC) System	On going Operations on Line 1A, 2A and TBS	(M1) (M2)All station gates along line 1A have been commissioned (M3)100% MiFare Line 1A AFC- including access gates and validators 90%	(M1)On going Operations on Line 1A, 2A and TBS (M2)On going Operations on Line 1A, 2A and TBS Q3: On going Operations on Line 1A, 2A and TBS	(M1) (M2)All station gates along line 1A have been commissioned (M3)100% MiFare (Q)100% MiFare	(M1) (M2)The Belle Ombre Depot is further delayed (M3)The second validator installation on the Mercedes-Benz buses started on the 17th February 2017. To date all diesel buses have been completed . The remainder of the buses will be completed by end March 2017 according to the Contractor's latest program. Access to Belle Ombre still not granted. (Q)The second validator installation on the Mercedes-Benz buses started on the 17th February 2017. To date all diesel buses have been completed . The remainder of the buses will be completed by end March 2017 according to the Contractor's latest program. Access to Belle Ombre still not granted.	(M1) (M2) (M3)None. Dependent of completion of Belle Ombre Depot (Q)None. Dependent of completion of Belle Ombre Depot	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - TRT - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.71259.1.002.1AA Construction of Line 1A: CBD to Rainbow Junction Section 1A-4B	80% Completion of Roads and Ancillary works	(M1)30% Progress Achieved (M2)35% Progress Achieved	(M1)28% Completion of Roads and Ancillary works	(M1)30% Progress Achieved (M2)35% Progress Achieved	(M1)The delays are caused by the permit for demolishing of Fritz Dwelling which falls within the reserve has delayed the	(M1)PHRA-G will send us a response in 12-18 weeks with regards to the demolishing permit.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
(Rainbow Junction Bypass road)		(M3)35% Completion of Roads and Ancillary works 20% Progress Achieved	(M2)35% Completion of Roads and Ancillary works Q3: 40% Completion of Roads and Ancillary works	(M3)35% Completion of Roads and Ancillary works (Q)35% Completion of Roads and Ancillary works	project due to no access to the property. The reference number from PHRA-G (Ref No. B584/16) was received on the 28 October 2016. Still awaiting the demolishing permit. (M2)The delays have been caused by the absence of a permit for demolishing of Fritz Dwelling which falls within the reserve and this restricts the contractor to access the property. The reference number from PHRA-G (Ref No. B584/16) was received on the 28 October 2016. (M3)ermit for demolishing of Fritz Dwelling which falls within the reserve has delayed the project due to no access to the property. (Q)ermit for demolishing of Fritz Dwelling which falls within the reserve has delayed the project due to no access to the property.	(M2)Efforts made to contact PHRA-G to accelerate the approval process. (M3)PHRA-G has issued the permit to demolish the Fritz Dwelling on the 24 March 2017 (Q)PHRA-G has issued the permit to demolish the Fritz Dwelling on the 24 March 2017		
9.712591.1.002 Design Wonderboom Intermodal Facility - Permanent Phase 1	100% Completion of the Intermodal Facility (Phase 1)	(M1) (M2) (M3)	(M1)80% Completion of the Intermodal Facility. (M2)90% Completion of the Intermodal Facility. Q3; 100% Completion of the Intermodal Facility.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002 Kopanong Intermodal Facility - West of the City	100% overall completion of Kopanong Intermodal Facility	(M1) (M2) (M3)	(M1)60% overall completion of the Intermodal Facility (M2)75% overall completion of the Intermodal Facility Q3: 85% overall completion of the Intermodal Facility	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002 TBC Design of Wonderboom Intermodal Facility	Site Establishment, and construction kickoff	(M1)Project deferred to 2017/18FY due to budget deficit.	(M1)Detail Design 100% complete. (M2)Tender Documentation complete	(M1)Project deferred to 2017/18FY due to budget deficit.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
- Permanent Phase 2		(M2)Project deferred to 2017/18FY due to budget deficit. (M3)Tender documents ready for procurement. 100% of Tender Drawings complete 90% of Tender Documents complete for review.	Q3: Commencement of the procurement plan	(M2)Project deferred to 2017/18FY due to budget deficit. (M3)Tender documents ready for procurement. (Q)Tender documents ready for procurement.				
9.712591.1.002.L Belle Ombre CNG Bus Depot : Civil Works	Project completed	(M1) (M2) (M3)	(M1)90% Completion of Civil Works (M2)Practical Completion Q3: Project completed and Snags 100% complete	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - TRT - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712591.1.002 Belle Ombre CNG Bus Depot - Bulk Earthworks	Project completed	(M1) (M2) (M3)	(M1)95% Completion of Bulk Earthworks (M2)98% Completion of Bulk Earthworks Q3: 100% Completion of Bulk Earthworks	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002 Design and construction of Hatfield Taxi Facility	100% overall completion of the Taxi Facility	(M1) (M2) (M3)	(M1)100% completion of Detail Design (M2)Procurement process commence Q3: Appointment of the Contractor	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002 Design of Line 3- CBD to Attredgeville	Tender Documentation finalised	(M1) (M2) (M3)	(M1)10% completion of Detail Design (M2)30% completion of Detail Design (M3) 70% completion of Detail Design Q3: 80% completion of Detail Design	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002.J Belle Ombre CNG Bus Depot: Building Works	Project completed and Snags 100% complete	(M1)55% Construction progress achieved (M2)62% Overall Completion of Building Works (M3)80% Completion	(M1)62% Completion of Building Works (M2)75% Completion of Building Works Q3: 85% Completion of Building Works	(M1)55% Construction progress achieved (M2)62% Overall Completion of Building Works (M3)80% Completion	(M1) (M2) (M3)Additional work was given to the Contractor, changing the Scope of Works therefore the percentage.	(M1) (M2) (M3)No need for mitigation at this stage as the Contractor is on programm	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		50% Construction progress achieved		(Q)80% Completion	Contractor is on programme according to the revised programme (Q)Additional work was given to the Contractor, changing the Scope of Works therefore the percentage. Contractor is on programme according to the revised programme	(Q)No need for mitigation at this stage as the Contractor is on programm		
9.712591.1.002.O NMT Facilities Line 2A (Park Street)	NMT Facilities Line 2A (Park Street) completed	(M1)72% Construction completion of Park Street NMT facilities (M2)74% Construction completion of Park Street NMT facilities (M3)78% Construction completion of Park Street NMT facilities 60% Construction completion of Park Street NMT facilities	(M1)90% Completion of intersection upgrading. (M2)100% Completion of intersection upgrading. (M3)Project 90% completed	(M1)72% Construction completion of Park Street NMT facilities (M2)74% Construction completion of Park Street NMT facilities (M3)78% Construction completion of Park Street NMT facilities (Q)78% Construction completion of Park Street NMT facilities	(M1)Wayleave approval process has taken too long hence delaying the construction of Cycle lanes and other phases of the project, strikes and adverse weather conditions also contributed to the delays. (M2)Wayleave approval process has taken too long hence delaying the construction of Cycle lanes and other phases of the project, strikes and adverse weather conditions also contributed to the delays. (M3)Wayleave approval process has taken too long hence delaying the construction of Cycle lanes and other phases of the project, strikes and adverse weather conditions also contributed to the delays. (Q)Wayleave approval process has taken too long hence delaying the construction of Cycle lanes and other phases of the project, strikes and adverse weather conditions also contributed to the delays.	(M1)Wayleave has been approved, contractor submitted a claim for extension of time and a revised programme which will be closely mornitored. (M2)Wayleave has been approved, contractor submitted a claim for extension of time and a revised programme is being closely mornitored. (M3)Wayleave has been approved, contractor submitted a claim for extension of time and a revised programme which will be closely mornitored. (Q)Wayleave has been approved, contractor submitted a claim for extension of time and a revised programme which will be closely mornitored.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Roads and Transport - TRT - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712591.1.002 Design and	40% overall completion	(M1) (M2) (M3)	(M1)10% completion of Detail Design	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
construction of Menlyn Overpass			(M2)30% completion of Detail Design Q3: 100% completion of Detail Design	(Q)	(Q)	(Q)	(Q)	(Q)
9.712591.1.002.AC Line 2B: Atterbury Rd (btw Louis Avenue Rd to January Masilela Rd)	65% Completion of Roads and Ancillary works	(M1)31% Completion of construction of structural Works (M2)Progress at 37% (M3)48%Completion of Roads and Ancillary works 31% Completion of construction of structural Works	(M1)31% Completion of Roads and Ancillary works (M2)39% Completion of Roads and Ancillary works Q3: 47% Completion of Roads and Ancillary works	(M1)31% Completion of construction of structural Works (M2)Progress at 37% (M3)48%Completion of Roads and Ancillary works (Q)48%Completion of Roads and Ancillary works	(M1)Works approximately 10 weeks behind programme. Slow rate of progress caused by poor performance of Contractor. (M2)Works approximately 5 weeks behind programme.The rate of progress has improved but the project is still behind programme. (M3)Works approximately 5 weeks behind programme. The rate of progress has improved but the project is still behind programme. (Q)Works approximately 5 weeks behind programme. The rate of progress has improved but the project is still behind programme.	(M1)A Revised programme and catchup plan were submitted by the Contractor which will be closely monitored. (M2)Meetings to discuss the lack of progress and possible actions that could be taken to expedite the works were held on 9 February 2017 and on 14 February 2017. The Contractor committed to make significant changes to expedite the works by appointing the sub-contractor to undertake the remainder of the structural concrete works and to also improve the cash flow by means of a cash injection of +- R10mill (M3)The Contractor has appointed a sub-contractor to assist with the completion of the structural concrete works. This has resulted in a slight improvement on the rate of progress which will continue to be monitored. (Q)The Contractor has appointed a sub-contractor to assist with the completion of the structural concrete works. This has resulted in a slight improvement on the rate of progress which will continue to be monitored.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712591.1.002.C BRT Line 2C - Watloo Rd (btw Simon Vermooten & Denneboom Station)	47% Completion of Roads and Ancillary works	(M1)Site Handover meeting held on 17 January 2017. Position of site camp identified and site establishment is currently underway. (M2)Letter of Appointment received on 11/10/2016. Project kick-off meeting was held on	(M1)3% Completion of Roads and Ancillary works (M2)6% Completion of Roads and Ancillary works Q3: 11% Completion of Roads and Ancillary works	(M1)Site Handover meeting held on 17 January 2017. Position of site camp identified and site establishment is currently underway. (M2)Letter of Appointment received on 11/10/2016. Project kick-off meeting was held on 18 October	(M1)Delay in approval of Contractor's insurance by CoT Insurance Management Department. (M2)Delays due to the approval of the baseline programme. (M3)Approval of baseline programme. (Q)Approval of baseline programme.	(M1)Site Handover meeting held on 17 January 2017 (M2)The programme was rejected and the Contractor instructed to revise the programme and to resubmit to the Engineer for approval. (M3)The programme was rejected and the Contractor instructed to revise the	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		18 October 2016. The Contractor commenced with works and the progress is at 6%. (M3)9% Completion of Roads and Ancillary works Contractor's Performance Guarantee and Insurance Cover received and approved.		2016. The Contractor commenced with works and the progress is at 6%. (M3)9% Completion of Roads and Ancillary works (Q)9% Completion of Roads and Ancillary works		programme and to resubmit to the Engineer for approval. (Q)The programme was rejected and the Contractor instructed to revise the programme and to resubmit to the Engineer for approval.		

SHARED SERVICES

Shared Services : CSS - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712953.1.020 Tshwane Leadership and Management Academy	Procurement of technical machinery and tooling equipment: Needs still to be prioritise in order of importance.	(M1)TAR'S AND QAR'S were created on the E-procurement system (M2)TAR'S AND QAR'S were created on the E-procurement system (M3)TAR'S AND QAR'S were created on the E-procurement system All TARs are out on advertisement 25 Nov 2016.	(M1)Procurement of technical machinery and tooling equipment: Needs still to be prioritise in order of importance. (M2)Procurement of technical machinery and tooling equipment: Needs still to be prioritise in order of importance. Q3: Procurement of technical machinery and tooling equipment: Needs still to be prioritise in order of importance.	(M1)TAR'S AND QAR'S were created on the E-procurement system (M2)TAR'S AND QAR'S were created on the E-procurement system (M3)TAR'S AND QAR'S were created on the E-procurement system (Q)TAR'S AND QAR'S were created on the E-procurement system	(M1)Tenders were advertised with closing dates for some in Dec 2016 & others Jan 2017. These tenders now needs to be adjudicated before vendors can be appointed before the purchasing of items can commence. (M2)Enforce SCM to allocate dates for tenders and Q-files to be evaluated. Currently there are renovations that are in progress and payment will effect once work is done. There are vehicles that have been procured through fleet, currently we are waiting for delivery. (M3)Enforce SCM to allocate dates for tenders and Q-files to be evaluated. Currently there are renovations that are in progress and payment will effect once work is done. There are vehicles that have been procured through fleet, currently we are waiting for delivery. (Q)Enforce SCM to allocate dates for tenders and Q-files	(M1)The tender adjudication process needs to be monitored and regular follow-ups needs to be done to avoid any further time wastage (M2)TLMA tenders have been cancelled due to non-response of suppliers. There are tenders that needs to be evaluated and SCM has not yet allocated dates for evaluation. With regard to the Q-files, the division received 5 of a total of 27 from SCM to be captured this week. (M3)TLMA tenders have been cancelled due to non-response of suppliers. There are tenders that needs to be evaluated and SCM has not yet allocated dates for evaluation. With regard to the Q-files, the division received 5 of a total of 27 from SCM to be captured this week. (Q)TLMA tenders have been cancelled due to non-response of suppliers. There are tenders that needs to be evaluated and SCM has not yet allocated dates for evaluation. With regard to the Q-files, the division received 5 of a total of	(M1)Service delivery can be interrupted if equipment is not available (M2)Service delivery can be interrupted if equipment is not available (M3)Service delivery can be interrupted if equipment is not available (Q)Service delivery can be interrupted if equipment is not available	(M1)Follow-up's with SCM on the progress of the completed QAR'S and the TAR'S (M2)Follow-up's with SCM on the progress of the completed QAR'S and the TAR'S (M3)Follow-up's with SCM on the progress of the completed QAR'S and the TAR'S (Q)Follow-up's with SCM on the progress of the completed QAR'S and the TAR'S

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
					to be evaluated. Currently there are renovations that are in progress and payment will effect once work is done. There are vehicles that have been procured through fleet, currently we are waiting for delivery.	27 from SCM to be captured this week.		

Shared Services : GICT - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710200.1.015 Upgrade of IT Networks	Procurement and migration of network equipment	(M1)Hardware and support tenders advertised (M2)Network equipment ordered for various buildings requirement. (M3)	(M1)Migration (M2)Switch and Router (M3) Router Equipment Q3: Migration of data into new storage devices	(M1)Hardware and support tenders advertised (M2)Network equipment ordered for various buildings requirement. (M3) (Q)	(M1)Tender awarded on the 9th January 2017.Equipment and services ordered. (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)Insufficient budget (M2)Insufficient budget (M3) (Q)	(M1)Prioritization of key sites (M2)Key and critical sites prioritisation (M3) (Q)
9.712969.1.015 Credit Control Solution	Enhancement of Credit Control module	(M1)Scheduling of final demands over multiple suburbs (M2)Scheduling of final demands over multiple suburbs (M3) Credit control successfully implemented. Geo-fencing not implemented due to lack of GPS co-ordinates	(M1)Procure Additional Mobile Devices and Printers (M2)Procure Additional Mobile Devices and Printers Q3: Procure Additional Mobile Devices and Printers	(M1)Scheduling of final demands over multiple suburbs (M2)Scheduling of final demands over multiple suburbs (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.713005.1.015 Tshwane House IT Infrastructure	Procurement of data centre infrastructure and commissioning	(M1)Tender advertised,GICT 01/2016/17 (M2)Tender advertised, GICT 01/2016/17 Tshwane House networking equipment ordered (M3) Tender closed and evaluation to begin once BEC appointed	(M1)Procurement of data centre infrastructure and commissioning (M2)Procurement of data centre infrastructure and commissioning (M3)Procurement of data centre infrastructure and commissioning	(M1)Tender advertised,GICT 01/2016/17 (M2)Tender advertised, GICT 01/2016/17 Tshwane House networking equipment ordered (M3) (Q)	(M1)Evaluation underway (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)Network equipment delivery timeframes (M2)Network equipment delivery timeframes (M3) (Q)	(M1) (M2) (M3) (Q)

Shared Services : GICT - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710213.1.015 One Integrated Transaction Proc System	Integrate city's transactional legacy systems into SAP	(M1)Solution Manager implemented (M2)Solution Manager implemented, SAP CRM Optimization (M3) Employee relations in progress	(M1)Automate HCM related Business Processes into SAP (M2)Automate HCM related Business Processes into SAP (M3)Automation of business processes Q3: Automate HCM related Business Processes into SAP	(M1)Solution Manager implemented (M2)Solution Manager implemented, SAP CRM Optimization (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710268.1.015 Computer Equipment Deployment - End user computer hardware equipment	Procurement of desk top equipment as per request	(M1)12X Lenovo laptops ,1XHP Printer,1X iPhone (M2) (M3) 1 USB DVD rom and 10 3G sims	(M1)Procurement and Delivery of desktop Equipment (M2)Procurement and Delivery of desktop Equipment (M3)Procurement and Delivery of desktop Equipment Q3: Procurement and Delivery of Equipment	(M1)12X Lenovo laptops ,1XHP Printer,1X iPhone (M2) (M3) (Q)	(M1)Orders not delivered yet due to problems with e-Procurement system (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)Relying on SITA tender (M2) (M3) (Q)	(M1)1. Plans formalise an internal tender for laptops,desktops,iPads/tablets (M2) (M3) (Q)
9.710344.1.015 Implementation of storage Area Network	Upgrading of Storage Area Network at Tshwane Wide	(M1)Nothing (M2)None (M3) Tender closed and evaluation to begin once BEC appointed	(M1)Implementation completed. Archiving operational (M2)Implementation completed. Archiving operational (M3)Network Equipment Q3: Implementation completed. Archiving operational	(M1)Nothing (M2)None (M3) (Q)	(M1)A portion of funding allocated to Tshwane House (M2)Portion of funding allocated to Tshwane House Project Remainder R 10 Million to be clarified and required vehicle to allow acquisition (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)Lack of tender for the procurement of server,fibre and storage equipment (M2)Lack of tender for the procurement of server, fabric and storage equipment and related software / licenses (M3) (Q)	(M1)Tender to be awarded (M2)Tender to be awarded (M3) (Q)
9.712554.1.015 E-Initiative Supporting the Smart City	One business process automated	(M1)Service Provider for E-initiatives appointed and business analysis commenced (M2)Functional specifications submitted for approval. (M3) Meter readings captured on E-Tshwane automated	(M1)Business Analysis Conducted and Technical Specifications Developed. (M2)Business Analysis Conducted and Technical Specifications Developed. (M3)March: Business Analysis Conducted and Technical Specifications	(M1)Service Provider for E-initiatives appointed and business analysis commenced (M2)Functional specifications submitted for approval. (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			Developed. Q3: Business Analysis Conducted and Technical Specifications Developed.					
9.712981.1.010 Smart Connect	Training and support on Smart Connect system	(M1)System deployed on CoT infrastructure (M2)System deployed on CoT infrastructure;Close-out report received (M3) Training to start in 2017	(M1)Project complete (M2)Project complete (M3)No activity planned	(M1)System deployed on CoT infrastructure (M2)System deployed on CoT infrastructure;Close-out report received (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1) (M2) (M3) (Q)

UTILITY SERVICES

Utility Services : Energy & Electricity - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710005.1.016 Upgrading /Strengthening of Existing Network Schemes	Process customers paid application to upgrade and strengthen the existing network (application Driven)	(M1) (M2) (M3)	(M1)Process 100% of applications received (M2)Process 100% of applications received Q3: Process 100% of applications received	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710006.1.016 Payments to Townships for Reticulated Towns	Supply external infrastructure for new township developments as per application.	(M1)Project Closed Up (M2)Project Closed Up (M3)Project Closed Up Project Closed Up	(M1)Project complete for 2016/17 Financial Year (M2)Project complete for 2016/17 Financial Year Q3: Project complete for 2016/17 Financial Year	(M1)Project Closed Up (M2)Project Closed Up (M3)Project Closed Up (Q)Project Closed Up	(M1)Project complete (M2)Project complete (M3)Project complete (Q)Project complete	(M1)N/A (M2)N/A (M3)N/A (Q)N/A	(M1)None (M2)None (M3) (Q)	(M1)N/A (M2)N/A (M3) (Q)
9.710325.1.005 Communication Upgrade: Optical Fibre network	To install 25km of optical fibre, installation of Microwave equipment, Substations Load Testing Devices	(M1)Received Purchased orders (PO's) for Microscada in Capital Park and installation of optical fiber for Eldoraigne to Brakfontein, Brakfontein to Piet Geers, Koedospoort to Eland. (M2)Completed the installation of fiber between Eland and Koedeospoort substations	(M1)Activation of WBS's and issuing of PO's (M2)Installation of fibre optic, Scada HMI and load testing equipment Q3: Installation of fibre optic and load testing equipment	(M1)Received Purchased orders (PO's) for Microscada in Capital Park and installation of optical fiber for Eldoraigne to Brakfontein, Brakfontein to Piet Geers, Koedospoort to Eland. (M2)Completed the installation of fiber between Eland and Koedeospoort substations (M3)Two substations link to optimal fibre completed	(M1)Delay in approval of funding (M2)Committed R4,582,630 funds . (M3)Late delivery of Microwave equipments (Q)Late delivery of Microwave equipments	(M1)Fastracking of project deliverables. (M2)Speed up payment of invoices (M3)Expedite processing of received invoice and outstanding delivery (Q)Expedite processing of received invoice and outstanding delivery		

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M3)Two substations link to optimal fibre completed		(Q)Two substations link to optimal fibre completed				
9.710325.1.016 Communication Upgrade : Optical Fibre network	To install 25km of optical fibre, installation of Microwave equipment, Substations Load Testing Devices	(M1)No funds available . Awaiting Budget Adjustment approval (M2)Funding for the project approved during budget adjustment (M3)Creation of WBS's and linking projects on eProcurement	(M1)No activity planned (M2)Placement of orders (M3)Install communication system Q3: Fibre Cable and Communication System, 2 x Base Station Sites, Load Testing devices	(M1)No funds available . Awaiting Budget Adjustment approval (M2)Funding for the project approved during budget adjustment (M3)Creation of WBS's and linking projects on eProcurement (Q)Creation of WBS's and linking projects on eProcurement	(M1)No Funds approved as yet. (M2)Funding for the project approved during budget adjustment (M3)Funding for the project approved during budget adjustment. Project not linked to eProcurement (Q)Funding for the project approved during budget adjustment. Project not linked to eProcurement	(M1)Fastracking approval processe (M2)Expediting creation of WBS (M3)Fastrack linking project on eProcurement (Q)Fastrack linking project on eProcurement	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710480.1.015 Strengthening 11KV Cable Network	To install of 6,5km of 11kV cables	(M1)Linking project on eProcurement (M2)Approval of WBS and PO's (M3)Achievement – 1.2km installation	(M1)Full implementation of all projects on site (M2)Install 1km of cable (M3)Install 2km of cable	(M1)Linking project on eProcurement (M2)Approval of WBS and PO's (M3)Achievement – 1.2km installation (Q)Achievement – 1.2km installation	(M1)Late start due to approval of budget in Q2. (M2)Appointed vendors not Eprocurement compliance and also lack of cables in stores (M3)The project is experiencing challenges with unavailability of material and e-procurement compliance (Q)The project is experiencing challenges with unavailability of material and e-procurement compliance	(M1)Finalising creation of WBS and PR on eProcurement (M2)Requested permission from SCM to utilise the services of Tshepo 10K vendors to procure stock material (M3)Requested permission from SCM to utilise the services of Tshepo 10K vendors to procure stock material (Q)Requested permission from SCM to utilise the services of Tshepo 10K vendors to procure stock material	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710481.1.005 Strengthening 11kV Overhead Network	Upgrading of 11kV Overhead as per identification of needs.This total will contribute to the yearly target of 8km.	(M1)The Matlejoane project has been completed and paid for. All projects are busy with construction on site currently (M2)Target not achieved as project is still awaiting critical material. (M3)Achievement – 2.7km Installed 2km of line	(M1)Work to continue once contractors are back from festive period, not much will be achieved. Pay Delivery of Ordered Material (M2)Install 2km of line (M3)Install 1km of line Q3: Install 2.5km of line	(M1)The Matlejoane project has been completed and paid for. All projects are busy with construction on site currently (M2)Target not achieved as project is still awaiting critical material. (M3)Achievement – 2.7km (Q)Achievement – 2.7km	(M1)Achieved (M2)Delays have been experienced due to cable availability and eprocurement. (M3)Our projects have been affected due to delays and challenges with e-procurement (Q)Our projects have been affected due to delays and challenges with e-procurement	(M1)N/A (M2)Constant engagement with service providers (M3)Tshepo 10k vendors to be utilised for procuring stock material (Q)Tshepo 10k vendors to be utilised for procuring stock material	(M1)Late delivery of material can delay the project even further. (M2)Delays have been experienced due to cable availability and eproc. (M3) (Q)	(M1)We are engaging with the supplier directly. (M2)Constant engagement with service providers and EPROC (M3) (Q)
9.710484.1.016 Substations	To complete 3x new satellite substations	(M1)"We have inspected the switchgear and have	(M1)Implementation of the identified projects.	(M1)"We have inspected the switchgear and have	(M1)Delay in approval of 2016/17 funding	(M1)Fastrack all deliverables on project	(M1)Testing approval	(M1)Engaging with Testing to fastrack

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		arranged with Testing for approval. We have engaged with the service providers. We will be energising 3 subs namely:• Longtill (M2)WBS numbers have been created for the sum total of the project. We are busy creating Pos and engaging with service providers. (M3)Materials ordered	Creation of wbs numbers. Sourcing material and appointing necessary contractors. (M2)Execution of works (M3)Not applicable	arranged with Testing for approval. We have engaged with the service providers. We will be energising 3 subs namely:• Longtill (M2)WBS numbers have been created for the sum total of the project. We are busy creating Pos and engaging with service providers. (M3)Materials ordered (Q)Materials ordered	(M2)Delays have been experienced due to cable availability and eproc. (M3)Delays have been experienced due to cable availability and eproc (Q)Delays have been experienced due to cable availability and eproc	(M2)Engagement with service providers and EPROC (M3)Expedite delivery of ordered materials. (Q)Expedite delivery of ordered materials.	(M2)Delays have been experienced due to cable availability and eproc. (M3) (Q)	(M2)Engagement with service providers and EPROC (M3) (Q)
9.710566.2.005 Tshwane Public Lighting Programme	To install 1700 streetlights and 25 high masts	(M1) (M2) (M3)	(M1)Construction of the Network Backbone infrastructure, 300 Streetlights and 1 High masts (M2)Construction of the Network Backbone infrastructure, 350 Streetlights (M3)Construction of the Network Backbone infrastructure, 350 Streetlights and 6 High masts Q3: 1000 Streetlights and 7 High masts	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710566.2.016 Tshwane Public Lighting Programme	To install 400 streetlights and 10 high masts	(M1) (M2) (M3)	(M1)Construction of the Network Backbone infrastructure, (M2)Construction of the Network Backbone infrastructure, (M3)Construction of the Network Backbone infrastructure. Q3: 0 Streetlights and 0 High masts	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.711862.1.005 Prepaid Electricity Meters		(M1) (M2) (M3)	(M1)Activation of WBS's (M2)Procurement process Q3 Complete procurement process	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711862.1.015 Prepaid Electricity Meters		(M1) (M2) (M3)	(M1)Activation of WBS's (M2)Procurement process Q3 Complete procurement process	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712006.1.016 Replacement of Obsolete & Non Functional Equipment	Replacement of Non-Functional Equipment at All 7 ward and regions	(M1) (M2) (M3)	(M1) (M2) Q3: Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712279.1.015 New Bulk Infrastructure (USDG)		(M1) (M2) (M3)	(M1)No activity (M2)No activity (M3)No activity	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)		
9.712483.1.016 New Connections	To achieve a yearly target of 2295 Residential connections as well as 205 non residential connections.	(M1)Achieved 91 Residential connections as well as 13 non residential connections for the month (M2)To achieve 112 Residential connections as well as 14 non residential connections for the month (M3) Achieved 66 Residential connections as well as 34 non residential connections connections for the month	(M1)To achieve 180 Residential connections as well as 15 non residential connections for the month (M2)To achieve 200 Residential connections as well as 18 non residential connections for the month Q3: Projection for the quarter is 685 connections (630 res + 55 non-res)	(M1)Achieved 91 Residential connections as well as 13 non residential connections for the month (M2)To achieve 112 Residential connections as well as 14 non residential connections for the month (M3) (Q)	(M1)The project is application driven and is dependant on paid applications received from potential consumers. (M2)The project is application driven and is dependant on paid applications received from potential consumers. (M3) (Q)	(M1)Closely monitor spending patterns and make informed decision to either request additional funding or surrender excess funds that wont be spent. (M2)Closely monitor spending patterns and make informed decision to either request additional funding or surrender excess funds that wont be spent. (M3) (Q)		
9.712861.1.016 Replacement of Obsolete Protection and Tesing Instruments	Purchase testing equipment	(M1) (M2) (M3)	(M1)Place and order for 3 transformer instruments and 1 cable test instrument. (M2)Wait for lead time of order placed for test instruments. Q3: Receive and pay order (70% of obsolete equipment. Replaced according to the 2015/16 action-plan)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712906.1.016 Substation Peripheral	To procure, install and commission Power Quality Monitoring	(M1) (M2) (M3)	(M1)Processing the purchase order	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
Equipment Programme	System which monitors 130 sites connected to the control centre		(M2)Receive supplied equipment and pay order and training (M3)Installation and commissioning of 30 Power Quality sites and server configuration and commissioning Q3: Receive equipment and pay order, pay training and 30 sites installations with server commissioning	(Q)	(Q)	(Q)	(Q)	(Q)
9.713020.1.001 AMVI Infrastructure (Smart Meter Project)	Acquire the front and back end system that is used for the Security of Revenue Project from the Service Provider in terms of the Interim Services and Termination Agreement.	(M1)Project scope changed (M2)Project scope changed (M3) Project scope changed	(M1)No activity (M2)No activity (M3)No activity	(M1)Project scope changed (M2)Project scope changed (M3) (Q)	(M1)The following new tenders are in the supply chain processes. Installations of Meters, Third Party Vending, Supply of Meters, Test Benches and vending management system. (M2)The following new tenders are in the supply chain processes. Installations of Meters, Third Party Vending, Supply of Meters, Test Benches and vending management system. (M3) (Q)	(M1)Expedite approval of new Tenders (M2)Expedite approval of new Tenders (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.005.D Electricity for All-Region 1	Construction on the electricity network backbone structure with 4061 connections	(M1)Construction of Network backbone is under way , with 23 connections realised (M2)Construction of the electricity backbone network 65 % complete, preparation for commissing six minisubstations for Winterveldt project (rain delays the final inspections) and archieved 7 connections at Soshanguve South Ext 19 project.	(M1)Construction of the electricity network backbone structure (M2)Construction of the electricity network backbone structure with 500 connections (M3)Construction of the electricity network backbone structure with 500 connections Q3: Construction on the electricity network backbone structure with 1000 connections	(M1)Construction of Network backbone is under way , with 23 connections realised (M2)Construction of the electricity backbone network 65 % complete, preparation for commissing six minisubstations for Winterveldt project (rain delays the final inspections) and archieved 7 connections at Soshanguve South Ext 19 project.	(M1)The system is running short, of meters keys (M2)Unavailability of Keypads to complete connections at Soshanguve South Ext 19, (M3)Unavailability of Keypads to complete connections at Soshanguve South Ext 19, (Q)Unavailability of Keypads to complete connections at Soshanguve South Ext 19,	(M1)Matter escalated to ED attention (M2)Matter escalated to Top Management (M3)Requested SCM to use Tshepo 10K to assit in procuring no contracted items (Q)Requested SCM to use Tshepo 10K to assit in procuring no contracted items	(M1)Unvaialbility of Meters Keypads (M2)unavailability of assembly material (M3) (Q)	(M1)Matter escalated to ED attention (M2)Matter escallated to CFO who committed to order to normalise the stock levels on assembly material (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M3)Construction of the electricity network backbone structure, preparing to enerzise 10 minisub zones Network Backbone infrastructure for Soshanguve South Ext. 19 meant to catter for 561 households is was commissioned in November 2016, currently busy rolling out electricity connection, 67 Connections realised in December 2016.		(M3)Construction of the electricity network backbone structure, preparing to enerzise 10 minisub zones (Q)Construction of the electricity network backbone structure, preparing to enerzise 10 minisub zones				
9.710178.2.006 Electricity for All - Region 1	Construction of the network backbone structure completion of the platform.	(M1)site camp established (M2)Final construction designs submitted for approval. Manufaturing of material with long lead times in progress (M3) Site establishment	(M1)Clear substation yard and start with excavation of building foundation (M2)Construction of the network backbone structure with completion of the Substation building Q3: Complete construction of the building foundation and installation of earth mat	(M1)site camp established (M2)Final construction designs submitted for approval. Manufaturing of material with long lead times in progress (M3) (Q)	(M1)Late delivery of cables material (M2)Delays in finanlising construction designs and interruptions by community members (M3) (Q)	(M1)Constant engagement with SCM on the delivery of material (M2)Constant engagement with the sub contractors and Ward councillor to resolve matter. (M3) (Q)	(M1)None (M2)The project has been negatively affected by the local sub contractors demanding work opportunities (M3) (Q)	(M1)N/A (M2)Constant engagement with the sub contractors and Ward councillor to resolve matter. (M3) (Q)
9.712279.015.J Soshanguve JJ 132/11KV Substation	Complete installation of support structures and building	(M1)Contractor busy on site. Civil work including the installing earth mat, substation building and equipment foundations at 60% (M2)Civil work including the installing earth mat, substation building and equipment foundations progressing well at 65% (M3) Site established and all material with long lead time ordered	(M1)Excavate building foundation and casting of equipment foundation (M2)Start with the construction of the building foundation (M3)Construction of the building Q3: Start with the construction of the building and receive delivery of equipment	(M1)Contractor busy on site. Civil work including the installing earth mat, substation building and equipment foundations at 60% (M2)Civil work including the installing earth mat, substation building and equipment foundations progressing well at 65% (M3) (Q)	(M1)Achieved (M2)Achieved (M3) (Q)	(M1)N/A (M2)N/A (M3) (Q)	(M1)None (M2)None (M3) (Q)	(M1)N/A (M2)N/A (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.006 Electricity for All - Region 2	Funds will be transferred during adjustment however the targets for this projects are moved to other regions	(M1) (M2) (M3)	(M1)No activity in the current financial year (M2)No activity in the current financial year (M3)No activity in the current financial year No activity in the current financial year	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.006 Electricity for All - Region 3	Completion of 1490 connections	(M1) (M2) (M3) No Activity planned fro this region	(M1)No activity in the current financial year (M2)No activity in the current financial year (M3)No activity in the current financial year	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 4

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.006 Electricity for All - Region 4	Funds will be transferred during adjustment however the targets for this projects are moved to other regions	(M1) (M2) (M3)	(M1)No activity in the current financial year (M2)No activity in the current financial year (M3) No activity in the current financial year	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712279.1.015 Eldonraigne 132/11kv substation (3 x 40MVA Power Transformers)	Installation and commissioning of transformers	(M1)An order for 3 x 40MVA power transformers for Eldoraigne substation placed with supplier. The contrcator finalising the design (M2)Design submitted for approval and returned to contractor for amendments. Progress at 80% (M3) Continuing with construction at	(M1)Place orders for power transformers (M2)Complete and approve manufacturing designs (M3)Manufacturing of the transformers Q3: Manufacturing and conducting Factory Accepted Tests (FATs) for the transformers	(M1)An order for 3 x 40MVA power transformers for Eldoraigne substation placed with supplier. The contrcator finalising the design (M2)Design submitted for approval and returned to contractor for amendments. Progress at 80% (M3) (Q)	(M1)Achieved (M2)Achieved (M3) (Q)	(M1)N/A (M2)N/A (M3) (Q)	(M1)Late delivery of the transformers will result in the allocated budget not being spent in the current FY (M2) (M3) (Q)	(M1)Continous monitoring of the manufacturing process. Reallocate the funds to other projects (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		Eldoraigne substation. Civil work in 132kV yard 85% from complete. 75% Steelwork installed in 132kV yard. Steelwork installed on 132kV reserve BB, 132kV BC and 132kV TRF bays C, B and R. 132kV reserve BB constructed. 132kV BC isolators and breaker installed. Multicore cables installed 85%.						
9.712279.1.015 Kentron 132/11kv Substation refurbishment	Substation building construction and substation equipment	(M1)Project Cancelled (M2)Project Cancelled (M3)Project Cancelled Project on hold due to the cancellation of the tender. The contractor could not deliver due to under pricing for the work. Tender will be re-advetsised.	(M1)No activity (M2)No activity (M3)No activity	(M1)Project Cancelled (M2)Project Cancelled (M3)Project Cancelled (Q)Project Cancelled	(M1)The contractor could not deliver due to under pricing for the work. Tender will be re-advetsised. (M2)The contractor could not deliver due to under pricing for the work. Tender will be re-advetsised. (M3)The contractor could not deliver due to under pricing for the work. Tender will be re-advetsised. (Q)The contractor could not deliver due to under pricing for the work. Tender will be re-advetsised.	(M1)Tender being re-advertised (M2)Tender being re-advertised (M3)Tender being re-advertised (Q)Tender being re-advertised	(M1)Delay in Eskom submitting the budget quote for payment (M2) (M3) (Q)	(M1)Have monthly meetings with Eskom to keep track of progress (M2) (M3) (Q)
9.712279.1.015 Monavoni Power Line Servitude	Payment for land for the power line servitude	(M1)Project completed (M2)Project completed (M3)Project completed Project completed	(M1)Project completed (M2)Project completed Q3: Project completed	(M1)Project completed (M2)Project completed (M3)Project completed (Q)Project completed	(M1)Achieved. Project completed (M2)Achieved. Project completed (M3)Achieved. Project completed (Q)Achieved. Project completed	(M1)N/A (M2)N/A (M3)N/A (Q)N/A	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712279.1.015.E Eldoraigne 132/11kv Substation	Commission line feeder bay and new transformer	(M1)An order for 3 x 40MVA power transformers for Eldoraigne substation placed with supplier. The contrcator finalising the design (M2)Progress on site is at 89% towards completionTesting and commissioning of 132kv & 11kV equipment.	(M1)None (M2)Commission 1 x 20MVA transformer (M3)Install new support structures and equipment on line1 feeder bay. Q3: Civil work in yard, steel structures, cables and equipment install. Commission of some equipment	(M1)An order for 3 x 40MVA power transformers for Eldoraigne substation placed with supplier. The contrcator finalising the design (M2)Progress on site is at 89% towards completionTesting and commissioning of 132kv & 11kV equipment. (M3)	(M1)Delay in finalising the appointment of the contractor (M2)Achieved (M3) (Q)	(M1)Continous monitoring of the manufacturing process. Reallocate the funds to other projects (M2)N/A (M3) (Q)	(M1)Late delivery of the transformers will result in the allocated budget not being spent in the current FY (M2)None (M3) (Q)	(M1)Continous monitoring of the manufacturing process. Reallocate the funds to other projects (M2)N/A (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		(M3) Placed an order for 3 x 40MVA power transformers for Eldoraigne substation		(Q)				
9.712279.1.015.M Monavoni 132/11KV Substation	Installation of 132kv equipment	(M1)No work done due to withdrawal of one of the partners in the JV. (M2)Project on hold approval of the remaining partner in the JV to proceed with the work (M3) No work done due to withdrawal of one of the partners in the JV.	(M1)Testing and commissioning of 132kv equipment (M2)Commission 1 x 20MVA transformer (M3)Install new support structures and equipment on line1 feeder bay Q3: Civil work in yard, steel structures, cables and equipment install. Commission of some equipment	(M1)No work done due to withdrawal of one of the partners in the JV. (M2)Project on hold approval of the remaining partner in the JV to proceed with the work (M3) (Q)	(M1)No work done due to withdrawal of one of the partners in the JV. (M2)No work done due to withdrawal of one of the partners in the JV. (M3) (Q)	(M1)Fastracking the SLA with the appointed contractors (M2)Expediete the approval of the report to allow the contrcator to continue (M3) (Q)	(M1)Delay in the approval of the request from the remaining partner to continue with the project (M2)Delay in the approval of the request from the remaining partner to continue with the project (M3) (Q)	(M1)Expedite the approval of the report (M2)Expedite the approval of the report (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 5

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.005.E Electricity for All-Region 5	Construction on the electricity network backbone structure with 500 connections	(M1)Busy with Construction of Backbone structure (M2)Construction of the electricity backbone network 35% complete , finalised the feeder cable route (access) (M3) Construction of the Network Backbone Infrastructure is on track, No Capacity to connect households at present.	(M1)Activation of WBS's (M2)Construction of the electricity network backbone structure (M3)Construction of the electricity network backbone structure	(M1)Busy with Construction of Backbone structure (M2)Construction of the electricity backbone network 35% complete , finalised the feeder cable route (access) (M3) (Q)	(M1)Currently sorting out the Capacity acess route (M2)Finance finalising the approval of budget WBS's (M3) (Q)	(M1)Stakeholder forum is created to resolved the capacity route, currently investigating submitted options (M2)Matter escalated to Top Management (M3) (Q)	(M1)Unavailability of assembly material (M2)Unavailability of assembly material (M3) (Q)	(M1)Matter escalated to CFO who committed to order to normalise the stock levels on assembly material (M2)Matter escalated to CFO who committed to order to normalise the stock levels on assembly material (M3) (Q)
9.710178.2.006 Electricity for All -Region 5	Funds will be transferred during adjustment however the targets for this projects are moved to other regions	(M1) (M2) (M3)	(M1)No activity in the current financial year (M2)No activity in the current financial year (M3)Project completed Project completed	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712279.015.M Mamelodi-3 132/11KV substation (2 x	Installation and commissioning of power transformers	(M1)An order for 2 x 40MVA power transformers for Mamelodi 3 substation placed with supplier. The	(M1)No activity (M2)No activity (M3)No activity	(M1)An order for 2 x 40MVA power transformers for Mamelodi 3 substation placed with supplier. The	(M1)Delay in finalising the appointment of the contractor (M2)Local community demands on subcontracting	(M1)Constant engagement with SCM to fastrack awarding of contractors (M2)Constant engagement with community leaders	(M1)Late delivery of the transformers will result in the allocated budget not being spent in the current FY (M2)None	(M1)Continous monitoring of the manufacturing process. Reallocate

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
40MVA Power Transformers)		contractor finalising the design (M2)Completed paving of the internal roads (M3) Placed an order for 2 x 40MVA power transformers for Mamelodi 3 substation		contractor finalising the design (M2)Completed paving of the internal roads (M3) (Q)	and constant project stoppage. (M3) (Q)	(M3) (Q)	(M3) (Q)	the funds to other projects (M2)N/A (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.005.F Electricity for All-Region 6	Construction of the electricity network backbone structure with 4571 connections	(M1)Busy with construction of Backbone structure with 209 connections (M2)Construction of the electricity backbone network, 65% of the entire nework completed and inspected, inpreparation for commission in quarter 4, achieved one connection for Newllmaphius Ext. 24 (M3) Construction of the Network Backbone infrastructure and 250 Connections	(M1)Construction of the electricity network backbone structure (M2)Construction of the electricity network backbone structure with 500 connections (M3)Construction of the electricity network backbone structure with 900 connections Q3: Construction of the electricity network backbone structure with 1400 connections	(M1)Busy with construction of Backbone structure with 209 connections (M2)Construction of the electricity backbone network, 65% of the entire nework completed and inspected, inpreparation for commission in quarter 4, achieved one connection for Newllmaphius Ext. 24 (M3) (Q)	(M1)1. The system is running short, of meters keys. 2. Unavalability of RMMSV for Mamelodi Ext. 5 Project (M2)working on acquiring approval to cross the railway lines with cabling work (M3) (Q)	(M1)RMMSV Matter is excalated to Housing to resolve. (M2)Matter escalated to Top Management. (M3) (Q)	(M1)Unvailability of RMMSV's for Mamelodi Ext. 5 (M2)unavailability of assembly material (M3) (Q)	(M1)RMMSV Matter is excalated to Housing to resolve. (M2)Matter escallated to CFO who committed to order to normalise the stock levels on assembly material (M3) (Q)
9.710178.2.006.F Electricity for All -Region 6	Completion and energizing the network with 90 connections	(M1)Busy with construction of backbone underway (M2)Construction of the electricity backbone network, 65% of the entire nework completed and inspected, in preparation for commission in quarter 4, (M3) Energised the Network Backbone infrastructure for Mamelodi Ext. 5 regileble to connect 74 connections to the grid, with 67 connections realised	(M1)Project completed (M2)Project completed (M3)March: Project completed	(M1)Busy with construction of backbone underway (M2)Construction of the electricity backbone network, 65% of the entire nework completed and inspected, in preparation for commission in quarter 4, (M3) (Q)	(M1)There were technical error on the feederline that forced the commissining of the project . (M2)working on acquiring approval to cross the railway lines with cabling work (M3) (Q)	(M1)Contractor requested to revise his programme to accommodate lost time. (M2)Matter escalated to Top Management (M3) (Q)	(M1)Completing the project on time (M2)unavailability of assembly material (M3) (Q)	(M1)Contractor requested to revise his programme to accommodate lost time. (M2)Matter escallated to CFO who committed to order to normalise the stock levels on assembly material (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712279.1.015.G Hartherley 132/11KV Substation	Test and commission of the power line	(M1)Completed the remedial work on Tower 1, 2, 10 and 11 on the Hatherley - Mamelodi power line. Started with the assembly of the steel towers and completed tower 15 (M2)Completed the remedial work on Tower 5, 7, 8 & 9 on the Hatherley - Mamelodi power line. (M3) Completed the remedial work on Tower 1, 2, 10 and 11 on the Hatherley - Mamelodi power line	(M1)Complete remedial work on the tower foundations (M2)Erect towers and fittings on the Mamelodi Hatherley line (M3)Stringing of the line and start with verification work on the Wildebees - Hatherley/Elland line. Q3: Complete all foundation work and erect towers on the Mamelodi - Hatherley power line	(M1)Completed the remedial work on Tower 1, 2, 10 and 11 on the Hatherley - Mamelodi power line. Started with the assembly of the steel towers and completed tower 15 (M2)Completed the remedial work on Tower 5, 7, 8 & 9 on the Hatherley - Mamelodi power line. (M3) (Q)	(M1)Delay in completing the project due to constant community interruptions (M2)Constant work stoppage by the community (M3) (Q)	(M1)Regular meetings with the Ward councillors to resolve the issues (M2)Regular meetings with the Ward councillors to resolve the issues (M3) (Q)	(M1)Slow progress on site due to constant community stoppage demanding subcontracting works (M2) (M3) (Q)	(M1)Regular meetings with the Ward councillors to resolve the issues (M2) (M3) (Q)
9.712279.1.015.M Mamelodi -3 132/11KW substation	Substation hand over	(M1) (M2) (M3)	(M1)Commission of the substation (M2)Commission of the substation Q3: Commission of the substation	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Energy & Electricity - CAPEX Region 7

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710178.2.006.G Electricity For All - Region 7	Funds will be transferred during adjustment however the targets for this projects are moved to other regions	(M1) (M2) (M3)	(M1)No activity in the current financial year (M2)No activity in the current financial year (M3)No activity in the current financial year	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.7101782.005.G Electricity for All - Region 7	Construction of the electricity network backbone structure with 1023 connections	(M1)The approval occupation of site from OHS compliance delayed the actual construction work by three months to date. (M2)Construction of the electricity backbone network, 45% of the Connection boxes connected to the low voltage nework. (M3)	(M1)Construction of the electricity network backbone structure (M2)Construction of the electricity network backbone structure Q3: Construction of the electricity network backbone structure	(M1)The approval occupation of site from OHS compliance delayed the actual construction work by three months to date. (M2)Construction of the electricity backbone network, 45% of the Connection boxes connected to the low voltage nework. (M3)	(M1)Contractors failure to occupy site due to outstanding compliance to OHS regulation (M2)The safety plan approvals delayed the actual costruction of works by 4 months (M3) (Q)	(M1)Contractor requested to revise his programme to accommodate lost time. (M2)Matter escalated to Top Management (M3) (Q)	(M1)Completing the project on time (M2)Unavailability of assembly material (M3) (Q)	(M1)Contractor requested to revise his programme to accommodate lost time. (M2)Matter escalated to CFO who committed to order to normalise the stock levels on assembly material (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		none,		(Q)				

Utility Services : Water& Sanitation - CAPEX City Wide

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710022.1.001.T Township water services developers: Tshwane contributions	Developers enter into service agreements with the CoT for each new township. In some cases the CoT requires upsizing or new services that will require repayment for additional capacity created in this way.	(M1)No Claims Received (M2)No Claims Received (M3) No claims received.	(M1)Project measured according to the % expenditure for contributions towards township developments. Claims usually only received and processed during the months of Qtr3 and only reflects by March. (M2)Project measured according to the % expenditure for contributions towards township developments. Claims usually only received and processed during the months of Qtr3 and only reflects by March. Q3: Project measured according to the % expenditure for contributions towards township developments. Claims usually only received and processed during the months of Qtr3 and only reflects by March. Estimated 30% expenditure by March 2017 for Qtr3.	(M1)No Claims Received (M2)No Claims Received (M3) (Q)	(M1)" The Developer had to register with National Treasury before they could be paid . The process took a significantly long period.The invoice could not be process as the Vendor was not registered at SCM. The Vendor for Sunderland Ridge X10 has now completed the registration process and submit an invoice for payment in Feb 2017. (M2)" The Developer had to register with National Treasury before they could be paid . The process took a significantly long period.The invoice could not be process as the Vendor was not registered at SCM. The Vendor for Sunderland Ridge X10 has now completed the registration process and submit an invoice for payment in Feb 2017 (M3) (Q)	(M1)None (M2)None (M3) (Q)		
9.710026.1.015.S Replacement of worn out network pipes	5965m Water Reticulation pipes Upgraded	(M1)710m water pipeline (upgrade) installed for the month (M2) (M3) 3,246m of the planned 4,500m of pipes installed and tested on the Soshanguve portion of this project. Motivation for appointment of a contractor from CB116/2013 for	(M1)200m water pipeline (upgrade) (M2)350m water pipeline (upgrade) (M3)600m water pipeline (upgrade) Q3: 1150m Water Reticulation pipes Upgraded	(M1)710m water pipeline (upgrade) installed for the month (M2) (M3) (Q)	(M1)The contractor from CB116/2013 for water network replacement in Soshanguve AA phase 2 and F has is currently on construction stage. The actual cash flow is less than what was projected because of the following: • A delay in the appointment of a contractor from CB116/2013 for the water network replacement in	(M1)An additional team started working in Soshanguve AA and F to fast track progress. The appointment of a contractor for Clubview has been recieved on 20 Jan 2017, construction will be start in Feb 2017. (M2)An additional team started working in Soshanguve AA and F to fast track progress. The appointment of a contractor for Clubview has	(M1)A delay in the appointment of a contractor from CB116/2013 for the water network replacement in Clubview is causing a delay in progress. Community issues Soshanguve AA and F caused a delay in production on site which influenced the progress negatively. (M2)A delay in the appointment of a contractor from CB116/2013 for the	(M1)Additional workforce has been made available on site to fast track production. (M2)An additional team started working in Soshanguve AA and F to fast track progress. (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		Clubview and Hennopspark was submitted for approval. Currently awaiting appointment of contractor.			Clubview. • Community issues Soshanguve AA and F caused a delay in production on site which influenced the cash flow negatively. This project is therefore behind schedule and as mitigations an additional team started working in Soshanguve AA and F to fast track progress. The appointment of a contractor for Clubview has been recieved on 20 Jan 2017, construction will be start in Feb 2017. (M2)The contractor from CB116/2013 for water network replacement in Soshanguve AA phase 2 and F has is currently on construction stage. The actual cash flow is less than what was projected because of the following: • A delay in the appointment of a contractor from CB116/2013 for the water network replacement in Clubview. • Community issues Soshanguve AA and F caused a delay in production on site which influenced the cash flow negatively. This project is therefore behind schedule and as mitigations an additional team started working in Soshanguve AA and F to fast track progress. The appointment of a contractor for Clubview has been recieved on 20 Jan 2017, construction will be start in Feb 2017. (M3) (Q)	been recieved on 20 Jan 2017, construction will be start in Feb 2017. (M3) (Q)	water network replacement in Clubview is causing a delay in progress. Community issues Soshanguve AA and F caused a delay in production on site which influenced the progress negatively. (M3) (Q)	
9.710026.1.016 Replacement of worn out network pipes	5965m Water Reticulation pipes Upgraded	(M1) (M2) (M3)	(M1)200m water pipeline (upgrade) (M2)350m water pipeline (upgrade) (M3)600m water pipeline (upgrade)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
			Q3: 1150m Water Reticulation pipes Upgraded					
9.711404.2.016 Replacement of Sewers	3000m Sewer Pipeline Upgrade	(M1) (M2) (M3) Tender has been advertised on 12 August 2016 and closed on 19 September 2016. BEC met on 24 November. More information requested from the Bidders. BEC will re-convene on 8 December 2016.	(M1)Technical Evaluation Process. Bid Evaluation to be concluded on 19 Jan 2017. (M2)Bid Adjudication Phase. (M3)Bid adjudication phase	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)		
9.711542.1 (016) Information Management system (upgrading of Ibis software) (Water demand management)	68% The Development a new Maintenance Management System	(M1) (M2) (M3) Project on schedule.	(M1)5% Development of Software (M2)10% Development of Software (M3)15% Development of Software Q3 30% development	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712124.1 Establishment of Water Distribution Depots	Completion of Water Distribution Depots	(M1) (M2) (M3) awaiting feedback from City of Johannesburg housing department for appointment under section 32.	(M1)Project completed (M2)Project completed (M3)March: Project completed Q3: Project Complete	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712534.1.015 Reservoir Extension	Installation of data loggers for flow control valve chambers	(M1) (M2) (M3)	(M1)Procurement of data loggers (M2)Procurement of data loggers Q3: Procurement of data loggers	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)		
9.712534.1.015.E Installation of telemetry, bulk meters and control equipment at reservoirs	Installation of data loggers for flow control valve chambers	(M1) (M2) (M3) Contractor to be allocated.	(M1)Procurement of data loggers (M2)Procurement of data loggers Q3: Procurement of data loggers	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712896.1.005 Water Conservation		(M1) (M2)	(M1)Milestone not provided	(M1) (M2)	(M1) (M2)	(M1) (M2)	(M1) (M2)	(M1) (M2)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
and Demand Management (Installation of water meters Steve		(M3)	(M2)Milestone not provided (M3)Milestone not provided	(M3) (Q)	(M3) (Q)	(M3) (Q)	(M3) (Q)	(M3) (Q)

Utility Services : Water& Sanitation - CAPEX Region 1

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710023.1.016.W Lengthening of network and supply pipelines	400m water pipeline (upgrade)	(M1) (M2) (M3) 0m No pipes installed	(M1)Administration compliance (M2)Site establishment Q3: 100m water pipeline (upgrade)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.2. 005.Z Garankuwa water bulk pipeline		(M1) (M2) (M3)	(M1) (M2) Q3: Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.2.005.C Mabopane water reticulation and bulk pipeline	Completion of Mabopane water reticulation and bulk pipeline	(M1) (M2) (M3) Buzaphi completed with all pipe laying, with ONLY few 1200m scour tee welding and pipe pressure testing outstanding. Welders are on site completing the welding of air valves tee's and scour tees. Winterveld tee installed. Kamo contractor completed all pipe laying, with pressure testing, steel fixing and busy with concrete pouring and concrete curing at various chambers. Exposing of connection at Mabopane reservoir done and waiting on contractor to prove the ordering of special fittings.	(M1)Construction stage - 20% Concrete Chamber (M2)Construction stage - 20% Concrete Chamber (M3)Construction stage - 70% Concrete Chamber Pipe Specials and Valves Q3: Construction stage - Concrete Chamber	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712534.1.015.J Klipgat Reservoir	Completion of new Klipgat Reservoir	(M1) (M2) (M3) Steel fixing Local Skilled Subcontractor has been	(M1)11% (curing of form work, sealing of the walls and finishing section 3 of the roof) (M2)11% (sealing of the floor, post tension and	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
		appointed to speed up the progress on site.	start with water tightness testing) (M3)5% (finishing of the testing and site establishment) Q3: 100% Completion					
9.712970.1.005 Midas - 580 housing units - Sewer Provision	Installation of sewer pipeline, manholes and house connections	(M1) (M2) (M3)	(M1)Sewer designs (M2)Sewer designs (M3)Approval of sewer designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Midas - 580 housing units - water provision	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Water design (M2)Water design Q3: Approval of water designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Soshanguve South Ext 1 (Plot 67) - 398 housing units - water provision	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Installation of water pipeline, valve chambers, house connections, water meters and yard taps. (M2)Installation of water pipeline, valve chambers, house connections, water meters and yard taps. Q3: Installation of water pipeline, valve chambers, house connections, water meters and yard taps.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Water& Sanitation - CAPEX Region 2

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710411.1.016 Temba / Babelegi WWTW Upgrade/Extension		(M1) (M2) (M3)	(M1)Cable damages - insurance claim (M2)Cable damages - insurance claim (M3)Cable damages - insurance claim	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.005 Ramotse -	Approval of inception report	(M1) (M2)	(M1)Allocation process for Consulting Engineers	(M1) (M2)	(M1) (M2)	(M1) (M2)	(M1) (M2)	(M1) (M2)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
Marokolong Waterborne Sanitation		(M3) The evaluation report has been completed.	(M2)Allocation process for Consulting Engineers (M3)Completion of allocation process and issuing of the appointment letter to the Consulting Engineers Q3: Compilation of Inception report	(M3) (Q)	(M3) (Q)	(M3) (Q)	(M3) (Q)	(M3) (Q)
9.710878.1.005.T Temba Water Purification Plant Extension	98% overall completion	(M1) (M2) (M3)	(M1)2% Finishes of Civil Structures, Mechanical and Electrical (M2)2% Finishes of Civil Structures, Mechanical and Electrical (M3) 2% Finishes of Civil Structures, Mechanical and Electrical Q3: 92% overall completion	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.2.005 Soshanguve DD Bulk water pipeline (Emergency pipeline to Stinkwater)	Installation of 1.4 km of bulk water pipeline	(M1) (M2) (M3)	(M1)82% complete (Pipe jacking, chambers and pipe installed) (M2)Installation of chamber fittings and construction of 3 outstanding chambers (concrete works Q3: Testing and commissioning	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.2.015.T Temba Water Purification Plant Extension	98% overall completion	(M1) (M2) (M3)	(M1)2% Finishes of Civil Structures, Mechanical and Electrical (M2)2% Finishes of Civil Structures, Mechanical and Electrical Q3: 2% Finishes of Civil Structures, Mechanical and Electrical	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.2.016 Temba Water Purification Plant Extension	98% overall completion	(M1) (M2) (M3)	(M1)No activity planned (M2)No activity planned (M3)No activity planned	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711335.015.N Bulk Water Pipeline Wonderboom	Complete installing 30 m length pipeline;100% Installation installation of fittings; 100% testing	(M1) (M2) (M3)	(M1)30 m length pipeline;0% Installation installation of fittings; 0% testing (contractor to return to site, letter of intend to terminate has been issued) (M2)40% Installation installation of fittings; 0% testing (M3)40% Installation installation of fittings; 0% pipe testing Q3: 20% installation of fittings; 40% pipe testing	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712534.1.015.A Annlin Reservoir Extension	Completion of reservoir	(M1) (M2) (M3) The total progress on the reservoir outstanding work is 60% (Actual progress for the months 7%)	(M1)Project complete (M2)Project complete (M3) Project complete Q3: Project complete	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712534.1.015.W Babelegi Reservoir	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)50% Appointment of new contractor (M2)50% Appointment of new contractor (M3)10% completion of repair work to reservoir and steel tank Q3 appointment of new contractor and 10% completion of repair work to reservoir and steel tank	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Hammanskraal Ext 10 - 2767 Housing Units - Sewer Provision	Installation of sewer pipeline, manholes and house connections	(M1) (M2) (M3)	(M1)Sewer designs (M2)Sewer designs Q3: Approval of sewer designs,	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Hammanskraal Ext 10 - 2767 Housing Units - Water provision	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Water design (M2)Water design Q3: Approval of water designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Hammanskraal Ext 2 - Stand 3505 - 61	Installation of water and sewer pipeline	(M1) (M2) (M3)	(M1)Sewer designs (M2)Sewer designs	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)	(M1) (M2) (M3)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
Housing Units - Sewer Provision			Q3: Approval of sewer designs	(Q)	(Q)	(Q)	(Q)	(Q)
9.712970.1.005 Hammanskraal Ext 2 - Stand 3505 - 61 Housing Units - Water Provision	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Water design (M2)Water design (M3)Approval of water designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Kudube Unit 8 - 1784 Housing Units - Water Provision	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Installation of water pipeline (M2)Installation of water pipeline (M3)Installation of water pipeline	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Water& Sanitation - CAPEX Region 3

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.711335.1.015.P Heights Iscor Feeder	Tabling of tender completed	(M1) (M2) (M3) The preliminary report was approved by Bulk Water on the 29th November 2016. The consultant is currently busy with the detail design.	(M1)Designs 100% complete, Approval of detailed designs, Preparation of tender document (M2)Preparation of tender document (M3)Approval of tender document Q3: Tendering Stage	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Atteridgeville Ext 19 Sewerage network	Installation of sewer pipeline, manholes and house connections	(M1) (M2) (M3)	(M1)Installation of sewer pipeline, manholes & house connections (M2)Installation of sewer pipeline, manholes & house connections Q3: Installation of sewer pipeline, man holes, house connections, testing of pipeline	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Atteridgeville Ext19 - Water network	Installation of water pipeline, valve chambers, house	(M1) (M2) (M3)	(M1)Installation of water pipeline, valve chambers, house connections	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
	connections, water meters and yard taps		(M2)Installation of water pipeline, valve chambers, house connections (M3)Installation of water pipeline, valve chambers, house connections. Q3: Installation of water pipeline, valve chambers, house connections, water meters, yard taps and testing of pipeline,					
9.712970.1.005 Attrridgeville Ext 16 - Bulk water plus outfall sewer to service stands	Installation of water pipeline, valve chambers, house connections, water meters, yard taps and testing of pipeline	(M1) (M2) (M3)	(M1)Approval of water and sewer designs and appointment of service provider (Contractor) (M2)Appointment of service provider (Contractor) (M3)Contractual Requirements Q3: Approval of water and sewer designs, appointment of service provider (Contractor) and contractual requirements	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Water& Sanitation - CAPEX Region 4

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710411.1.015.S. Extension of Sunderland ridge Waste Water Treatment Works new 30ML BNR	It is projected that 20% of the overall Civil structures, the Mechanical and Electrical works will be completed in this period. With an 80% expenditure in Qtr4.	(M1) (M2) (M3) Awaiting the project specification for module 6 to be completed	(M1) Specification for Module 6 finalized (M2)Signed tender advertising request and table specification to BSC committee (M3) Tender advertisement Q3: Specification approved and tender advertised.	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712534.1.015.C Doornkloof Reservoir	8% Reservoir Construction	(M1) (M2) (M3) Delayed Contract Appointment could result in under-expenditure.	(M1)Tender advertisement request (M2)Tender evaluation (M3)Tender evaluation completed Q3: Technical Evaluation and appointment of the contractor	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Utility Services : Water& Sanitation - CAPEX Region 6

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710411.1.015 Baviaanspoort Waste Water Treatment Works	90% Design Stage completed and 70% WULA application completed. and completion of repair work to existing module	(M1) (M2) (M3) Preliminary Design 10% complete. Expected to be completed by June 2017. Urgent remedial work required, in process to appoint Contractor to commence by March 2017.	(M1)5% Design Stage 5% WULA Application (M2)5% Design Stage 5% WULA Application Q3: 5% Design Stage 5% WULA Application 10% Repair work to existing module	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.711335.1.015 Upgrade of the Moreleta Bulk Water pipeline		(M1) (M2) (M3)	(M1)No activity planned (M2)No activity planned Q3: Contractor appointment	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.711335.1.015.N Garsfontein pipe reinforcement	Completion of all tie-ins and completion of project.	(M1) (M2) (M3)	(M1)50% Snag list completion (M2)30% Snag list completion Q3: Submission of As-built drawings	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712534.1.015.D Mooikloof Reservoir	Site Establishment, and construction kickoff	(M1) (M2) (M3) On the 18th November EVN Consultant submitted the revised document with SED additional changes included. Documents with TAR memo submitted to the SED office for approval.	(M1)Tender evaluation (M2)Tender Evaluation completed (M3)Appointment of Constructor Q3: Technical Evaluation and appointment of the contractor	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.712534.1.015.U Grootfontein Water Reservoir, Tower and Pipework	Contractor's Site Establishment and 50% earth works	(M1) (M2) (M3) The Tender document has been submitted and currently being reviewed by the department .	(M1)Tender advertisement request (M2)Tender advertisement request (M3)Q3: Tender advertisement request	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Kameeldrift 174 & 175 - 1000 Housing Units - Water Provision	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Water design (M2)Water design (M3)Approval of water designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Kameeldrift 174 & 175 - 356 Housing Units - Sewer Provision	Installation of sewer pipeline, manholes and house connections	(M1) (M2) (M3)	(M1)Sewer designs (M2)Sewer designs (M3)Approval of sewer designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Mahube Valley Ext 15 - Sewer Provision for 2353 stands	Installation of sewer pipeline, manholes and house connections	(M1) (M2) (M3)	(M1)Sewer designs (M2)Sewer designs Q3: Approval of sewer designs,	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Mahube Valley Ext 15 - Water Provision for 2353 stands	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Water design (M2)Water design Q3: Approval of water designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Mamelodi Ext 11 - Upgrading of bulk water supply pipeline		(M1) (M2) (M3)	(M1)Milestone not submitted (M2)Milestone not submitted Q3: Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Mamelodi Ext 11 (Mahube Valley) - Sewerage network line for 1859 stands	Installation of sewer pipeline, manholes and house connections	(M1) (M2) (M3)	(M1)Sewer designs (M2)Sewer designs (M3)Approval of sewer designs,	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Mamelodi Ext 11 (Mahube Valley) - Water network line for 1859 stands	Installation of water pipeline, valve chambers, house connections, water meters and yard taps	(M1) (M2) (M3)	(M1)Water design (M2)Water design Q3: Approval of water designs	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.712970.1.005 Nellmapius Ext 24 -	Bulk sewer supply pipeline	(M1) (M2)	(M1)Milestone not submitted	(M1) (M2)	(M1) (M2)	(M1) (M2)	(M1) (M2)	(M1) (M2)

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
Sewer pipeline for 2 640 stands		(M3)	(M2)Milestone not submitted Q3: Milestones not submitted	(M3) (Q)	(M3) (Q)	(M3) (Q)	(M3) (Q)	(M3) (Q)

Utility Services : Water& Sanitation - CAPEX Region 7

Project	Annual target	Quarter 2 status	Quarter 3 target	Work Done in Q3	Reason not completed/ over achieved	Mitigation plan	Risks Identified	Risk Mitigation
9.710878.2.005.EK Ekangala block A sewer reticulation and toilets	Installation of 33 000m of pipe and 912 toilets structures.	(M1) (M2) (M3)	(M1)Reinstatement and CCTV testing and procurement of consultant for phase 2 (M2)installation of sewer networks: 3000m Q3: Milestones not submitted	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)
9.710878.2.015.EK Ekangala Block A sewer reticulation and toilets	Installation of 33 000m of pipe and 912 toilets structures.	(M1) (M2) (M3)	(M1) (M2)Reinstatement and CCTV testing and procurement of consultant (M3)Snag list and approval of justification memo Q3: Reinstatement and CCTV testing	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)	(M1) (M2) (M3) (Q)

Reference No 11101/1
Fikile Rasmeni (1182)
MAYORAL COMMITTEE:

GROUP LEGAL & SECRETARIAT SERVICES DEPARTMENT
3RD QUARTER ASSESSMENT REPORT: SANDSPRUIT WORKS ASSOCIATION
(SWA)

1. PURPOSE

The purpose of this report is to present the assessment of 3rd Quarterly Performance Report of the Sandspuit Works Association (SWA) for the period January to March 2017.

2. STRATEGIC OBJECTIVES

2.1 PROVIDE SUSTAINABLE SERVICE INFRASTRUCTURE AND HUMAN SETTLEMENT MANAGEMENT

2.2 PROMOTE GOOD GOVERNANCE AND ACTIVE CITIZENRY

3. BACKGROUND

The Shareholder Operations Unit is concerned with reviewing, monitoring and “overseeing” the affairs, practices, activities, behaviour and conduct of municipal-owned entities (MOEs) to ensure the City of Tshwane that the business of MOEs is being conducted in a manner expected in accordance with commercial legislative and other prescribed or agreed conventions.

The unit is poised to assist the institution and its MOEs to comply with applicable legislation by providing regular advice and reports on compliance and recommending remedial action where required. The Division regulates the functions of MOEs and co-ordinates these with prevailing political imperatives, whilst ensuring alignment with departmental SDBIPs.

In terms of Section 87 of the MFMA, municipal entities are required to submit to the parent municipality on a quarterly basis against the approved budget as well as the approved business plan. This report seeks to provide assessment of the submitted 3rd quarter report by the entity and also provide recommendations based on the assessment.

The performance Report for Quarter 3 SWA is attached hereto as Annexure A. It should be noted that the amended Business Plan for SWA has not yet been approved by the Mayoral Committee. The amended business plan should have been presented to Mayco during February 2017 but is only scheduled to serve during April 2017.

4. DISCUSSION

OVERALL BUSINESS PERFORMANCE

During the quarter under review SWA successfully installed 446 water restrictions to indigents that consume in excess of the 12kl of water per month, while installation of water restrictors is an ongoing project.

The entity's experiencing challenges in implementing its debt collection and credit control. The target of collecting 75% could not be achieved as the collection rate ranges between R7.5 million and R9 million. This was as a result of omitting government and indigents accounts when letter of demand were handed to defaulting debtors by the collecting agents.

The service supply cuts for business accounts and service restrictions to households were implemented due to non-payment. This process exposes service providers to community intimidation and consequently the effective credit control measures are not effectively conducted.

Serious challenges around meter reading are experienced. These challenges include access limitations to premises, concealed meters (under natural ground level), new meters that are not reflected on the entity's books as well as intimidation in some areas. It should be noted however, that this is of grave concern to the Shareholder as these challenges affect revenue collection as well as incorrect billing and the data is not reliable.

Serious effort should be exhorted in cleaning up the indigents register, with a view of exiting some whose status has improved. This process could never be over emphasised as it also affects the billing as well as the revenue collection levels.

PERFORMANCE AGAINST THE SDBIP AND THE SCORECARD

In terms of the entity's performance scorecard, the entity has 10 key performance indicators for the current financial year. Nine targets are relevant for Quarter 3. Six targets have been achieved and three have not been achieved.

Summary of Business Plan Targets

	Q3	Annual
Target	9	10
Achieved (unaudited results)	6	7
Not Achieved	3	3

Below is the summary of targets that have not been achieved for the quarter under review:

- Achieve an annual target of 19,5% Non-Revenue Water: this target has not been achieved due to ageing infrastructure. It is recommended that the installation of leak detectors in SWA bulk zonal chambers in the network system be prioritized to ensure achievement of this target as it has never been met even in the previous quarters.
- Outsourcing of 40% job opportunities to SMME's (30%) and Co-operatives (10%) annually: The reason for not achieving this target is not provided.

- Achieve revenue collections of 75% annually: This target has not been met owing to the omission of government and indigents accounts when letters of demand were handed to due to defaulting debtors by the collecting agents.

It is recommended that the entity ensures improvement in the achievement of the above-mentioned targets in quarter four.

FINANCE PERFORMANCE

REVENUE

The total revenue for the 3rd quarter of this financial year was R342,8 million against budgeted amount of R289 million, which is above the budgeted amount by R53 million. Attributable to the revenue increase is mainly due to service charges on water revenue by R2,7 million; interest earned from outstanding debtors by R12 million and operational grant R85,6 million. Attributable to the decrease is due to interest earned from external investments R350 000 and other revenue by R35 million.

EXPENDITURE

The total expenditure for the quarter is R342 million against the budgeted amount of R287 million, which resulted in an increase by R55 million. Attributable to the increase in expenditure is mainly due to employee related cost by R12 million owing to key vacant positions and bulk purchases by R24 million. Attributable to under expenditure is due to remuneration of directors by R85 000; Collection costs by R938 000; other materials by R3 million; contracted services by R4,4 million and other expenditure by R20,4 million.

The under expenditure is a matter of concern to Shareholder Unit as it implies that there are challenges in service delivery or poor planning on the side of the entity.

SOLVENCY

Total assets for the quarter under review was recorded at R110,5 million and the total liabilities is R94, 7 million. The entity is able to meet its long-term obligations as its assets exceed its liabilities by R15,8 million. However, its solvency ratio is below the standard norm, which implies that the entity is nearing technical insolvency as it is 1.6:1 against the standard norm of 2:1.

LIQUIDITY

The entity's current assets for the quarter under revenue are R90 million and the current liabilities are R94,7 million. SWA is unable to meet its short obligation as its current liabilities exceeds its current assets by R4,7 million resulting in the current ratio of 0.9:1 against the standard norm of 1:1

GOVERNANCE RELATED MATTERS

There are no matters that requires Shareholder interventions as the interim board of SWA is stable. The entity held 2 Board meetings included is 1 special Board meeting during the quarter.

The litigation of the dismissed CEO is not yet finalised and the matter is still in progress.

SWA has 22 Auditor General findings that are in progress to be addressed. A concerted effort from the entity in resolving these findings is required to be finalised in the fourth quarter as the entity will cease to exist by 30 June 2017 as a result of the winding up.

ICT GOVERNANCE

IT users from NTI and Regional Offices were moved to CoT fibre networks and users are using Tshwane.gov.za emails and no longer the designated SWA IT infrastructure. CoT is currently rolling out IP phones to SWA. However, there are financial challenges with the migration of data to the City which requires approximately R15 million and the City's intervention is required in this regard.

HUMAN RESOURCE GOVERNANCE

There is currently 2 disciplinary hearings that has been finalised during the quarter under review and 1 is still outstanding. Entity recorded 2 injury on duty incidents, which were minor. There were also 2 disputes lodged which are not yet finalised.

11 Adult Education and Training (AET) programmes planned to be facilitated by the City upon approval.

RISK GOVERNANCE

Structure & Progress this Quarter	Strategic Risk Register & Reporting	Governance Risk Gab
The Company's Board is responsible for the overall risk management.	Risk identified are escalated to the Board.	<p>SWA faces certain challenges and they are as follows:</p> <ul style="list-style-type: none"> • The entity's strategic risk register has majority high risk residual, however, they may not be adequately mitigated as a result of the disestablishment. • Failure to continuously and consistently supply of quality water and sanitation services, due to ageing infrastructure and inability to meet the demand.

Recommendations:

- The inability to supply quality water is of grave concern for it impacts the reputation of the entity as well as the City in terms of service delivery, moreover, the risk materialised in the past wherein, there were service delivery protests.
- The high risks should be adequately monitored by board to put them into acceptable risk levels as the entity is being winded up, therefore there should be smooth running of processes during this transition stage.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

There are no additional financial implications emanating as a result of this report on the City of Tshwane's budget at this stage as the purpose of the report is to present a quarterly review of the Sandspruit Works Association (SWA) for the 3rd quarter of the 2016/17 financial year, that is January 2017 to March 2017.

5.2 COMMENTS OF THE GROUP HEAD: CITY STRATEGY & ORGANISATIONAL PERFORMANCE

The unaudited reported results are noted. CSOP awaits the Internal Audit report.

5.3 COMMENTS OF THE GROUP LEGAL COUNSEL

Note is taken of the purpose and contents of the report, including the annexures thereto, for purposes of these comments.

It transpires from the report that in view of the fact that SWA will be absorbed into the administration of the CoT on 30 June 2017, it is material that the Board and Management of SWA and the Service Utility Department closely interact to ensure that SWA's operations are improved.

This object is in line with the requirements of section 93A of the Municipal Systems Act, 32 of 2000, which states the following:

The parent municipality of a municipal entity -

- (a) must exercise any shareholder, statutory, contractual or other rights and powers it may have in respect of the municipal entity to ensure that -
 - 1. both the municipality and the municipal entity comply with this Act, the Municipal Finance Management Act and any other applicable legislation; and
 - 2. the municipal entity is managed responsibly and transparently, and meets its statutory, contractual and other obligations;
- (b) must allow the board of directors and chief executive officer of the municipal entity to fulfil their responsibilities; and
- (c) must establish and maintain clear channels of communication between the municipality and the municipal entity.

In view of the above the recommendations are supported.

5.4 COMMENTS OF THE GROUP HEAD: UTILITY SERVICES

Water and Sanitation supports the contents and recommendations of the report.

Energy and Electricity takes cognisance of the content and importance of the report. This Department further supports all recommendations as set out in the report.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

None

6.2 FINANCES

None

6.3 CONSTITUTIONAL AND LEGAL FACTORS

This report is in accordance with the legislative provisions and processes stipulated in the Local Government: Municipal Finance Act, Act 56 of 2003 as amended; the Municipal Systems Act, Act 32 000 as well as relevant National Treasury Regulations and Circulars.

6.4 COMMUNICATION

None

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None

7. CONCLUSION

The purpose of this report was to present a quarterly review of Sandspruit Works Association (SWA) for the third quarter of the 2016/17 financial year i.e. 01 January 2017 to 31 March 2017. The report is assessed the matters pertaining to (i) performance; (ii) Financials; and (iii) governance related aspects for the period under review.

With regard to the performance and financial aspects, serious concerns are highlighted in the assessment report. As further stated, SWA is currently in the process of disestablishment and will be absorbed into the City's administration on 30 June 2017. The aforesaid implies that, if the Board of SWA and its management do not address the challenges as highlighted in this report, the issues as highlighted in the performance report will in all probability be inherited by the City to resolve. It is thus of the utmost importance that the Board and management of SWA as well as the Service Utility Department closely interact with each other to ensure that SWA's operations are improved to ensure that it is on acceptable levels when it is integrated with the City's operations.

ANNEXURES:

- A. Annexure A 2016-17 Quarter 3 Performance Report V5 (004) FINAL REPORT.pdf - Annexure A - SWA Quarter 3 Performance Report
- B. Annexure A 2016-17 Quarter 3 Performance Report V5 (004) FINAL REPORT.pdf - Annexure A - SWA Quarter 3 Performance Report

RECOMMENDED:

That it be recommended to the Mayoral Committee:

1. That cognisance be taken of the content of the review of SWA for Quarter 3.
2. That the Board, management of SWA and the Services Utility Department interact to improve the performance of SWA in Quarter 4.



SANDSPRUIT WORKS ASSOCIATION

FINANCIAL YEAR 2016/17

3rd QUARTER REPORTING AND ACCOMPANYING DOCUMENTATION:

I, Bongiwe Zwedala : Acting Chief Executive Officer for SWA, hereby declare that I have studied the evidence and reports submitted hereto and I am thus conversant and satisfied that the contents here in, are to the best of my knowledge correct and accurate.

Sign off


Date

05/04/2017

Board of Directors:

*Ms. ZM Kabini (Chairperson), Adv. BM Malatji, Mr. AZ Ndlala.
Chief Executive Officer: Vacant
Company Secretary: Ms J Molefe*

**SANDSPRUIT WORKS ASSOCIATION
THIRD QUARTER PERFORMANCE REPORT
JANUARY 2017 – MARCH 2017 FOR
FINANCIAL YEAR 2016 / 17**

SIGN OFF	
CHIEF EXECUTIVE OFFICER	
DOCUMENT DATE	05/04/2017

SIGN OFF	
CHIEF EXECUTIVE OFFICER	<hr/>
DOCUMENT DATE	

1. EXECUTIVE SUMMARY	3
2. PERFORMANCE AGAINST THE ENTITY BUSINESS PLAN	5
2.1 SUMMARY OF PROGRESS AGAINST ENTITY BUSINESS PLAN TARGETS	5
3. PERFORMANCE ON OTHER STRATEGIC MATTERS	15
3.1 REDUCING NON-REVENUE WATER FROM 20% TO 19.5% WITH A 0.5% REDUCTION IN TOTAL WATER LOSSES15	
3.2 STRATEGIC PROJECTS (OPERATIONS).....	15
3.3 STRATEGIC PROJECTS: WASTE WATER TREATMENT WORKS (WWTW).....	15
4. OVERALL HIGHLIGHTS AND CHALLENGES	17
4.1 HIGHLIGHTS.....	17
FINANCE	17
ICT Department	17
4.2 CHALLENGES.....	19
5. DEPENDENCIES AND CROSS CUTTING ISSUES	21
6. OPERATION CLEAN AUDIT	22
7. GOVERNANCE	23
8. HUMAN RESOURCE MANAGEMENT	24
8.1 DIRECTORS REMUNERATION AND SENIOR MANAGERS (01 JULY-31 AUGUST 2016).....	24
8.2 HUMAN RESOURCES MANAGEMENT ADMINISTRATION	24
8.3 EMPLOYEE RELATIONS	25
8.4 TRAINING AND DEVELOPMENT.....	26
9. RISK MANAGEMENT AND INTERNAL CONTROLS	27
10. SUPPLY CHAIN MANAGEMENT	32
10.1 DEVIATION REPORT JANURY 2017 – MARCH 2017 SCM: REGULATION 36(2) OF THE SCM REGULATIONS.32	
10.2 SCM COMPLIANCE IN TERMS OF SCM REGULATIONS (SCMR) 12	33
11. CONCLUSION AND RECOMMENDATIONS	34
ANNEXURE A: FINANCIAL PERFORMANCE	36
STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017.....	36
EXPENDITURE BY TYPE AS AT 28 FEBRUARY 2017	37
ANNEXURE B: MUNICIPAL ENTITIES BUSINESS PLAN 2016/17	38
SANDSPRUIT WORKS ASSOCIATION.....	38
2016/17 APPROVED BUSINESS PLAN	38

SWA's performance for the period under review is set against the 2016/17 business plan and the implementation of the approved Debt Collection Strategy as well as the background of the 27th October 2016 Council resolution of disestablishing SWA. In the period under review SWA has 9 indicators out of 12 as the other 3 were no longer relevant to SWA business as the result of disestablishment. The indicators that were not achieved were 4 and 5 were achieved.

Debt collection strategy and credit control.

The Debt Collection Strategy has not yet yielded the required results because revenue collection is still averaging between R7.5 million and R9 million monthly and the target of 75% this quarter has not been achieved. A total of 3802 accounts have been handed over to over 19 of the 28 collecting agents that have been appointed by the city. The accounts handed over exclude government accounts, indigent's accounts and all accounts with queries

Credit control

The service provider is forever intimidated by the community when doing credit control action hence on improvement on collection rate. A total of 274 business accounts had their service supply disconnected while 1450 households had their services restricted for none payment.

Meter reading

Meter Reading is done by the CoT permanent meter readers as from January 2017 because the contract of the service provider was not renewed again. The meter readers have experienced some challenges:

- Meters that are buried and were not reported previously by the service provider.
- New meter that are on the field and not on the reading books.
- Meters that are inside the premises.
- Intimidation in some areas.

Indigent Register.

Indigents that are not properly registered will be investigated further by the CoT forensic team to determine the legitimacy of being on the register.

- Accounts where businesses are conducted e.g. Taverns, crèche's, and mini brick manufacturing factories.
- Deceased account holders still on the register.
- Working account holders earning more than the indigent income threshold.

- Account numbers where the name and identity number differs.
- Accounts with indigent status approved more than seven years ago.
- Accounts where change of ownership had occurred.

The major challenge still remains with those indigents who are consuming in excess of the allowed 12 kl of water per month. The target of installing 446 of the water restrictors to those indigents who are consuming in excess of the 12kl of water per month has been achieved. The installation of water restrictors project is still an on-going project.

2.1 SUMMARY OF PROGRESS AGAINST ENTITY BUSINESS PLAN TARGETS

Strategic Objective	Department Division	Key Performance Area	2016/17 Target	Baseline	Cumulative Quarterly Targets						Budget FY 2015/16 R'000
					Quarter 1	Quarter 2	Quarter 3			Quarter 4	
							Jan	Feb	March		
Promote Sustainable Service Infrastructure and Human Settlement Management	Operations	Achieve an annual target of 19.5% Non-Revenue Water	19.5%	20%	Target 19.5% Actual: 76.13%	Target: 19.5% Actual: 20.95%	Target: 20%			Target: 20% Actual:	40 000
							Actual: 43.10%	Actual: 33.38%	Actual 31.1%:		
							Total : 35.86% Not achieved				
Promote Shared Economic Growth and Job Creation	Finance	Outsourcing 40 % job opportunities to SMME's (30%)and Co-operatives (10%) annually	40%	Target 40%	Target: 10% Actual:18%	Target: 10% Actual: 67.74%	Target: 10%			Target: 10% Actual:	3 000
							Actual : 0	19.91%	43.49		
							Total : 21.13% Not Achieved				
Ensure Sustainable, Safer City and Integrated Social Development	Operations	Reduce the number of registered indigents who consume in excess of the allocated basic water consumption (12kl) The WMD's were replaced by water restrictions	45%	New Indicator	Target 45% Actual:	Target: 445% Actual: 22.39%	Target: 445			Target: 446 Actual:	5 000
							Actual: 0	Actual: 0	Actual: 0		
							Total : 0 Not Achieved				
Promote Governance and Active Citizenry	Finance	Financial Compliance in terms s87 (11) of the MFMA annually	100%	100%	Target: 100% Actual:100%	Target: 100% Actual: 100%	Target: 100%			Target: 100% Actual:	760
							Actual: 100%	Target: 100%	Target: 100%		

							Actual: 100%		
							Achieved		
Promote Governance and Active Citizenry	Finance	SCM Compliance in terms of Regulation 12 and 36 of the SCM regulations	100%	100%	Target: 100% Actual: 100%	Target: 100% Actual: 100%	Target: 100%	Actual 100% Actual 100% Actual 100%	Target: 100% Actual: 760
							Total : 100%		
							Achieved		
Promote Governance and Active Citizenry	Risk	100% of Mitigation Strategies monitored against Approved Risk Register	100%	New KPI	Target: 100% Actual: 100%	Target: 100% Actual: 100%	Target: 100%	Actual 100% Actual 100% Actual 100%	Target: 100% Actual: 800
							Actual: 100% Achieved		
Promote Governance and Active Citizenry	Marketing	Branding	100%	New KPI	Consult Stakeholders	Consult Stakeholders	Cancelled d	Cancelled d	Cancelled d
							Cancelled		0
Promote Governance and Active Citizenry	Marketing	Stakeholder meetings per ward to discuss community concerns (currently MAWIGA have 10 wards)	40	31	Target: 10 Actual: 10	Target: 10 Actual: 10	Target: 10	Actual: 6 Actual: 5 Actual: 7	Target: 10 Actual: 600
							Total: 18		
							Achieved		
Improve Financial Sustainability	Finance	Achieve Revenue collections of 75% Annually	80%	75%	Target: 80% Actual:69.37%	Target: 80% Actual: 51.04%	Target: 65%	Actual: 61.88% Actual:38.29% Actual:	Target: 65% Actual: 222 728
							Total: Not Achieved		

Continued organizational Development, Transformation and Innovation	Human Resource	Implement the Reviewed Approved Organizational structure	100%	New KPI	Target: 25% Actual: 0	Target: 25% Actual: 0	Cancelled	Cancelled	Cancelled	Cancelled	0
Promote Governance and Active Citizenry	Company Secretary	Compliance with Section 33, Section 16 of Companies Act 71 of 2008 and Board governance documents.	1	New KPI	Target; 100% Actual: 100%	Target: 100% Actual: 100%	Only done in the 1 st quarter	Only done in the 1 st quarter	Only done in the 1 st quarter	Only done in the 1 st quarter	700
Promote Governance and Active Citizenry		IT Compliance in terms COBIT, KINGIII & ITIL.	100%	New KPI	Target: 100% Actual:100%	Target: 100% Actual: 65.16%	Target: 50%			Target: 50% Actual:	700
							Actual: 96%	Actual: 100%	Actual: 100%		
							Total: 98.7% Achieved				

STATEMENT OF FINANCIAL PERFORMANCE

The Financial Performance Report for Sandspruit Works Association for the period ended 30 March 2017.

Sandspruit Works Association - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M08 February						
Description	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands					%	
Revenue By Source						
Service charges - water revenue	9,683	85,319	96,597	(11,277)	-11.7%	179,632
Service charges - sanitation revenue	4,027	32,254	29,479	2,775	9.4%	54,820
Interest earned - external investments	46	218	568	(350)	-61.6%	1,000
Interest earned - outstanding debtors	5,191	40,978	28,914	12,064	41.7%	50,870
Transfers recognised - operational	28,259	183,927	98,299	85,628	87.1%	172,940
Other revenue	19	127	35,169	(35,041)	-99.6%	61,873
Total Revenue (excluding capital transfers and contributions)	47,226	342,824	289,026	53,798	18.6%	521,135
Expenditure By Type						
Employee related costs	7,755	66,241	54,298	11,943	22.0%	116,685
Remuneration of Directors	–	719	804	(85)	-10.5%	2,076
Debt impairment	13,761	94,939	44,327	50,612	114.2%	56,762
Collection Cost	74	720	1,658	(938)	-56.6%	7,850
Depreciation & asset impairment	156	1,268	–	1,268	#DIV/0!	3,130
Bulk purchases	21,302	147,392	123,152	24,240	19.7%	207,873
Other materials	286	2,134	5,445	(3,311)	-60.8%	10,980
Contracted services	2,040	14,873	23,228	(8,355)	-36.0%	47,562
Other expenditure	1,617	13,817	34,204	(20,387)	-59.6%	68,217
Total Expenditure	46,990	342,104	287,117	54,988	19.2%	521,135
Surplus/(Deficit)	236	720	1,910	(1,189)	-62.3%	–
Surplus/(Deficit) before taxation	236	720	1,910	(1,189)	-62.3%	–
Surplus/(Deficit) for the year	236	720	1,910	(1,189)		–

REVENUE BY SOURCE:

The above table indicates the total operating revenue of R 343 million compared to budget amount of R 289 million. The total revenue surplus R 53 million for the period ended 28 February 2017. This surplus is attributed to revenue from service charges and transfers recognized- operational that is above the budget by R2 million and R85 million respectively, interest also contributed by 12 million.

The total expenditure for the period is R 343 million compared to a budget of R 287 million. There is an increase of total expenditure for the period by R54 million. The increase attributable to the following:

- Debt Impairment – R 50 million below budget due to declining collection levels.
- Collection costs – No collection costs for the period.
- The employee costs are below budget by R 11 million due to the fact that certain key positions still remain vacant.
- Board Remuneration – R 85 000 below budgeted amount. This is mainly due to the fact that meetings are not scheduled regularly due to disestablishment and that two of the board members left in November 2016.
- Contracted services – also below by R8.3 million.

The entity still continues to be heavily dependent on the Operational Grant Transfers from the CoT. The entity posted a surplus of R 720 000 for period ended 28 February 2017.

Vote Description	2015/16	Current Year 2016/17				
	Unaudited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands						
ASSETS						
Current assets						
Cash	5,348	17,786	18,710	8,055	17,786	
Consumer debtors	15,293	13,456	13,456	24,086	13,456	
Other debtors	407,826	55,000	55,000	504,748	55,000	
Current portion of long-term receivables	–	–	–		–	
Inventory	2,898	3,826	3,826	3,460	3,826	
Total current assets	431,365	90,068	90,992	540,349	90,068	
Non current assets						
Property, plant and equipment	6,604	15,494	15,494	5,341	15,494	
Intangible	–	5,000	5,000	45	5,000	
Total non current assets	6,604	20,494	20,494	5,386	20,494	
TOTAL ASSETS	437,969	110,562	111,486	545,734	110,562	
LIABILITIES						
Current liabilities						
Consumer deposits	3,914	4,000	4,000	3,962	4,000	
Trade and other payables	427,567	83,780	83,780	529,494	83,780	
Provisions	–	7,000	7,000	8,311	7,000	
Total current liabilities	431,480	94,780	94,780	541,766	94,780	
Non current liabilities						
TOTAL LIABILITIES	431,480	94,780	94,780	541,766	94,780	
NET ASSETS	6,489	15,782	16,706	3,968	15,782	
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)	6,489	15,782	16,706	3,349	15,782	
TOTAL COMMUNITY WEALTH/EQUITY	6,489	15,782	16,706	3,349	15,782	

The statement of financial position was favorable as at 28 February 2017. The accumulated surplus was R 3.3 million. The total assets for SWA were R 546 million versus total liabilities of R 542 million.

The total assets comprise of current assets of R 540 million and non-current assets of R 6.01 million. The total liabilities comprise only of current liabilities totaling R 542 million. The current liabilities exceed the current assets by R 3.9. The current ratio of SWA is still unfavorable at 1.00:1 versus a standard norm of 2:1. This indicates that SWA could be pushed into factual insolvency due to its negative liquidity position. The City of Tshwane still remains the major creditor for SWA with at least 97% of the total creditors owed to the City.

The cash and cash equivalents were R8 .05 million.

DEBT COLLECTION

COLLECTION AGENT	Mastre file	
	# ACCT	RAND VALUE
TS LEGAL SERVICES	200	R 10,588,884.38
MAHARAJ ATTORNEYS	200	R 7,944,254.06
KR INC	200	R 6,316,570.50
MBN INC	200	R 7,691,247.84
BASCOL	200	R 5,838,246.45
MOHALE INC	200	R 5,968,770.30
VELILE TINTO & ASSOCIATION	200	R 7,302,560.92
BBT GROUP	200	R 6,712,632.56
MEDACO REVENUE SOLUTION	200	R 6,270,109.15
NOKO MAIMELA	200	R 6,124,649.22
KEKEREILI GROUP	200	R 6,255,154.73
CONFIRM DIRECT CALL CENTRE	200	R 5,879,604.93
MATLAWWENG MAGOLEGO	200	R 5,594,308.30
REVCO	200	R 6,519,197.75
NTLOEDIBE ATTORNEYS	200	R 4,936,413.46
TRIFECTA CAPITAL COLLECTION	200	R 6,033,097.79
MAFETSA ATTORNEYS	201	R 4,526,309.04
MBD KOIKANYA JOINT	201	R 6,439,155.00
KVW LEGAL	200	R 5,852,584.34
TOTAL	3802	R 122,793,750.72

As at 31st March 2017 3802 accounts have been handed over to 19 of the 28 collection agents that are appointed by CoT. These accounts exclude government accounts and indigent accounts.

Credit Control

	Number issued	Value issued	Collected
Disconnections	274	R 6 025 492.20	R981 421.93
Restrictions	1,450	R 82,456,619	R 181,436.00

	Total	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - over 1 year
Organs of state	18,091,586.59	1,018,527.36	1,111,444.01	1,258,198.58	1,481,183.97	776,787.73	353,853.02	12,091,591.92
Commercial	8,077,625.64	(49,705.69)	946,818.25	753,818.39	1,065,820.82	443,288.70	302,908.16	4,614,677.01
Households	753,797,080.02	15,408,403.67	15,222,229.40	14,126,077.77	19,571,431.24	15,865,065.22	16,128,414.14	657,475,458.58
Grand Total	779,966,292.25	16,377,225.34	17,280,491.66	16,138,094.74	22,118,436.03	17,085,141.65	16,785,175.32	674,181,727.51

Table 1: Summary of performance against the business plan

Total Nr of targets for the financial year	Number of targets for the quarter	Nr of targets not achieved for the quarter	Nr of targets achieved for the quarter	Nr of targets cancelled for the financial year	Nr of targets not achieved year to date	Nr of targets achieved year to date
12	9 Two KPA's were cancelled due to Disestablishment process	4	5	2	6	6

Table 2: Business plan targets not achieved

KPA	Indicator nr	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	Due date
Achieve an annual target of 20% Non-Revenue Water	1	Most of the bulk meters are malfunctioning (not reading), whereby reading are estimated for more than three months which is contributing to non-revenue water.	Replacement of all those bulk meters that are malfunctioning.	SCM is in a process of procuring the bulk meters through a quotation process as the tender advertisement for a service provider was cancelled due to the Council Resolution for the unwinding process.	Acting Operations Manager	28 April 2017
Outsourcing 40 % job opportunities to SMME's (30%) and Co-operatives (10%) annually	2	Due to disestablishment some of the planned procurements were cancelled which affected the output on this KPA.	Due to disestablishment No corrective measure has been implemented.	None	ACFO	N/A
Reduce the number of registered indigents who consume in excess of the allocated basic water consumption (12kl)	3	Community unrest and intimidation	Requested assistance from Metro police.	Concentrate on the Indigents list and install the water restrictors.	ACFO	30 June 2017
Achieve Revenue collections of 75% Annually.	9	Measures implemented are inadequate to create a culture of a paying customer.	Continuous implementation of credit control policies together with the debt collection strategy.	Implementation of Debt collection strategy and monitoring thereof to be done.	Revenue Manager and ACFO	30 June 2017

3. PERFORMANCE ON OTHER STRATEGIC MATTERS

3.1 REDUCING NON-REVENUE WATER FROM 20% TO 19.5% WITH A 0.5% REDUCTION IN TOTAL WATER LOSSES

- March figures are estimated due to the fact that the non-revenue sold water figures are not yet finalized.

3.2 STRATEGIC PROJECTS (OPERATIONS)

- The Ga-Rankuwa West Reservoir's progress is on 99% and it has been planned for commissioning by the end of April 2017.
- The Ga-Rankuwa East Reservoir's progress is on 99% and only the tie-in is outstanding between SWA chamber and Rand 2. The project is planned to be commissioned before the end of April 2017
- The excavation of the construction of additional reservoir in Klipgat is on 50% progress to date.
- The CoT has made 98% progress to date in the installation of a bulk supply pipeline from 55ML to Mabopane Reservoir.

3.3 STRATEGIC PROJECTS: WASTE WATER TREATMENT WORKS (WWTW)

- Temba WWTW is under upgrade, being extended by an additional 20 ML/ day, which will make the Treatment Works to have a total treatment capacity of 32.5 ML/day. This will improve the quality of the treated effluent. The electrical contractor is in the process of replacing cables on the following equipment, which were completed but severely vandalised:

Main Works

- Pumps' cables
- Belt press cables
- Sub-soil drainage pump cables
- WAS pump station cables
- Lime and electrolyte earthing cable
- Irrigation panel cables

Inlet Works

- Screen/Press Cable
- Existing equipment cable
- Degritter cabling
- Generator batteries

The amount to replace and repair of the above items is estimated at R10 000 000.00.

- The upgrade of the electrical supply by Eskom was completed. The electrical contractor is pulling supply line from the Main Works to the Inlet Works. The contractor is also replacing the stolen/vandalised cables.

4. OVERALL HIGHLIGHTS AND CHALLENGES

4.1 HIGHLIGHTS

FINANCE

- Progress to date:
 - a) 1600 water flow restrictors were installed to households there had accounts that were overdue.
 - b) 5580 Final Demand notices amounting to R115 637 674.00 were issued in the period under review.

ICT DEPARTMENT

The service reporting from an ITIL perspective assists the entity in providing information to both the IT and the business in order for informed decisions to be made. During the months of January to March 2017, the IT Department received a total of 182 incidents and all were resolved.

The IT managed to move both users from NTI and Regional offices to the CoT fibre network and users are currently using the tshwane.gov.za email accounts and no longer SWA. The CoT has started with the planning phase of installing fibre at SWA site offices.

The City has started rolling out the IP phones to SWA; for now, 33 IP phones were configured.

Customer Education

Marketing and Communications teams managed to distribute educational materials at strategic places such as Clinics, Car Washes and Garages. Blitzing exercise was also undertaken at MAWIGA malls as well, in creating education and awareness on the importance of saving water and Sanitation issues.



Stakeholder Management

About 18 community meetings were attended and community concerns were around the following issues:

- High Bills due to estimated accounts, inconsistent and meter leakages.
- All outstanding amounts on consumer accounts to be written off before SWA finalisation of Unwinding as mentioned by Garankuwa community leaders in zone 8&9, Boikhutsong and Kopanong in Mabopane.
- Sewer blockages not being addressed due to unavailability of Sewer Jet Set
- Long outstanding meter leakages and sewer blockages.
- Flow limiters are not reliable.

SWA officials acknowledged the above and indicated that SWA was in the process of addressing all inconsistencies arising from the above queries by end June 2017. Gazebo Service will be arranged at Ward levels, whereby communities will be given an opportunity to raise concerns, once more at their doorstep. It was also made mention that all report queries are addressed as speedily as possible.

Establishment of Forums

The department has established a forum known as Community Development Workers (CDW) in MAWIGA. Quarterly meetings will be held once to address community concerns. They are also regarded as foot soldiers and will assist SWA in reporting unreported meter leakages and sewerage blockages in the streets of MAWIGA.^{1st} meeting was held in March 2017 and common issues such as unresolved meter and Sanitation queries were raised here as well.

Yearly Events

SWA celebrated National Water Week 2017, together with Tshwane Water and Sanitation department. It was a Mayoral event and it was held on the 24th March 2017 at Akasia hall, Region 1. The event unfolded in a form of school competition whereby learners showcased their talent in assembling a toilet cistern within stipulated time. 21 schools from 7 Tshwane Regions participated. The Mayor also encouraged Learners to utilize the skill at their schools continuously as it will assist a great deal in eliminating

toilet leakages, which ultimately wasted water and contributes towards high water bills at schools.

Education was also imparted on utilizing water sparingly and also on sanitation issues.



COMMUNICATIONS

WATER INTERRUPTION

SWA encountered 2 interruptions in Ga-Rankuwa as follows:

- zone 6 that was caused by 500mm pipe burst on the 20th of March 2017. The areas which were affected included Zone 2,3,6,7,8,9,10,14 and 21. It lasted for 1 day.
- Industrial Area, zone 15, due to logging and testing of night flows and it will continue for only 2 hours. The Chairperson of Business Forum and NWDC were informed.

External Communication was done as through the following medium:

- Radios, namely Motsweding FM, Thobela FM, Metro FM, 702 Talk Show Radio, Power FM and Soshanguve Community Radio.
- Facebook and twitter
- Website

4.2 CHALLENGES

Table: Challenges

Challenges		Interventions implemented	Assistance required
1	Under recovery of sales from customers which continue to threaten the financial sustainability of the entity.	The credit control measures are continuously being implemented to improve the situation.	The CoT intervened and is currently assisting SWA with data cleansing, billing, revenue collection and meter reading.
2	Sewerage blockages are not being attended on time.	Only 30% of the job cards issued are attended to by the service provider, this matter on poor service delivery by the service provider has been escalated to region 1 for intervention.	The CoT to improve their turnaround time on addressing sewerage queries in the MAWIGA areas.
3	WWTW is experiencing repeated cable theft and vandalism, which resulted in the breakdown of treatment processes and the discharge of non-compliant effluent into the water courses.	SWA entered into a transversal contract with the CoT for the provision of security. SWA also entered into transversal contracts for electrical, mechanical and inlet works maintenance	Security to be increased at WWTW. CoT Metro Police to assist in patrolling WWTW, improve security.
4	Babelegi and Sandspruit WWTW were operated by a private contractor. SWA took over the operation of these Treatment Works in April 2016. There are no personnel to operate and maintain these Works.	Workers employed by the contractor were employed on a fixed term contract until the end of December 2016. The fixed term contract was further extended to the end of June 2017. The Process Controller from Temba was deployed to assist at Babelegi, another Process Controller from Klipgat went to assist at Sandspruit. Since CoT's resolution to unwind SWA, a request was submitted to CoT for approval of the filling of vacant funded positions at Klipgat and Temba. These positions will augment staff compliment at Babelegi and Sandspruit WWTW	CoT to approve all the filling of all vacant funded positions at Klipgat and Temba WWTW. CoT to include Babelegi and Sandspruit WWTW in the organizational structure.

5. DEPENDENCIES AND CROSS CUTTING ISSUES

Table: Dependencies and Cross Cutting Issues

Challenges		Interventions implemented	Dependency Support
1	Network connection	Tshwane ICT Service Management were contacted to assist with connection. Regional and NTI are on CoT network. SWA site offices are in the planning phase of the move to the CoT network.	Tshwane ICT Service Management to fast track the SWA sites installations due to the fact that users are frustrated as they are unable to assist customers effectively.
2	Data migration	Weekly meetings are held at the CoT for data migration to the SAP.	Funding for data migration is pending as there is no Department that has budgeted for this activity.

MARKETING AND COMMUNICATION

SWA still receives high volume of meter leakages and sewer blockages. At the moment SWA is only able to procure material, stock to address reported queries to the tune of R200, 000. 00 as a result SWA is unable to address queries within 7 working days. A tender to address meter queries was underway but was suspended due to unwinding of SWA as per the Council Resolution of the 27th October 2016.

OPERATIONS

Sewerage queries can also not be addressed over weekends as contractor employees are not working then. During the week blockages can't be addressed promptly due to unavailability of Sewer Jet.

Both matters have been escalated to City of Tshwane Water & Sanitation Division for intervention as they are managing the contract.

WASTE WATER TREATMENT WORKS

The WWTW is still experiencing a spade of cable theft, burglary and vandalism, which resulted in the breakdown of treatment processes and the discharge of non-compliant effluent into the water courses. Because of such non-compliance, the National Department of Water and Sanitation has issued predirective and directives in terms of section 19 (3) of National Water Act No. 36 of 1998, for failure to take reasonable measures to prevent pollution from occurring from Rietgat, Klipgat and Sandspruit WWTW.

Maintenance Implementation Plan was developed to improve the conditions at Waste Water Treatment Works and address issues raised in the predirective and directives from the Department of Water and Sanitation

Description	2014/15	2015/16	Status
Audit Opinion	Unqualified	Unqualified	
Number of Findings	31	25	
Resolved	31	3	😊
In Progress	0	22	😐
Not Implemented	0	0	😞
Repeat Findings	20	7	

Table: Evidence

Evidence for the quarter submitted with report (Yes/ No)	Entity evidence files updated, centralised and verified in the department (Yes/ No)	If no, indicate corrective measure	Entity project files for the quarter compiled, centralised and verified (Yes/No)	If no indicate corrective measure
Yes	YES	N/A	YES	N/A

7. GOVERNANCE

7.1 BOARD COMPOSITION

1. Ms Zandile Kabini (Chairperson of Board)
2. Adv. Billy Malatji (Non-Executive Member)
3. Mr Zwe Ndlala (Non-Executive Member)

7.2 3rd Quarter Board Meeting:

Name	Board Meeting	Special Board Meeting	Chairperson Quarterly Meeting	Total
Ms Zandile Kabini	1	1	-	2
Adv. Billy Malatji	1	1	-	2
Mr Zwe Ndlala	1	1	-	2

7.3 3rd Quarter Directors Remuneration:

Name	Board Meeting	Special Board Meeting	Chairperson Quarterly Meeting	Total
Ms Zandile Kabini	21376	10688	0	32064
Adv. Billy Malatji	13360	10688	0	24048
Mr Zwe Ndlala	13360	10688	0	24048
Total	48096	32064	0	80160

- On 21 September 2016 the dismissed CEO (JT Taetsane) lodged a notice of motion and founding affidavit to the Labour Court, the matter is still in progress,
- On 10 January 2017, the Board of Directors acknowledged the Council Resolution dated 27 October 2016 to unwind SWA and formerly expressed that they will assist with the Disestablishment process of SWA as required.

8. HUMAN RESOURCE MANAGEMENT

8.1 DIRECTORS REMUNERATION AND SENIOR MANAGERS (01 JULY-31 AUGUST 2016)

Names	Basic Salary	Vehicle Allowance	Company Contributions								(JANUARY 2017 TO MARCH 2017)				Total
			Cellphone Allowance	Medical contribution	Retirement Fund Contributions	Risk Benefits	Housing Bond /Allowance	UIF	SDL	Spouse Cover	Acting Allowance	Expense Allowance	Leave Paid Out	Prorat a Annual Bonus	
AG Singo (HR Manager)	147 930.00	57 846.00	3 348.00	16 167.90	18 165.81	12 219.03	13 489.32	446.16	2 153.79	798.81	-	-	-	-	272564.82
BZB Zwedala(Acting CEO)	-	-	-	-	-	-	-	347.67	348.72	-	34 767.05	6 678.00	-	-	42141.44
AT Phiri(Acting CFO)	-	-	-	-	-	-	-	161.76	161.76	-	16 176.60	10 271.40	-	-	26771.52
S Baronian(Operations Manager)	152 442.00	57 846.00	3 348.00	19 584.00	18 719.88	12 591.72	11 310.21	446.16	2 207.67	823.20	-	-	-	-	279318.84
G.J Modise (Marketing Manager)	147 930.00	57 846.00	3 348.00	17 572.80	18 165.81	12 219.03	7 884.51	446.16	2 111.79	798.81	-	-	-	-	268322.91
L.M Dichaba (Risk Manager)	147 930.00	57 846.00	3 348.00	14 002.80	18 165.81	12 219.03	7 115.34	446.16	2 068.38	798.81	-	-	-	-	263940.33
S.F Mathibela (ICT Manager)	145 755.00	57 846.00	3 348.00	17 572.80	17 898.72	12 041.85	13 287.66	446.16	2 278.68	787.23	-	-	-	-	271262.10
E.G Molefe (Company Secretary)	120 648.00	50 496.00	3 003.00	54 117.00	14 815.56	9 965.52	7 113.00	446.16	1 669.20	-	-	-	-	-	262 273.44
Total	862 635.00	339 726.00	19 743.00	139 017.30	105 931.59	71 256.18	60 200.04	3 186.39	12 999.99	4 006.86	50 943.65	16 949.40	-	-	1 686 595.40

8.2 HUMAN RESOURCES MANAGEMENT ADMINISTRATION

Table: Headcount

DEPARTMENT	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	EPWP/ TEMPORARY	TOTAL NO OF VACANT POSITIONS
CEO'S OFFICE	6	4	0	2
OPERATIONS AND MAINTANANCE	92	85	0	7
MARKETING AND COMMUNICATIONS	34	26	0	8
LEGAL SERVICES	4	3	0	1
FINANCE	78	70	0	8
HRM	12	5	2	7
ICT	3	3	0	0
RISK	7	5	0	2
WASTE WATER TREATMENT PLANTS	67	42	16	25
TOTAL	303	243	18	60

Table: Reasons why staff left the entity

Termination Type	Number
Retirement	02
Resignation	02
Death	01
Contract Expired	00
Dismissal-misconduct	01
Dismissal-inefficiency	00
Discharge due to ill health	00
Dismissal-operational changes	00

Other	00
Total	06

Table: Injury on duty

Nature of injury on duty	Number
Required basic medical attention only	02
Temporary Total Disablement	00
Permanent Disablement	00
Fatal Disablement	00
Total	02

8.3 EMPLOYEE RELATIONS

Table: Collective Agreements Concluded

Subject Matter	Date
None	

Table 11 Disciplinary Action

Disciplinary Action	Male				Female				Total
Total	African	Coloured	Indian	White	African	Coloured	Indian	White	
	1	0	0	1	0	0	0	0	2

Table: Misconduct and disciplinary hearings finalised

Outcomes of Disciplinary Hearing	Number	Total
TOTAL	1	1

Table: Types of Misconduct addressed at disciplinary hearing

Type of misconduct	Number	Total
Absence without leave	0	0
Abscondment	0	0
Failed to follow the correct supply chain management process	0	0
Financial misconduct	0	0
TOTAL	0	0

Table: Grievance logged

Number of grievances addressed	Number
Number of grievance resolved	0
Number of grievance not resolved	0
Total number of grievances lodged	0

Table: Disputes logged

Number of dispute addressed	Number
Number of disputes Upheld	0
Number of disputes Dismissed	0
Number of disputes in progress	2
Number of disputes withdrawn	0
Total number of disputes lodged	2

Table: Strike actions

Strike Actions	-
Total number of person working days lost	0
Total cost(R'000) of working days lost	R0.00
Amount (R'000) recovered as a result of no work no pay	R0.00

Table: Precautionary suspensions

Precautionary Suspensions	-
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	90
Cost (R0'000) of suspensions	R279318.84

8.4 TRAINING AND DEVELOPMENT

Eleven (18) employees has applied for Adult Education and Training (AET) programme that will be facilitated by CoT. SWA is currently waiting for COT to approve the enrollment.

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
	Strategic Objective – Promote Sustainable Service Infrastructure and Human Settlement Management							
1. Failure to continuously and consistently supply of quality water and sanitation services	*Dependency on Randwater to supply bulk water *No Capital expenditure allocation (CAPEX) *No mandate to execute CAPEX within area of supply *Aging infrastructure *Current infrastructure unable to meet the demand due to growing population. * Shortage of national water resource * Unclear roles and responsibility on the sewer collection (sanitation services) between CoT and SWA	Critical	Critical	1. Upgrade WMS system to assist in the identification of maintenance including leakages	1.Operations Manager	1. 31.03.17	Cancelled due to disestablishment process	N/A
				2. SWA to provide input on CAPEX budget for the 2017/18 financial year.	2. CFO	2. 31.12.16	Completed in Q1	Attendance Register
				3. Engage CoT in order to clarify the roles and responsibility of SWA in terms of Sanitation Services	3. Operations Manager	3. 31.12.16	Canceled due to Disestablishment process	N/A
	Strategic Objective – Improve Financial Sustainability							
2. Threat to going concern	*Declining collection levels *Poor data integrity *Mandate is limited to unsustainable areas of supply (Mabopane, Wintervelt & Ga-Rankuwa) * Failure of the CoT to pay operational grant timely *Continuous dependency on CoT operational losses funding due to the following: a. Inability to shift costs to customer due to fact that tariff are uniformed and determined at the parent municipal level b. Inadequate cross subsidization amongst customers due to growing levels of registered indigents * Illegal connections and non-revenue water *High maintenance costs due to aging infrastructure *Fraud, theft and corruption	Critical	High	1. Participate in the CoT transversal contract for debt collectors.	1. CFO	1. 30 September 2016	1. Revenue Agents from CoT were deployed in Q1 and Q2 but due to community unrest they were removed and replaced by 14 permanent meter readers deployed from COT.	1-Physical inspection of Meter Readers SWA offices.
				2. Procure IT solution to improve revenue management.	2. IT Manager	2. 30 June 2017	2. Cancelled due to Disestablishment process	2- N/A
				3. Conduct the data cleansing exercise.	3. Revenue Manager	3. 30 June 2017	3. Ongoing and 98% completed	3-forms available and information also captured in the system
				4. Engage CoT to pay operational grant timely.	4. CFO	4. Quarterly	4. Ongoing, CoT has been engaged by the ACFO	4- Letter to CoT

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
Strategic Objective – Continued Organisational Development, Transformation and Innovation								
3. Inadequate human capital capacity to deliver on the strategy	*Structure not aligned to operations *Functions overlapping *Lack of Retention and Recruitment Strategy	Critical	High	1. Approval of the organizational structure 2. Fill positions according to priorities	1. HR Manager 2. HR Manager	1. 31 December 2016 2. 30 June 2017	Cancelled due to Disestablishment process	Council Resolution dated 27 October 2017
Strategic Objective – Promote Governance and Active Citizenry								
4. IT Infrastructure not supporting the operations of the organisation	*Internal processes not aligned to changes in technology *Legacy system *Unreliable system **Failure of Information Technology systems *Over-reliance on third party service provider	Critical	High	1. Procure the IT solution to improve SWA IT infrastructure.	ICT Manager	1. 30 June 2017	1. Cancelled due disestablishment process	1- N/A
Strategic Objective – Promote sustainable service infrastructure and human settlement management								

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
5. Non reduction of unaccounted water	*Illegal connections (by-passing) *Leaking meters on RDP and new developments *Delay in handing over new development (future connections) to ODI & delay in meter installations at the new development , Dept. of Housing not reporting handing over of houses to SWA areas to SWA directly * Overflow of reservoirs *Inaccurate meter reading and billing *Fire hydrants are not locked and as a results the community and contractors are drawing water from the water fire hydrants *Wintervelt peri-ubum area not metered due to houses inside plots not formalised	Critical	High	1. Inspections to be made on new developments (mainly RDP as it is the main contributor of water loss) 2. Establish relationship with Housing Company Tshwane (for new connections) and CoT Housing and human settlement department during the planning phase 3. Study to investigate illegal connections on areas where our network runs through other municipalities (Appointing consultants) 4. Relocation of meters from inside the yard to outside yard 5. Conduct study on Water Conservation and Demand Management	1.Project Coordinator 2.Operations Manager 3. Operations Manager 4.Operations Manager 5.Operations Manager	1. Quarterly 2. 31 March 2017 3. 1 March 2017 4. 30 June 2017 5. 30 June 2017	1. Illegal connections were identified in winterveldt informal settlement where they were irrigating plants using these illegal connections; these illegal connections have been disconnected and cut off. Inspections on RDP houses that do not have meters was conducted and report sent to Department of Housing at CoT for auctioning, waiting for feedback/action plan from CoT. 2. domestic meters are installed by SWA 3.Cancelled due to disestablishment process 4. this is a CAPEX project to be done by CoT 5. Cancelled due to disestablishment process	1- List of inspections made 2- Physical inspection 3- N/A 4- N/A 5- N/A
Strategic Objective – Promote Sustainable Service Infrastructure and Human Settlement Management								

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
6. Failure to continuously comply with the effluent quality standard	*Aging infrastructure *Theft of assets and vandalism to infrastructure *Lack of security systems *Insufficient funds for operational maintenance *Lack of skilled personnel as per legal requirements (regulation 17 of water services act)	Critical	High	1. Implement the preventative maintenance plan 2. Implement the following measures to improve security at WWTP: a) Monthly monitoring of the securing contract b) Participate in a CoT transversal security contract for electronic security 3. Capacitate the WWTP in terms of regulation 17 Water Service Act requirements	1. Acting Manager: WWTP 2. Asset Manager/Risk Manager 3. Acting Manager: WWTP	1. Quarterly 4. (a)Quarterly (b) 31 December 2016 3. 30 June 2017	1. Introduction of scheduled preventative maintenance for equipment's has commenced 2 (a) Performance monitoring of security was monitored internally and meeting was held with the service provider to discuss the performance of the contract and re-allocation of security officers that were previously at NTI building. (b) Cancelled due to disestablishment process 3. Not yet due	1- Maintenance schedules 2- Security compliance checklist (b) N/A 3- N/A

10.1 DEVIATION REPORT JANURY 2017 – MARCH 2017 SCM: REGULATION 36(2) OF THE SCM REGULATIONS

SCM REPORTING : SCM REGULATION 36(2):												
N O	DATE	DEPA RTME NT/B USIN ESS UNIT	ORDER NO	SERVICE PROVIDER	ITEM DESCRIPTION	AMOUNT	REASON FOR DEVIATI ON	B-BBEE LEVEL CONTRIBUTOR	SM ME	CONT ROL MEAR SURE	PROGRESS ON STATUS UP TO DATE	COMMENTS/REMARKS
January - March 2017												
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
						R 0.00						

SCM REPORTING Q3: REGULATION 6(3)							
Jan-17							
DATE OF ORDER	ORDER NO	COMPANY NAME	DESCRIPTION OF SERVICE/QUOTE/TENDER	AMOUNT	B-BBEE	SMME	TSHEPO 10 000
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Feb-17							
07/02/2017	9071	Genoa Group ([pty) Ltd	Supply and Delivery of Diesel fuel at Klipgat WWTW 4000 Litres	R 50,707.20	EME/Level 1	N/A	N/A, National Treasury CSD
08/02/2017	9072	Davis and Deale Irrigation(pty) Ltd	Supply, Deliver and Off Loading including meter box, 15mm volumetric water meter	R 148,770.00	Generic/Level 3	N/A	N/A, National Treasury CSD
08/02/2017	9073-9074	Valambya Consulting(pty) Ltd	Supply and Delivery of Tools and Cleaning Equipment WWTW	R 70,071.00	EME/Level 1	N/A	N/A, National Treasury CSD
17/02/2017	9075	Karabonoolo Trading cc	Supply and Delivery of Operations Materials	R 27,055.00	EME/Level 1	Yes, Small	N/A, National Treasury CSD
24/02/2017	9076	Selibo Trading and Projects(pty) Ltd	Repair of Inlet Grit and Grit Removal Pumps at Klipgat	R 39,968.40	EME/Level 3	Yes, Micro	N/A, National Treasury CSD
Mar-17							
10/03/2017	9071	Ezweni Corporations	Supply and Delivery of office stationery	R 146,328.64	EME/Level 1	Yes, small	N/A, National Treasury CSD
17/03/2017	9072	Pulankana Trading	Supply, Deliver and Off Loading including meter box, 15mm volumetric water meter	R 190,117.80	EME/Level 2	N/A	N/A, National Treasury CSD
				R 673,018.04			

584
Taking to account the council resolution dated 27th October 2017 to disestablish SWA, SWA will continue with the endeavors of debt collection and service delivery until the official handover of SWA to Cot.

ANNEXURE A: FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017

Sandspruit Works Association - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M08 February						
Description	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands					%	
Revenue By Source						
Service charges - water revenue	9,683	85,319	96,597	(11,277)	-11.7%	179,632
Service charges - sanitation revenue	4,027	32,254	29,479	2,775	9.4%	54,820
Interest earned - external investments	46	218	568	(350)	-61.6%	1,000
Interest earned - outstanding debtors	5,191	40,978	28,914	12,064	41.7%	50,870
Transfers recognised - operational	28,259	183,927	98,299	85,628	87.1%	172,940
Other revenue	19	127	35,169	(35,041)	-99.6%	61,873
Total Revenue (excluding capital transfers and contributions)	47,226	342,824	289,026	53,798	18.6%	521,135
Expenditure By Type						
Employee related costs	7,755	66,241	54,298	11,943	22.0%	116,685
Remuneration of Directors	–	719	804	(85)	-10.5%	2,076
Debt impairment	13,761	94,939	44,327	50,612	114.2%	56,762
Collection Cost	74	720	1,658	(938)	-56.6%	7,850
Depreciation & asset impairment	156	1,268	–	1,268	#DIV/0!	3,130
Bulk purchases	21,302	147,392	123,152	24,240	19.7%	207,873
Other materials	286	2,134	5,445	(3,311)	-60.8%	10,980
Contracted services	2,040	14,873	23,228	(8,355)	-36.0%	47,562
Other expenditure	1,617	13,817	34,204	(20,387)	-59.6%	68,217
Total Expenditure	46,990	342,104	287,117	54,988	19.2%	521,135
Surplus/(Deficit)	236	720	1,910	(1,189)	-62.3%	–
Surplus/(Deficit) before taxation	236	720	1,910	(1,189)	-62.3%	–
Surplus/(Deficit) for the year	236	720	1,910	(1,189)		–

Vote Description	2015/16	Current Year 2016/17				
	Unaudited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands						
ASSETS						
Current assets						
Cash	5,348	17,786	18,710	8,055	17,786	
Consumer debtors	15,293	13,456	13,456	24,086	13,456	
Other debtors	407,826	55,000	55,000	504,748	55,000	
Current portion of long-term receivables	–	–	–		–	
Inventory	2,898	3,826	3,826	3,460	3,826	
Total current assets	431,365	90,068	90,992	540,349	90,068	
Non current assets						
Property, plant and equipment	6,604	15,494	15,494	5,341	15,494	
Intangible	–	5,000	5,000	45	5,000	
Total non current assets	6,604	20,494	20,494	5,386	20,494	
TOTAL ASSETS	437,969	110,562	111,486	545,734	110,562	
LIABILITIES						
Current liabilities						
Consumer deposits	3,914	4,000	4,000	3,962	4,000	
Trade and other payables	427,567	83,780	83,780	529,494	83,780	
Provisions	–	7,000	7,000	8,311	7,000	
Total current liabilities	431,480	94,780	94,780	541,766	94,780	
Non current liabilities						
TOTAL LIABILITIES	431,480	94,780	94,780	541,766	94,780	
NET ASSETS	6,489	15,782	16,706	3,968	15,782	
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)	6,489	15,782	16,706	3,349	15,782	
TOTAL COMMUNITY WEALTH/EQUITY	6,489	15,782	16,706	3,349	15,782	

SANDSPRUIT WORKS ASSOCIATION

2016/17 APPROVED BUSINESS PLAN

Reference No 63742/1
Fikile Rasmeni (1182)
MAYORAL COMMITTEE:

GROUP LEGAL & SECRETARIAT SERVICES DEPARTMENT
3RD QUARTER ASSESSMENT REPORT: TSHWANE ECONOMIC
DEVELOPMENT AGENCY (TEDA)

1. PURPOSE

The purpose of this report is to present the assessment of 3rd Quarterly Performance Report of the Tshwane Economic Development Agency (TEDA) for the period January to March 2017.

2. STRATEGIC OBJECTIVES

2.1 PROVIDE SHARED ECONOMIC GROWTH AND JOB CREATION

2.2 PROMOTE GOOD GOVERNANCE AND ACTIVE CITIZENRY

3. BACKGROUND

The Shareholder Operations Unit is concerned with reviewing, monitoring and “overseeing” the affairs, practices, activities, behaviour and conduct of municipal-owned entities (MOEs) to ensure the City of Tshwane that the business of MOEs is being conducted in a manner expected in accordance with commercial legislative and other prescribed or agreed conventions.

The unit is poised to assist the institution and its MOEs to comply with applicable legislation by providing regular advice and reports on compliance and recommending remedial action where required. The Division regulates the functions of MOEs and co-ordinates these with prevailing political imperatives, whilst ensuring alignment with departmental SDBIPs.

In terms of Section 87 read with Section 52 (d) of the MFMA, municipal entities are required to submit to the parent municipality on a quarterly basis against the approved budget as well as the approved business plan. This report seeks to provide assessment of the submitted 3rd quarter report by the entity and also provide recommendations based on the assessment.

The Performance Report for Quarter 3 of TEDA is attached hereto as Annexure A. It should be noted that the amended Business Plan has not yet been approved by the Mayoral Committee. The amended business plan should have been presented to Mayco during February 2017 but is only scheduled to serve during April 2017.

4. DISCUSSION

During the quarter under review, TEDA has successfully hosted and participated in the following:

- Participated in the 6th International Trade Exhibition in Cameroon held in February 2017, which is an international premier event that provides a platform to tap into Central African market;
- Also in February 2017 TEDA participated in an exhibition at the Mayoral Economic Summit at the CSIR;
- Hosted Export Capacity Workshop in March 2017 in conjunction with Department of Trade and Industry;
- In March 2017, TEDA and North West University organised a Thought Leadership Seminar on Global Trade; and
- Participated and staged a Business Benchmark Networking Session over 20 Dutch Companies with SANEC in March 2017.

PERFORMANCE AGAINST SDBIP AND THE SCORECARD

In terms of the entity's performance scorecard, TEDA has 12 key performance indicators for the current financial year. Six targets are relevant for Quarter 3 and they were all achieved and exceeded some.

Summary of Business Plan Targets

	Q3	Annual
Target	6	12
Achieved (unaudited results)	6	6
Not Achieved	None	None

It should be noted that the reported results are not yet tested and verified by the City's Internal Audit Unit and there is probability that these results could change. This assessment is based on the entity revised 2017/18 Business Plan, which is awaiting Mayoral Committee approval.

FINANCIAL PERFORMANCE

REVENUE

Total revenue for the 3rd quarter of this financial year was R1,4 million against budgeted revenue of R2,5 million, which is below the budgeted amount by R1,1 million. Attributable to the decrease in revenue is mainly due to rental income of R1,1 million against the budgeted amount of R2,3 million, which is below the budgeted amount by R1,2 million. Attributable to the increase in revenue is the sale of tender documents of R11 400; interest received from investment was R272 155 against the budgeted of R193 705, which is above the budgeted amount by R78 450. This indicates improvement of the entity in terms of generating its own income.

The grant transferred to the entity amounting to R44,6 million, was R13, 5 million below the budgeted amount of R58,1 million.

EXPENDITURE

The total expenditure for the quarter is R35,6 million, which is below the budgeted amount of R60,2 million resulting in a shortfall of R24,6 million. Attributable to the decrease in expenditure is as a result of employee related cost by R9,3 million due to vacant positions; remuneration of directors by R961 000; investment promotion funding by R3 million; and projects by R4,6 million. The under expenditure by the entity is a concern, though TEDA indicated that it would be spent at quarter four.

SOLVENCY

Total assets for the quarter under revenue was recorded at R21 million and the total liabilities are R11 million, thus implying a solvency ratio of 1.9:1 against the standard norm of 2:1. This implies that TEDA is bordering on technical insolvency. The entity is able to meet its long-term obligations as its total assets exceeds its total liabilities by R10 million.

LIQUIDITY

The entity's current assets for the quarter under review are R16,5 million and the current liabilities are R10,7 million resulting in the current ratio of 1.5:1 against the standard norm of 1:1. TEDA is able to meet its short-term liabilities as its current assets exceed its current liabilities by R5,8 million.

GOVERNANCE RELATED MATTERS

The entity's board is stable and there are no matters that require Shareholders's intervention. The board held 1 meeting and other sub-committees held 1 meeting each during the quarter under review. The litigation matter of the dismissed former CEO require to put on radar to ensure that it gets adequate board's attention.

The entity has 2 Auditor General's findings that are in progress to be addresses, TEDA should resolve these findings by 30 June 2017 to avoid repeat findings in the next financial year.

ICT GOVERNANCE

TEDA is dependent on the City's IT infrastructure and thus it is the City's responsibility to ensure that the required ICT Governance aspects are properly addressed.

HUMAN RESOURCE GOVERNANCE

TEDA has two vacant positions i.e. Senior Manager: Strategic Services and Supply Chain Officer, which cannot be filled currently owing to the entity being under review;

Entity has developed its Skills Development Plan for the 2016/17 financial year. During the quarter the entity identified Staff to attend development training, namely monitoring & evaluation, construction procurement processes and Value Added Tax. Furthermore, employees attended a Wellness Programs during this quarter, namely Relationship Awareness Sessions and Managerial Referral Sessions.

RISK GOVERNANCE

Structure & Progress this Quarter	Strategic Risk Register & Reporting	Governance Risk Gaps
The Company's Board and the Sub-Committees are responsible for the overall risk management	<ul style="list-style-type: none"> Risks identified are escalated to the Board. The entity conducted its Strategic Risk Workshop during the quarter under review. 	<p>TEDA faces certain challenges and they are as follows:</p> <p>Inability to implement the financial sustainability model.</p>
Recommendations: <ul style="list-style-type: none"> The developed Strategic Risk Register should be monitored to ensure that these risks are kept at acceptable levels, it should be noted however, that TEDA has only 1 risk that has a high residual; TEDA should continue mobilizing for alternative funding to reduce the reliance on the City's operational grant. 		

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

There are no additional financial implications as a result of this report for the City of Tshwane as the purpose of the report is to present the assessment of the 3rd Quarterly Report of the Tshwane Economic Development Agency (TEDA) for the period of January to March 2017.

5.2 COMMENTS OF THE GROUP HEAD: CITY STRATEGY & ORGANISATIONAL PERFORMANCE

The reported performance of TEDA is noted. It is recommended that once the results of Internal Audit are available, they be made available to CSOP.

5.3 COMMENTS OF THE GROUP LEGAL COUNSEL

COMMENTS ON REPORT: 3RD QUARTER ASSESSMENT REPORT: TSHWANE ECONOMIC DEVELOPMENT AGENCY (TEDA)

The purpose of this report is to present the assessment of 3rd Quarterly performance Report of the Tshwane Economic Development Agency (TEDA) for the period January to March 2017.

The report is aligned with Strategic Objective 4 which aims to promote good governance and active citizenry.

The report complies with the provisions of Section 11(3)(a)(k)&(n) of the Local Government: Municipal Systems Act 32 of 2000, whereby a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, establishing and implementing performance management systems and also by doing anything else within its legislative and executive competence.

Section 88 (1) of the Municipal Finance Management Act 56 of 2003 provides that, the accounting officer of a municipal entity must by 20 January of each year—

(a) assess the performance of the entity during the first half of the financial year, taking into account—

(i) the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and

(ii) the entity's annual report for the past year, and progress on resolving problems identified in the annual report; and

(b) submit a report on such assessment to—

(i) the board of directors of the entity; and

(ii) the parent municipality of the entity.

(2) A report referred to in subsection (1) must be made public.

In terms of Section 52 (d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal Services Department support the approval of the report and the recommendations thereof and submits that the report and its Annexures be referred to the Mayoral Committee for their cognisance.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

None

6.2 FINANCES

None

6.3 CONSTITUTIONAL AND LEGAL FACTORS

This report is in accordance with the legislative provisions and processes stipulated in the Local Government: Municipal Finance Management Act, Act 56 of 2003 as amended; the Municipal Systems Act, Act 32 2000 as well as relevant National Treasury Regulations and Circulars.

6.4 COMMUNICATION

None

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None

7. CONCLUSION

The purpose of this report was to present a quarterly review of Tshwane Economic Development Agency (TEDA) for the third quarter of the 2016/17 financial year i.e. 01 January to 31 March 2017. The report assessed the matters pertaining to (i) performance; (ii) financials; and (iii) governance related aspects for the period under review.

The overall performance of TEDA is satisfactory provided that:

1. TEDA is totally dependent on the City's grant in order to operate, the necessary processes should be embarked on to obtain alternative funding to cover the expenditure associated with TEDA's operations;
2. TEDA's mandate should be expanded by the City to include more projects pertaining to service delivery to justify the existence of TEDA. At this stage the benefits obtained from TEDA's existence from the City's perspective are not cost effective.

ANNEXURES:

- A. Annexure A 2016-17 Quarter 3 Performance Report V5 (004) FINAL REPORT.pdf
- B. Annexure A - Q3 SWA PERFORMANCE REPORT COVERING PAGE.pdf

RECOMMENDED:

That it be recommended to the Mayoral Committee:

That cognisance be taken of the content of the review of TEDA for Quarter 3.



Tshwane Economic Development Agency

Eco Origin Building | 1st Floor, Block F | 349 Witch-Hazel Avenue | Highveld Extension 70 | Centurion
PO Box 11731 | Zwartkop | 0051

Initiator	Sello Sefuthi	Business Unit	Strategy, Performance and Reporting
From	Mr. Thami Mkhwanazi Acting Chief Executive Officer	File Ref. No.	CEO 10/3534
To	TEDA Board of Directors	Date	30 March 2017
TEDA Quarter 3 Performance Report			

1. PURPOSE

The purpose of the report is to request Board to note and approve to the 3rd Quarter performance report.

2. STRATEGIC OBJECTIVES

The submission is aligned to Strategic Objective 6: "To establish and build TEDA as a strong and effective organisation in the context of good governance best practice."

3. BACKGROUND AND DISCUSSION

Quarterly reports are requirement in relation to compliance as detailed in the Municipal Systems Act and Municipal Financial Management Act. In order to fulfill TEDA statutory, quarterly reports should be prepared and endorsed by the Board prior to submission. In the period under review, TEDA had 6 KPIs and all 6 KPIs have been achieved.

4. IMPLICATIONS

4.1 Legal implications

There are no legal implications.

4.2 Financial implications

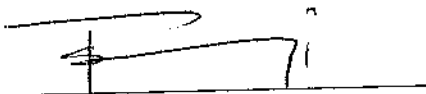
There are no financial implications.

5. RECOMMENDATION

That it be recommended to the Board that:

- 5.1 The TEDA 2015/16 Quarter 3 Report be approved.
- 5.2 3rd Quarter performance report be approved prior to submission to the City

I confirm that the report meets acceptable quality standards and the information contained herein is accurate and adequate to assist the Board to arrive at a decision.



Mr. T. Mkhwanazi
Acting Chief Executive Officer
Date: 31/03/17



TSHWANE ECONOMIC DEVELOPMENT AGENCY
3rd QUARTER PERFROMANCE REPORT
(January - March 2017)

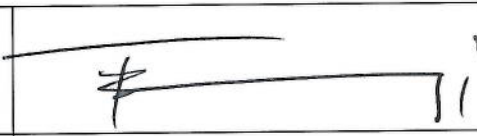

SIGN OFF	
CHIEF FINANCIAL OFFICER Mr. Thami Mkwanazi	
CHIEF EXECUTIVE OFFICER Mr. Solly Mogaladi	
DATE	4/4/2017

TABLE OF CONTENTS

	597
1 EXECUTIVE SUMMARY	3
2 PERFORMANCE AGAINST THE ENTITY BUSINESS PLAN	4
3 PERFORMANCE AGAINST THE CORPORATE SDBIP	5
4. FINANCIAL PERFORMANCE	6
5. GOVERNANCE	7
6. HUMAN RESOURCES	10
7. DEPENDENCIES AND CROSS CUTTING ISSUES	12
8. OPERATION CLEAN AUDIT	12
9 CONCLUSION AND RECOMMENDATIONS	18
ANNEXURE A: EXTRACT OF ENTITY's BUSINESS PLAN REPORT FROM QPR	19
ANNEXURE B: STATEMENT OF FINANCIAL POSITION AND PERFORMANCE	20
ANNEXURE C: RISK REGISTER	21

The third quarter report has been prepared against TEDA's 2016/17 business plan and scorecard. In the period under review, the entity had 6 Key Performance Indicators (KPIs) and achieved 100% performance.

Performance highlights:

- TEDA in partnership with Wesgro led a business delegation consisting of 12 companies from 11 – 17 February 2017 to Yaounde, Cameroon. The purpose of the business delegation was to participated in the 6th International Trade Exhibition in Cameroon which is an international premier event which provides a platform to tap into the Central African market.
- In February 2017, TEDA participated in an exhibition at the Mayoral Economic Summit held at the CSIR.
- TEDA Collaborated with the Department of Trade and Industry in hosting the Export Capacity workshop at Manhattan Hotel from the 08 – 10 March 2017.
- The entity also organised a thought leadership Seminar on Global Trade in conjunction with the North West University on 14 March 2017.
- Staged a Business Benchmark Networking Session with over 20 Dutch Companies with SANEC on 30 March 2017. Also participate at the Exhibition staged

2.1 SUMMARY OF PROGRESS AGAINST THE ENTITY BUSINESS PLAN TARGETS

Table 1: Summary of performance against the business plan

Total Nr of targets for the financial year	Number of targets for the quarter	Nr of targets not achieved for the quarter	Nr of targets achieved for the quarter	Nr of targets not achieved year to date	Nr or targets achieved year to date
12	6	-	6	-	

Table 2: Business plan targets not achieved

KPA	Indicator or nr	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	Due date
N/A						

Table 3: Business plan targets achieved

Output	Indicator	3 rd Quarter Target	3 rd Quarter Actual
Trade and investment intelligence acquired	Number of trade and investment reports produced	1	1
Trade and investment missions undertaken	Number of trade and investment missions participated in	1	1
Tshwane Agro-processing Hub	Infrastructure feasibility study for the Hub produced	Infrastructure feasibility study for the Hub signed-off	Infrastructure feasibility study for the Hub produced and signed-off
Tshwane intermodal Freight Terminal and logistics Hub	Development facilitation	Project reports	Project report produced
City's increased competitiveness	Number of exhibitions and trade shows participated in	1	3
Approved quarterly risk control matrix	% of strategic risks monitored against the approved strategic risk register	100%	100%

3.1 PERFORMANCE AGAINST THE SDBIP TARGETS

TEDA's contribution to SDBIP targets is now measured at the entity's level and has been reported accordingly in the entity's Business Plan.

Table 4: Summary of performance against the SDBIP targets

Total Nr of targets for the financial year	Number of targets for the quarter	Nr of targets not achieved for the quarter	Nr of targets achieved for the quarter	Nr of targets not achieved year to date	Nr or targets achieved year to date
N/A					

Table 5: SDBIP targets not achieved

KPA	Indicator nr	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	Due date
N/A						

3.2 SUMMARY OF PROGRESS ON PROJECTS

TEDA does not have Capital Projects

Table 6: Summary of projects

Total nr of Projects	Nr of projects that achieved planned non-financial milestones for the quarter	Nr of projects that did not achieve planned non-financial milestones for the quarter	Nr of projects that achieved planned non-financial milestones year to date	Nr of projects that did not achieve planned non-financial milestones year to date
N/A	N/A	N/A	N/A	N/A

Table 7: Non achieved milestone targets on projects and corrective measures

IDP project nr	Corrective measures implemented for non-achieved milestone	Corrective measures to be implemented	Date of implementation	Responsible official
N/A	N/A	N/A	N/A	N/A

PLEASE REFER TO ANNEXURE B.

5.1 BOARD COMPOSITION

Table 8: TEDA Board of Directors

Board Member	Capacity: Executive / Non Executive	Race	Gender	Board Committee Membership
Prof. DL Mosoma (Chairperson)	Board Chairperson	African	Male	- Board Chairperson - Social & Ethics Chairperson
Ms. SR Bahula-Ermias	Non- Executive	African	Female	- Board Member - Finance & Risk Committee - Projects Committee
Mr. H Gouvelis	Non- Executive	White	Male	- Board Member - HR & Remco - Projects Committee
Mr. SD Mogaladi	Executive Director	African	Male	- CEO
Ms. Z Mpungose	Non- Executive	African	Female	- Board Member - Trade & Investment Chairperson - HR & Remco
Mr. CR Mpyane	Non- Executive	African	Male	- Board Member - Trade & Investment Committee - Projects Committee
Ms. S Mzizi	Non- Executive	African	Female	- Board Member - Finance & Risk Committee - Projects Committee
Mr. FK Sibanda	Non- Executive	African	Male	- Board Member - Trade & Investment Committee - HR & Remco
Ms. N Singh	Non- Executive	Indian	Female	- Board Member - Finance & Risk Committee Chairperson - Social & Ethics Committee - APC
Adv. JL Thubakgale	Non- Executive	African	Male	- Board Member - HR & Remco Chairperson - Finance & Risk Committee
Mr. MW Yates	Non- Executive	White	Male	- Board Member - Trade & Investment Committee

				- Projects Committee Chairperson	603
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5.2 BOARD AND COMMITTEES

Indicated in the table below are the board and committee's meetings held during the period under review. Attendance at meetings held during the quarter under review was as follows:

Table 9: Board and board committee meetings (January – March 2017)

Name	Board	Finance & Risk	APC	Other
Mosoma, LD	1			
Bahula- Ermias	1	1		1
Gouvelis	1			1
Mpungose	1			1
Mpyane	1			
Mzizi	1	1		
Sibanda	1			
Singh	1	1	1	
Thubakgale	1			
Yates	1			1

5.3 DIRECTORS REMUNERATION

Table10: of TEDA Board remuneration for the quarter

No	Name	Jan	Feb	Mar	Total
1	Mosoma, LD	-	R 13 712.00	-	R 13 712.00
2	Bahula- Ermias	R 5 142.00	R 13 712.00	-	R 18 854.00
3	Gouvelis	-	R 8 570.00	-	R 8 570.00
4	Mpungose	-	R 13 712.00	-	R 13 712.00
5	Mpyane	-	R 8 570.00	-	R 8 570.00
6	Mzizi	R 5 142.00	R 8 570.00	-	R 13 712.00
7	Sibanda	-	R 8 570.00	-	R 8 570.00
8	Singh	R 6 856.00	R 17 140.00	-	R 23 996.00
9	Thubakgale	-	R 8 570.00	-	R 8 570.00
10	Yates	-	R 13 712.00	-	R 13 712.00
	Total	R 17 140.00	R 114 838.00	-	R 131 978.00

Table 11: Executive remuneration for the quarter

					604
No	Name	Designation	Total cost to company per annum	Total cost to company: Monthly before all deductions	Total cost company: before deductions for 3
1	Solly Mogaladi	Chief Executive Officer	1 910 265.72	159 188.81	477
2	Boledi Seopela	Executive Manager: Corporate Services	1 574 892.84	131 241.07	393
3	Karin Liebenberg	Executive Manager: Investment Promotion & Funding	1 201 963.68	100 163.64	300
4	Lebogang Mahaye	Company Secretary	1 312 410.48	109 367.54	328
5	Mogau Leshilo	Executive Manager: Projects Portfolio Management	1 364 583.12	113 715.26	341
6	Sello Sefuthi	Executive Manager: Strategy Performance & Monitoring	1 166 000.04	97 166.67	291
7	Thami Mkhwanazi	Chief Financial Officer	1 557 100.00	129 758.33	389
Total			8 176 950.16	681 412.51	2 044

5.4 RISK MANAGEMENT AND INTERNAL CONTROLS

The entity's management of risk is satisfactory as there is execution of management action plans in most of the strategic objectives. The concern is on strategic risk 2, inability to implement the financial model, as execution of the management action plan has dependencies from the City to realize its obligation as stated in the SDA. Operational risk assessment was concluded at the beginning of quarter 3 and the monitoring process is underway.

5.5 LITIGATIONS

The dismissal of the former CEO is still an on-going litigation matter.

6.1 RECRUITMENT

Recruitment processes for vacancies were put on hold. The following positions became vacant in the period under review:

- Senior Manager: Strategic Services
- Supply Chain Officer

Table 12: Number of approved positions filled and vacant

Business Units	Approved Posts as per the structure	No of filled posts	Vacant posts
Office of the CEO	7	4	3
Company Secretary	3	3	0
CFO	8	6	2
Corporate Services	13	9	4
Asset Management	6	0	6
Investment Promotion & Funding	10	8	2
Internal Audit	2	0	2
Risk and Compliance	1	0	1
Projects Portfolio	10	3	7
Total	60	33	27

6.2 SKILLS DEVELOPMENT

Skills development Plan for 2016/17 FY has been compiled. Suitable training providers were identified and the following skills development interventions were attended to in the period under review:

- Monitoring & Evaluation
- Construction procurement processes
- Value Added Tax

6.3 MINIMUM COMPETENCIES FOR FINANCIAL OFFICIAL

TEDA Finance and Supply Chain Management officials are expected to complete the minimum competency programme as scheduled by the University of Pretoria and Proactive College. Four (4) employees currently await certification to be done by LGSETA, whereas one (1) employee on Senior Management level is enrolled with University of Pretoria to complete modules that were not included in the initial course catalogue.

6.4 RECOGNITION FOR PRIOR LEARNING (RPL) FOR EXECUTIVE MANAGEMENT LEVEL

Executives are currently enrolled with Proactive College to complete the Municipal Finance Management Programme (MFMP) through the RPL process. A briefing session regarding the RPL process was facilitated by Mr. Vic Viljoen. Executives submitted the first batch of four tests for the RPL process.

6.5 EMPLOYEE WELLNESS PROGRAMME (EAP)

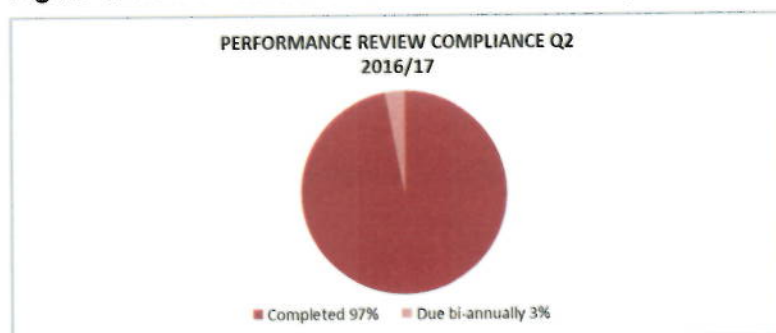
The entity's Employee Wellness Programme, which is outsourced to ICAS offered the following interventions in the quarter under review:

- Relationship awareness session; and
- Managerial referral session.

6.6 PERFORMANCE MANAGEMENT

Performance Management is implemented for all employee levels in the organisational structure. During quarter 2 reporting period, the entity's headcount was 34 and achieved 97% compliance on performance review with only one employee to be reviewed bi-annually. Performance reviews for the 2nd quarter were completed as indicated below:

Figure 4: Illustration of Performance review compliance



7. DEPENDENCIES AND CROSS CUTTING ISSUES

There are on-going relationships between the City's Departments and TEDA.

8. OPERATION CLEAN AUDIT

Table 13: Evidence

Evidence for the quarter submitted with report (Yes/ No)	Entity evidence files updated, centralised and verified in the department (Yes/ No)	If no, indicate corrective measure	Entity project files for the quarter compiled, centralised and verified (Yes/No)	If no indicate corrective measure
Yes	N/A		N/A	

The table below provides a summary of Auditor General's findings raised in the 2015/16 financial period.

Table 14: Action plan based on 2015/16 Auditor-General's report

Classification	Number of findings	Repeat findings	Number of findings resolved	Number of findings not yet resolved
Annexure A: Matters affecting the audit report	1	1	0	1
Annexure B: Other important matters	3	0	2	1
Annexure C: Administrative matters	3	0	3	
TOTAL	7	1	5	2

Table 15: OPCA controls and interventions

Number	Finding	Recommendations by the Auditor General	Background	Action plan	Responsible person	Due date	Progress
ANNEXURE A: MATTERS AFFECTING THE AUDITOR'S REPORT							
1.	<p>Expenditure management – Failure to prevent the incurrence of fruitless expenditure.</p> <p>Paragraph 20 of the audit report on expenditure management: Reasonable steps were not taken to prevent fruitless and wasteful expenditure as required by section 95(d) of the MFMA.</p> <p>Paragraph 22 of the audit report on leadership: The accounting officer did not exercise adequate oversight over compliance with laws and regulations and</p>	<p>Management should implement measures to avoid recurrence of the errors made</p> <p>Consider training officials involved in the finance division who work with tax related matters.</p>	<p>Total fruitless expenditure: R424, 272.</p> <p>1. R382, 449 of the fruitless expenditure relates to interest incurred and paid in the 2015/16 financial year. This was due to a Voluntary Disclosure Programme on VAT the entity embarked on in the 2014/15 financial year.</p> <p>2. R14, 067 relates to PAYE understatement penalty due to the VIP system not agreeing with EMP201.</p> <p>3. R27, 746 relates to SARS VAT 201 understatement</p>	<p>A forensic investigation to be performed on the fruitless expenditure to assist in finalising the corrective measure i.e. Recovery/write off.</p> <p>Staff training by an accredited training provider on VAT and PAYE related matters.</p> <p>Appointment of the vacant senior manager finance position will also assist with reviews of expenditures.</p>	Chief Financial Officer	31 March 2017	<p>A request for a forensic investigation was sent to COT on the 25th of July 2016, follow ups were done with the COT department and the latest follow up was on 20 October 2016.</p> <p>Staff has been registered with UNISA for a VAT course.</p> <p>Senior Manager position was advertised and shortlisted, but a moratorium was imposed which has delayed the appointment.</p>

Number	Finding	Recommendations by the Auditor General	Background	Action plan	Responsible person	Due date	Progress
	the implementation of adequate internal controls. Paragraph 23 of the audit report on financial performance management: Management did not adequately monitor the department's compliance with laws and regulations relating to expenditure.		penalty due to a previously not claimed invoice from the CSIR..				

ANNEXURE B: OTHER IMPORTANT MATTERS

2.	Taxation - Wear & Tear calculated using the incorrect rates	Management should perform adequate independent reviews of the financial statements and ensure that all transaction have been recorded in accordance to the relevant laws and regulations.	This is an isolated error that was picked up in the tax asset register whereby an incorrect wear and tear write off rate for lease hold improvements, had been inserted, thus understating the wear and tear allowance	No further action required as this was corrected.	Chief Financial Officer	Immediate	No further action required as this was corrected.
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Number	Finding	Recommendations by the Auditor General	Background	Action plan	Responsible person	Due date	Progress
		Prepare journals to correct the misstatements in the financial statements.	claimed in the tax calculation. This error was corrected in the final AFS.				
3.	Taxation - Incorrect prior year adjustment disclosure	Management should perform adequate independent reviews of the financial statements so as to ensure that all transactions are accurately recorded.	This was also an isolated error where a prior year adjustment journal was reversed in error whilst fixing the deferred tax. This was also adjusted.	No further action required as this was an isolated error that was corrected.	Chief Financial Officer	Immediate	No further action required as this was corrected.
4.	Security management	Management can remediate a number of patch related issues by phasing out legacy systems, and procuring new hardware and	This finding emanates from the fact that TEDA's IT platform is hosted by the COT, therefore the finding was	Patching procedure will be reviewed to include application owners.	Corporate Services	By end of Financial Year 30 June 2017	TEDA is currently using CoT's ICT infrastructure therefore, all IT security management is done by CoT

Number	Finding	Recommendations by the Auditor General	Background	Action plan	Responsible person	Due date	Progress
		software in critical areas. In addition, expired software and hardware licenses as well as vendor specific contracts should be renewed to mitigate repeated issues	raised at the COT and thus copied to TEDA's management report. This finding has a dependency on the COT's action plan.	Ongoing monitoring of patching schedule on a monthly basis. Consultation with the various business application owners is underway to address the storage and backup requirements. To acquire the Forti-Analyzer or similar tool. Pending budget availability. The Disaster Recovery Plan will be reviewed to include the City's firewalls.			and there is memorandum of understanding between TEDA and COT. See attached presentation from GICT on the progress.

ANNEXURE C: ADMINISTRATIVE MATTERS

5.	AOPO- Objective planned not	Management should report all planned objectives in the	This finding was as a result of the non-inclusion of	Therefore there will be no action	Executive: Strategy and	Immediate	No further action required as this was
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Number	Finding	Recommendations by the Auditor General	Background	Action plan	Responsible person	Due date	Progress
	included in the APR	annual report, reasons for any variances or non-achievements should be disclosed in the annual report.	Objective 5 in the APR due to the fact that this objective had no KPI's in the period under audit as per the approved business plan, the auditors insisted that this be included in the APR, this was included in the APR.	on this item as it is already fixed.	Performance Monitoring		corrected during the audit.
6.	IT – User access process and procedure in draft format	The Accounting Officer should approve the procedure document to ensure that it is a final document that entity may apply.	This procedure document was approved after 30 June 2016. This was due to the fact that the entity was still awaiting the procurement and implementation of SAP as a financial system.	There is no further action required as the document has been approved.	Corporate Services	Immediate	No further action required as the document was approved.
7.	SCM - VAT vendor suppliers listed as non-VAT vendors	Senior Management personnel should review supplier records to ensure that correct information has been kept	This was an isolated administrative error in the SCM vendor database with 200 vendors, this was the only one that was incorrectly		Senior Manager: SCM	Immediate	No further action required as the error was fixed.

Number	Finding	Recommendations by the Auditor General	Background	Action plan	Responsible person	Due date	Progress
			classified as a non-vendor, the vat treatment in the accounts was correct. This was also fixed in the VAT vendor status column. No further action required.				

9 CONCLUSION AND RECOMMENDATIONS

The performance of TEDA in this quarter is consistent with our performance in previous ones. Having achieved all three KPI's in our last quarter, during the period under review, we achieved all six of our KPI's. This is a concrete demonstration of our commitment to deliver on the stated objectives of our amended BP: 2016/17. The below mentioned will be amongst our future plans.

- Outward mission to the Paris Airshow planned for 19-25 June in collaboration with Wesgro and the dti. MMC of Economic Development and Spatial Planning to lead the delegation. WAFTEQ to confirm meetings with potential investors.
- TEDA and SANEC will partner to organize the Ambassadors Lunch in Centurion on 28 June 2017. The Ambassadors Lunch is attended by SADC Ambassadors and Dutch and international companies and the theme will be Inter Africa Trade.
- Multi-sector outward mission to the Netherlands planned for 5-10 June 2017 in collaboration with SANEC.

ANNEXURE A: EXTRACT OF ENTITY'S BUSINESS PLAN REPORT FROM QPR

ANNEXURE B: STATEMENT OF FINANCIAL POSITION AND PERFORMANCE

ANNEXURE C: RISK REGISTER

No.	Strategic objective and description	Main risk	Risk description	Impact	Priority	Rating	Mitigation measures	Management perceived control effectiveness				Responsible	Review date
								High	Medium	Low	Very Low		
1	1. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	1. Failure to develop a robust framework for managing risks and opportunities in the business	1. Failure to develop a robust framework for managing risks and opportunities in the business	5	High	5	1. To develop a robust framework for managing risks and opportunities in the business	5	5	5	5	Executive Team and Board	30 Jan 17
2	2. To establish and maintain a robust framework for managing risks and opportunities in the business	2. Failure to establish and maintain a robust framework for managing risks and opportunities in the business	2. Failure to establish and maintain a robust framework for managing risks and opportunities in the business	5	High	5	2. To establish and maintain a robust framework for managing risks and opportunities in the business	5	5	5	5	Executive Team and Board	30 Jan 17
3	3. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	3. Failure to develop, implement and monitor a robust framework for managing risks and opportunities in the business	3. Failure to develop, implement and monitor a robust framework for managing risks and opportunities in the business	5	High	5	3. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	5	5	5	5	Executive Team and Board	30 Jan 17
4	4. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	4. Failure to develop, implement and monitor a robust framework for managing risks and opportunities in the business	4. Failure to develop, implement and monitor a robust framework for managing risks and opportunities in the business	5	High	5	4. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	5	5	5	5	Executive Team and Board	30 Jan 17
5	5. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	5. Failure to develop, implement and monitor a robust framework for managing risks and opportunities in the business	5. Failure to develop, implement and monitor a robust framework for managing risks and opportunities in the business	5	High	5	5. To develop, implement and monitor a robust framework for managing risks and opportunities in the business	5	5	5	5	Executive Team and Board	30 Jan 17



TSHWANE ECONOMIC DEVELOPMENT AGENCY STRATEGIC RISK REVIEW REPORT FOR 2016 / 2017

DETAILED STRATEGIC RISKS

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
Failure to attract investments	<p>1. Changes in government policies (i.e. relating to macroeconomic policies, tax regime)</p> <p>2. Unfavourable Global Economic climate</p> <p>3. Inadequate resources necessary for investment attraction</p>	Critical	Medium	<p>1. To increase marketing of CoT investment opportunities e.g. projects and incentives from the policy framework</p> <p>2. To undertake both inbound and outbound trade missions to attract investments and identifying foreign markets</p> <p>3. To target investors for particular sectors (investor targeting) using both country and company analyses and investment seminar</p> <p>4. Increased lead generation, facilitation and follow-up, company visitations as part of investment expansion and after care.</p> <p>5. Information sharing on investing in CoT (assistance with business permits, access to opportunities, skills availability, etc.)</p>	Executive Trade and Investment	30 June 2017	<p>Participating at various trade shows to promote opportunities in the Aerospace, Automotive, Agricultural Sector. Working with South African Netherlands Chamber to host Dutch companies on 30 March 2017.</p> <p>Staged an exhibition at the Inaugural Tshwane Economic Summit held in February 2017.</p> <p>Undertook a trade mission to Cameroon with Wesgro. Three companies from Tshwane assisted.</p> <p>Targeting investors in the logistics and Renewable energy by hosting Indonesian delegation and facilitating investment in the renewable energy. TEDA is working to convert these leads.</p> <p>Have facilitated a discussion between an industrial part and a Dutch Company planning to establish a Malt House in South Africa. Awaiting feedback from the Dutch Company.</p>	Report Pictures, Email

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
Inability to implement the financial sustainability model	<ul style="list-style-type: none"> 1. Non fulfilment of SDA undertakings 2. Failure to generate alternative/ own revenue streams 	Critical	High	<ul style="list-style-type: none"> 1. Review of the SDA towards securing CoT support to TEDA 2. Continued mobilisation of funding from external partners 	Executive PPM and Asset Management	30 June 2017	<p>Funds from external parties have been mobilized and TEDA will continue to seek such opportunities where available.</p> <p>However the financial sustainability model recognizes other revenue streams such management fees of City of Tshwane Capital Projects as well as property management. These revenue streams have dependencies from the City of Tshwane to realise its obligation as stated in the SDA. No progress has been made to this effect.</p>	
Strategic Objective – To identify, design, develop and manage projects with strategic economic and social benefits for the greater Tshwane community								

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
3. Delays in implementation of projects	1. Lack of project oversight and monitoring 2. Failure to adequately manage risks related to interdependencies	Critical	LOW	1. Establishment of project oversight committees to monitor progress on projects in which TEDA is involved 2. Development of SLAs and Project Charters for business plan linked projects	Executive PPM	1. 30 June 2017	All projects are monitored and formal committees have been established and operating. The Tshwane Agro-processing project uses a Project Initiation Document (PID) entered into by GIFA, TEDA and DEC. The Tshwane Freight Terminal and Logistics Hub Project also has a monitoring committee (Technical Committee) which operates as a monitoring and oversight structure. All controls and monitoring mechanism are maintained. Project charter for the Groenkloof Nature Reserve Chalet project is used as an initial document defining the project.	PID Attached ToR for Technical Committee attached Project Charter attached
Strategic Objective – To promote Tshwane as a viable investment destination through the implementation of an integrated Marketing and Communication.								

Strategic Risk	Root Cause	IR	RR	Management Action Plan	Action Owner	Time Frame	Q3 Progress	Evidence
4. Inadequate marketing of the CoT as an investment destination.	1. Limited marketing and communication strategies 2. Limited investment opportunities available for marketing.	Critical	MEDIUM	1. To implement various marketing and communications strategies (digital marketing, regular postings on the web etc.) 2. Development of biannual investment bulletins	Executive : marketing and Comms Executive : Trade & Investment	30 June 2017	Participating at various trade shows to promote opportunities in the Aerospace, Automotive, Agricultural Sector. Working with South African Netherlands Chamber to host Dutch companies on 30 March 2017. Staged an exhibition at the Inagural Tshwane Economic Summit held in February 2017. Produced and distributed brochures on various sectors of the economy during exhibitions and trade shows.	Reports, copies of publications, emails, pictures.
Strategic Objective – Promote To establish and build TEDA as a strong and effective organisation in the context of good governance best practice								
5. Inadequate compliance with governance framework	1. Lack of understanding of full scope of governance. 2. Limited compliance with governance protocols	HIGH	LOW	1. Monitoring of OPCA action plan to address identified weaknesses. 2. Compilation of a full list of compliance indicators, norms and standards against all applicable legislative and regulatory framework.	Company Secretary Office of the CEO	30 June 2017	OPCA resolutions are monitored to ensure compliance. Legislative and Corporate Governance Checklist is compiled and submitted to FinRisk and Board quarterly. Approved Q2 and Q3 Legislative and Corporate Governance Checklist	All units are represented at OPCA meetings. OPCA Attendance registers. Q2 and Q3 Legislative and Corporate Governance Checklist.

APPROVAL

Compiled by:



Enterprise Risk Management

Date 04.04.2017

Reviewed by:

 CEO: Tshwane Economic Development Agency

Date _____

Recommended by:

 Chairperson of Risk Committee

Date _____

Approved by:

 Chairperson of the Board

Date _____

TSHWANE ECONOMIC DEVELOPMENT AGENCY STRATEGIC RISK REPORT FOR



Tshwane Economic Development Agency SOC Ltd
(Registration number 2006/019396/30)
Unaudited third quarter financial statements
for the period ended 31 March 2017

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Economic Development within the Tshwane Region
Directors	Prof LD Mosoma (Chairperson) Ms RS Bahula- Ermias Mr H Gouvelis Ms ZG Mpungose Mr CR Mpyane Ms SP Mzizi Mr FK Sibanda Ms N Singh Adv JL Thubakgale Mr MW Yates Mr SD Mogaladi (Executive)
Business address	5th Floor, Anker Building Mike Crawford Road Centurion 0057
Postal address	P O Box 11751 Zwartkop 0051
Parent Municipality	City of Tshwane Metropolitan Municipality
Bankers	Standard Bank
Auditors	Auditor General of South Africa
Secretary	Ms LV Mahaye
Company registration number	2006/019396/30
Tax reference number	9053619178

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Index

The reports and statements set out below comprise the unaudited third quarter financial statements presented to the provincial legislature:

Index	Page
Accounting Officer's Responsibilities and Approval	3
Director's Report	4 - 7
Company Secretary's Certification	8
Statement of Financial Position	9
Statement of Financial Performance	10
Statement of Changes in Net Assets	11
Cash Flow Statement	12
Statement of Comparison of Budget and Actual Amounts	13
Accounting Policies	14 - 34
Notes to the Unaudited Third Quarter Financial Statements	35 - 57

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MFMA	Municipal Finance Management Act

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003) (MFMA) and the Companies Act No.71 of 2008, as amended, to maintain adequate accounting records and is responsible for the content and integrity of the third quarter financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the third quarter financial statements fairly represent the state of affairs of the municipal entity as at the end of the period and the results of its operations and cash flows for the period ended 31 March 2017.

The third quarter financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The third quarter financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipal entity and places considerable importance on maintaining a strongly controlled environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipal entity and all employees are required to maintain the highest ethical standards in ensuring the municipal entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipal entity is on identifying, assessing, managing and monitoring all known forms of risk across the municipal entity. While operating risks cannot be fully eliminated, the municipal entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the third quarter financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipal entity's cash flow forecast for the period ended 31 March 2017 and current financial position. In the light of this review the accounting officer is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipal entity's annual financial statements.

The third quarter financial statements have not been audited by the municipal entity's external auditors in accordance with the Companies Act, 2008 (Act No 71 of 2008).

The third quarter financial statement set out on pages 4 to 57, which have been prepared on the going concern basis, were approved by the accounting officer on 10 March 2017 and were signed by:

Mr TS Mkhwanazi (CA) SA
Chief Financial Officer

Mr SD Mogaladi
Chief Executive Officer

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Director's Report

The directors submit their report for the period ended 31 March 2017..

1. Incorporation

The company was incorporated in South Africa on 23 June 2006 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

TEDA is a municipal owned entity that was established by the City of Tshwane as its sole owner. The operations of TEDA are governed by the Companies Act (Act 71 of 2008), Local Government: Municipal Systems Act (Act 32 of 2000) as amended and the Local Government: Municipal Finance Management Act (MFMA) (Act 53 of 2003) as amended and the Regulations thereof. The mandate of TEDA has been outlined in the Service Delivery Agreement (SDA) between the entity and the City of Tshwane. The operations of TEDA have been classified as follows:

- a) Core business
 - Projects Portfolio Management
 - Investment Promotion and Funding
- b) Support functions
 - Strategy and Performance Monitoring
 - Financial Services
 - Office of the Company Secretary
 - Corporate Services

TEDA is wholly dependent on the funds allocation from the City in the year under review.

2.1. Important policy decisions and strategic issues facing the entity.

- There is desire shown by the City to assign major projects to TEDA to manage on its behalf. This demonstrates confidence of the City on the entity. This in turn demands that TEDA should be able to demonstrate the capacity to find innovative ways of delivering on these without increasing employee costs.
- The need to continuously provide capacity to the core business of TEDA will be a challenge in the short to medium term; however, as mentioned above, other ways will be employed to ensure that the entity meets its obligations in terms of the SDA with the CoT.
- TEDA is expected to contribute to income earning opportunities which has been an ongoing challenge from prior financial years. The response to this will be to finalise the signing of outstanding SLAs with the City on projects.

2.2. Comment on significant events that have taken place during the year.

- TEDA successfully hosted the Tshwane International Trade, Infrastructure and Investment Conference (TITIIC, 2016) in May 2016.
- The entity also led outward and inward trade missions to promote SMMEs and attract investments.

3. Going concern

At the time of preparation of the unaudited third quarter financial statements for the period under review, the board members believed the entity will be a going concern in the foreseeable future. For this reason they continue to adopt a going concern basis in the preparation of these annual financial statements. Refer to note 36 for details.

We draw attention to the fact that at 31 March 2017, the entity had accumulated surplus of (R9,836,859: R7,643,725) 2016 and 2015 respectively, the entity's total assets exceed its liabilities by R 9,837,859.

4. Subsequent events

The directors are aware that the entity's status is under review by the parent municipality and no formal communication to this effect has been received as at the end of the period.

5. Directors' interest in contracts

The Directors have declared that they do not have any personal interests in the contracts entered into by the entity.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Director's Report

6. Accounting Officer

The directors of the entity during the period and to the date of this report are as follows:

Name	Nationality	Changes
Prof LD Mosoma (Chairperson)	South African	29 April 2015
Ms RS Bahula- Ermias	South African	12 April 2012
Mr H Gouvelis	South African	12 April 2012
Ms ZG Mpungose	South African	29 April 2015
Mr CR Mpyane	South African	04 June 2013
Ms SP Mzizi	South African	29 April 2015
Mr FK Sibanda	South African	12 April 2012
Ms N Singh	South African	12 April 2012
Adv JL Thubakgale	South African	04 June 2013
Mr MW Yates	South African	04 June 2013
Mr SD Mogaladi (Executive)	South African	01 March 2015

7. Corporate governance

General

The entity is committed to business integrity, transparency and professionalism in all its activities. As part of these commitments, the entity subscribes to the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the King Code on Corporate Governance, 2009 ("King III"). The salient feature of the entity's adoption of the King III Code is outlined herein.

The Chairperson of the Board is a non-executive and independent director (as defined by the King III). The Chief Executive Officer is an executive director (as defined by the King III). The roles of Chairperson and Chief Executive Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Director's Report

Board of directors

The board retains full control over the entity; its plans and strategy acknowledge its responsibilities as to the strategy, compliance with internal policies, external laws and regulations; effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity. The Board is of a unitary structure comprising of: non-executive directors and executive director, all of whom are independent directors as defined in King III.

Board Committees

The Board has delegated certain functions to the following well-structured committees. All independent non-executive directors and prescribed officers serve on the committees as follows:

(i) Finance and Risk Committee

The committee comprises four non-executive directors and exercises oversight on the entity's finance, corporate governance compliance and risk related matters.

(ii) Projects Committee

The committee comprises five non-executive directors and exercises oversight on the planning, implementation and management of projects in terms of the entity's approved business plan.

(iii) Human Resources and Remuneration Committee

The committee comprises four non-executive directors and exercises oversight role on the entity's human capital and remuneration matters.

(iv) Social and Ethics Committee

The committee was established in terms of section 43 of the Companies Act Regulations 2011, and has five members, three being prescribed officers. This committee exercises its responsibilities as outlined in subsection (5) of the Regulations.

(v) Trade and Investment Committee

The committee comprises four non-executive directors and exercises oversight on trade, investment promotion and marketing within Tshwane.

Remuneration

The upper limits of the remuneration of the Non-Executive Directors, Chief Executive Officer, and Executive Managers are determined by the City and the Chief Executive Officer and the Board determine the remuneration within these mentioned limits.

Audit and risk committee

(i) Group Audit Committee.

The audit committee function is performed by the Group Audit and Performance Committee established by the City of Tshwane for all its municipal entities.

(ii) Group Risk Management Committee.

The risk function is performed by the Group Risk Committee of the CoT and the Finance and Risk Committee of TEDA.

(iii) Internal audit and Risk Management.

The entity utilises the shared service provided by the City of Tshwane's Group Internal Audit and Risk Unit to perform the risk and internal audit functions.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Director's Report

8. Share capital / contributed capital

There were no changes in the authorised or issued share capital of the entity during the year under review.

9. Dividends

No dividends were declared or paid to shareholder during the year.

10. Secretary

The Company Secretary was appointed with effect from 01 August 2013 and performs the functions as required in terms of section 88 of the Companies Act, 2008.

The secretary of the entity is Ms LV Mahaye.

11. Controlling entity

The entity is wholly owned by the City of Tshwane Metropolitan Municipality.

12. Auditor

The Auditor-General of South Africa will continue in office in accordance with section 90 of the Companies Act 71 of 2008, as amended and section 92 of the Municipal Finance Management Act.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all of such returns as required in terms of the Companies Act and that such returns are true, correct and up to date.

Ms LV Mahaye
Company Secretary
Place of Signature

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	31 March 2017	30 June 2016
Assets			
Current Assets			
Normal taxation	10	932,881	1,176,843
Operating lease asset	11	-	49,216
Receivables from exchange transactions	4	244,067	567,990
VAT receivable	5	3,681,426	2,872,208
Prepayments	6	-	151,323
Cash and cash equivalents	7	11,642,558	6,317,128
		16,500,932	11,134,708
Non-Current Assets			
Property, plant and equipment	8	4,381,805	4,348,260
Intangible assets	9	139,135	188,231
		4,520,940	4,536,491
Total Assets		21,021,872	15,671,199
Liabilities			
Current Liabilities			
Operating lease liability	11	-	215,010
Payables from exchange transactions	12	1,424,273	1,831,535
Unspent conditional grants and receipts	14	8,845,153	4,028,029
Provisions	13	512,218	1,294,744
		10,781,644	7,369,318
Non-Current Liabilities			
Operating lease liability	11	99,052	-
Deferred tax	15	303,317	71,967
		402,369	71,967
Total Liabilities		11,184,013	7,441,285
Net Assets		9,837,859	8,229,914
Share capital / contributed capital	16	1,000	1,000
Accumulated surplus		9,836,859	8,228,914
Total Net Assets		9,837,859	8,229,914

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Statement of Financial Performance

Figures in Rand	Note(s)	9 months ended 31 March 2017	30 June 2016
Revenue			
Revenue from exchange transactions			
Sale of tender documents	17	11,404	14,211
Rental income and other income	17	1,150,697	3,587,893
Interest received	17	272,155	518,005
Total revenue from exchange transactions		1,434,256	4,120,109
Revenue from non-exchange transactions			
Transfer revenue			
Grant revenue recognised	17	35,795,374	56,008,241
Sponsorship Income	17	-	394,737
Total revenue from non-exchange transactions		35,795,374	56,402,978
Expenditure			
Employee related costs	18	(22,846,552)	(29,103,367)
Remuneration of board members	39	(839,860)	(1,786,483)
Depreciation and amortisation	19	(1,771,079)	(3,073,345)
Interest and penalties charged	20	-	(424,272)
Debt Impairment	21	-	(18,104)
Projects	23	(1,062,127)	(13,166,859)
Loss on disposal of assets	25	(37,399)	(14,528)
General expenses	24	(6,746,123)	(11,787,549)
Investment promotion and funding	22	(1,693,232)	(1,489,081)
Total expenditure		(34,996,372)	(60,863,588)
Operating surplus (deficit)		2,233,258	(340,501)
Surplus (deficit) before taxation		2,233,258	(340,501)
Taxation	26	(625,313)	(23,456)
Surplus (deficit) for the period		1,607,945	(363,957)
Attributable to:			
Owners of the controlling entity		1,607,945	(363,957)
Minority interest		-	-
		1,607,945	(363,957)

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Statement of Changes in Net Assets

	Share capital / contributed capital	Accumulated surplus	Total net assets
Figures in Rand			
Balance at 01 July 2015 as previously reported	1,000	8,592,871	8,593,871
Changes in net assets			
Deficit for the year as previously reported	-	(363,957)	(363,957)
Total changes	-	(363,957)	(363,957)
Balance at 01 July 2016	1,000	8,228,914	8,229,914
Changes in net assets			
Surplus for the period	-	1,607,945	1,607,945
Total changes	-	1,607,945	1,607,945
Balance at 31 March 2017	1,000	9,836,859	9,837,859

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Cash Flow Statement

Figures in Rand	Note(s)	9 months ended 31 March 2017	30 June 2016
Cash flows from operating activities			
Receipts			
Grants		40,612,498	54,150,000
Interest income		249,120	507,661
Rental and other income		1,405,831	3,418,536
Sale of tender documents		11,404	14,211
Sponsorship income		-	219,298
		42,278,853	58,309,706
Payments			
Compensation of employees and board fees		(23,895,821)	(31,601,687)
Suppliers		(10,305,455)	(26,026,145)
Interest and Penalties Charged		-	(54,646)
Taxes on surpluses	10	(150,000)	(2,181,620)
VAT paid		(809,218)	(1,553,993)
		(35,160,494)	(61,418,091)
Net cash flows from operating activities	27	7,118,359	(3,108,385)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(1,792,929)	(476,879)
Net increase/(decrease) in cash and cash equivalents		5,325,430	(3,585,264)
Cash and cash equivalents at the beginning of the year		6,317,128	9,902,392
Cash and cash equivalents at the end of the year	7	11,642,558	6,317,128

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Sale of tender documents	-	-	-	11,404	11,404	Note 29
Rental and other income	988,159	1,401,000	2,389,159	1,150,697	(1,238,462)	Note 29
Professional fees: commission on project management	9,299,000	(9,299,000)	-	-	-	Note 29
Interest received - investment	193,705	-	193,705	272,155	78,450	Note 29
Total revenue from exchange transactions	10,480,864	(7,898,000)	2,582,864	1,434,256	(1,148,608)	

Revenue from non-exchange transactions

Transfer revenue

City of Tshwane - transfers	54,150,000	4,028,024	58,178,024	44,640,528	(13,537,496)	Note 29
Total revenue	64,630,864	(3,869,976)	60,760,888	46,074,784	(14,686,104)	

Expenditure

Employees remuneration	(35,802,295)	3,620,915	(32,181,380)	(22,846,552)	9,334,828	Note 29
Remuneration of board members	(1,800,000)	-	(1,800,000)	(839,860)	960,140	Note 29
Investment Promotion and Funding Projects	(3,620,000)	(1,060,997)	(4,680,997)	(1,693,232)	2,987,765	Note 29
General expenses and depreciation	(2,000,000)	(3,680,324)	(5,680,324)	(1,062,127)	4,618,197	Note 29
Capital expenditure	(15,493,569)	1,710,047	(13,783,522)	(7,410,674)	6,372,848	Note 29
Total expenditure	(64,130,864)	3,869,976	(60,260,888)	(35,645,374)	24,615,514	

Surplus before taxation	-	-	-	10,429,410	10,429,410	
Taxation	(500,000)	-	(500,000)	(625,313)	(125,313)	

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement

Reconciliation

Losses on assets written off	(37,399)					
Movement in unspent grant	(8,845,153)					
Rental income earned from subletting	(1,106,529)					
Purchases of property, plant and equipment	1,792,929					
Actual Amount in the Statement of Financial Performance				1,607,945		

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1. Presentation of Unaudited Third Quarter Financial Statements

The unaudited third quarter financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These unaudited third quarter financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these unaudited third quarter financial statements, are disclosed below.

1.1 Presentation currency

These unaudited third quarter financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Key management personnel

The key management of TEDA refers to the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Executive Managers.

1.3 Going concern assumption

These unaudited third quarter financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the unaudited third quarter financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited third quarter financial statements and related disclosures. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed below.

Trade receivables / Held to maturity investments and/or loans and receivables

The entity assesses its trade receivables and loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of financial performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The entity assesses its trade receivables and loans and receivables for impairment at the end of each reporting period.

In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Each receivable is reviewed individually at year end.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate the fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments. The carrying amount of cash and cash equivalents, trade and other receivables and trade and other payables approximated fair values due to the short-term maturities of these assets and liabilities.

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If the recoverable amount is less than the carrying amount, an impairment loss should be recognised in the statement of financial performance.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 13 - Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the statement of financial position date could be impacted.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The entity establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. As the Company assesses the probability for litigation and subsequent cash from exchange transactions with respect to taxes as remote, no contingent liability has been recognised. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable surplus will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable surplus together with future tax planning strategies.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Property, plant and equipment

The entity's management determines the estimated useful lives and residual values of property, plant and equipment. These assessments are made on an annual basis and use historical evidence and current economic factors to estimate the values. Administrative computer equipment, office furniture and equipment, exhibits and motor vehicles are not componentised. These assets do not have significant parts that are considered to have an estimated useful life different to the estimated useful life of the asset as a whole.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.5 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment were initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.5 Property, plant and equipment (continued)

Item	Average useful life
Furniture and fixtures	3 -16 years
Motor vehicles	5 years
Office equipment	5 -8 years
IT equipment	3-5 years
Leasehold improvements	3 years
Library material	5 years

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The asset capitalisation threshold is at R2000, assets below the threshold are expensed and a separate asset register of these assets is kept.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gains shall not be classified as revenue.

Assets which the agency holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities are transferred to inventories when the rentals end and the assets are available for sale. These assets are not accounted for as non current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the entity.

1.6 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from TEDA or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the TEDA; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non exchange transaction, the cost shall be its fair value as at the date of acquisition.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.6 Intangible assets (continued)

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3-5 years

Intangible assets are derecognised: when no future economic benefits or service potential are expected from its use or disposal. The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibles.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.7 Financial instruments (continued)

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Financial instruments at fair value comprise financial assets or financial liabilities that are instruments held for trading. A financial instrument is held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking;
- non derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Cash and cash equivalent	Financial asset measured at amortised cost
Receivable from exchange transactions	Financial asset measured at amortised cost
Receivable from non-exchange transactions	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Payables from exchange transactions	Financial liability measured at amortised cost
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Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Transaction costs are recognised as part of the cost of the instrument. Subsequent to initial recognition these instruments are measured as set out above.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility in the case of a financial asset.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.7 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Initial measurement of financial assets and financial liabilities

Overview

The entity has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Interest rate risk.

This note presents information about the entity's exposure to each of the above risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the entity's risk management framework. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities. The entity aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the TEDA if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the TEDA's receivables from customers.

Potential concentrations of credit risk consist mainly of cash and cash equivalents.

Deposits

TEDA limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high quality credit standing as approved by the National Treasury.

The credit qualities of counterparties are also reviewed on a continuous basis by the National Treasury.

Liquidity risk

Liquidity risk is the risk that TEDA will not be able to meet its financial obligations as they fall due.

The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

The entity receives government grants every year based on budget requirements and additional revenue from other undertakings.

Interest rate risk

TEDA has adopted a policy of ensuring that the entity's income and operating cash flows are substantially independent of changes in market interest rates, due to the underlying nature of the business. TEDA has no interest bearing assets or liabilities. Accordingly the entity's income and expenses are substantially independent of changes in markets rates of interest. As a result, changes in the market rate of interest have a negligible impact on the financial performance of the entity.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.7 Financial instruments (continued)

Capital management

TEDA has developed systems and internal controls that are sufficient and effective in maintaining efficient levels of both components of working capital, current assets and current liabilities. The working capital management ensures that TEDA has sufficient cash flow in order to meet its short-term debt obligations and operating expenses.

1.8 Tax

Current tax assets and liabilities

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax can be utilised.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus nor taxable surplus or deficit.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable surplus will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.8 Tax (continued)

Taxation expenses and VAT

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

Revenue, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to, the taxation authority is reported separate from other receivables or payables in the annual statements of financial position.

The entity is registered with the South African Revenue Services (SARS) for VAT on the invoice basis, in accordance with the VAT Act (Act No. 89 of 1991).

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

All leases that TEDA enters into as a lessee, and where the lessor retains substantially all the risks and rewards of ownership of the underlying asset, are classified as operating leases. Payments made under operating leases are charged against revenue on a straight-line basis over the term of the lease.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.10 Prepayments

In the case of comprehensive and/or medium and long-term contracts, advance payments are negotiated with customers and suppliers of the entity. These funds are paid by the entity to secure the right of use of the goods and/or services as agreed in the contract. Advance payments received are recognised as a current liability for an amount that is estimated to be settled within one year from reporting date and as a non-current liability for the amount to be settled after one year from reporting date. Advance payments made are recognised as a current assets for an amount (of an expected benefit) that is estimated to be realised within one year from reporting date and as a non-current assets for the amount (of an expected benefit) to be realised after one year from reporting date.

Subsequently advance payments are expensed upon receipt of an agreed goods and/ or service, and in the case of advance receipts are recognised as revenue when the entity has delivered as agreed in the 5 months statement of financial performance.

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

1.12 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.13 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.13 Employee benefits (continued)

Post-employment benefits: Define benefits plans

These post-employment benefit plans other than defined contribution plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by an entity, and sometimes its employees, into an entity, or fund, that is legally separate from the reporting entity and from which the employee benefits are paid. The payment of funded benefits when they fall due depends not only on the financial position and the investment performance of the fund but also on an entity's ability (and willingness) to make good any shortfall in the fund's assets. Therefore, the entity is, in substance, underwriting the actuarial and investment risks associated with the plan.

TEDA does not participate in any defined benefit plan as at 31 March 2017.

Medical benefits

The entity provides medical benefits for its employees through defined contribution plans. The entity has no further payment once contributions have been paid. The contributions are recognised as employee benefit expenses in profit or loss in the periods during which the services are rendered by the employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.13 Employee benefits (continued)

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the unaudited third quarter financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity does not participate in any defined benefits plan as at 31 March 2017.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.13 Employee benefits (continued)

Bonus plans

The entity recognises a provision for performance bonuses where contractually obliged or where there is a past practice that has created a constructive obligation as a result of services received from the employee and the obligation can be measured reliably.

The entity also recognises a liability for bonuses (13th Cheque) for employees who have structured their salaries as such.

Leave entitlement

Employee entitlements to Annual leave are recognised when they accrue. An accrual is raised for the estimated liability for Annual leave as a result of services rendered by employees up to the reporting date. The related expense is recognised as employee benefit expenses in profit or loss.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.14 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an from exchange transactions with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.14 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the from exchange transactions of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.11.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.15 Commitments

Commitments are legal obligations to undertake in a given way, at a given time in the future. Usually commitments refer to the requirement for parties to a futures contract to make or receive delivery of the underlying commodities on the expiration date of the contract or through a valid purchase order.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.16 Revenue from exchange transactions (continued)

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.17 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

The transfer from City of Tshwane Metropolitan Municipality is recognised when it is probable that future economic benefits will flow to TEDA and when the amount can be measured reliably. A transfer is recognised as revenue to the extent that there is no further obligation arising from the receipt of transfer payment.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Gifts and donations, including goods in-kind

Sponsorships, gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.18 Investment income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the Statement of Financial Performance, using the effective interest method.

1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Comparative figures

Prior year comparatives.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.20 Comparative figures (continued)

The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Offset

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is, an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

1.22 Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:

- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including the Municipal Finance Management Act, the State Tender Board Act, or any regulations made in terms of this act, or any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the statement of financial performance after approval per the departmental delegations.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from the responsible official (a debtor account should be raised), or the vote if the responsible official cannot be determined. It is treated as current assets in the statement of financial position until such expenditure is recovered from the responsible official or funded from future revenue.

1.23 Budget information

TEDA is typically subject to budgetary limits in the form of transfers from the City of Tshwane, which is given effect through authorising legislation or similar.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.23 Budget information (continued)

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016/07/01 to 2017/06/30.

The unaudited third quarter financial statements are on accrual basis and the budget is on accrual basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the unaudited third quarter financial statements. Refer to note 29 & 30.

Comparative information is not required.

1.24 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

TEDA consider the parent municipality (CoT) and its entities as related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 Prior year adjustments

Prior year adjustments are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from failure to use or the misuse of reliable information that was available when the financial statements for that period were issued, and could have been reasonably expected to be taken into account in those financial statements.

All prior year adjustments are corrected retrospectively to the earliest period practicable. Comparative amounts for prior years in which the error occurred are restated.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Accounting Policies

1.27 Accumulated surplus

Retained earnings or accumulated surplus (deficit) are the cumulative effect of differences between revenue and expenditure as per statement of financial performance.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current period

In the current period, the entity has adopted the following standards and interpretations that are effective for the current financial period and that are relevant to its operations:

2.2 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

GRAP108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity has adopted the standard for the first time when the Minister set the effective date for the standard.

The impact of the standard is not material.

DIRECTIVE 11: Changes in measurement bases following the initial adoption of Standards of GRAP

The objective of this Directive is to permit an entity to change its measurement bases following the initial adoption of Standards of GRAP. The change is based on the principles in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. This Directive should therefore be read in conjunction with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In applying paragraph 13(b) of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors, this Directive allows an entity, that has initially adopted the fair value model for investment property or the revaluation model for property, plant and equipment, intangible assets or heritage assets, to change its accounting policy on a once-off basis to the cost model when the entity elects to change its accounting policy following the initial adoption of these Standards of GRAP. The once-off change will be allowed when the entity made an inappropriate accounting policy choice on the initial adoption of the Standards of GRAP.

Subsequent to the application of this Directive, an entity will be allowed to change its accounting policy in future periods subject to it meeting the requirements in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The effective date of the standard is for years beginning on or after 31 May 2016.

The entity has early adopted the standard for the first time in the 2017 unaudited third quarter financial statements.

The impact of the standard is not material.

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2017 or later periods:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's unaudited third quarter financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

2. New standards and interpretations (continued)

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual unaudited third quarter financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2016.

The entity has adopted the standard for the first time in the 2017 unaudited third quarter financial statements.

The impact of the standard is set out in note Changes in Accounting Policy.

IGRAP17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

2. New standards and interpretations (continued)

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the standard is not yet set by the Minister of Finance.

The entity has adopted the standard for the first time when the Minister set the effective date for the standard.

The impact of the standard is set out in note Changes in Accounting Policy.

The aggregate impact of the initial application of the statements and interpretations on the entity's unaudited third quarter financial statements is expected to be as follows:

3. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Information about TEDA's exposure to risks, its objectives, policies and processes for measuring and managing such risks are disclosed in the Accounting policies. The quantitative disclosure is provided in this note.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
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3. New standards and interpretations (continued)

Credit risk

TEDA developed a risk appetite framework aimed at ensuring that credit risk is managed regularly.

Exposure to credit risk

Credit risk consists mainly of cash deposits, cash equivalents and bank balances. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Financial assets exposed to credit risk at period end were as follows:

Financial instrument	31 March 2017	30 June 2016
Trade and other receivables	244,067	567,990
Cash and cash equivalents	11,642,558	6,317,128
	11,642,558	6,317,128

At 31 March 2017, there is no significant concentration of credit risk that had not been adequately provided for.

No security is held against Cash and Cash Equivalents.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the entity maintains flexibility in funding by maintaining availability under committed credit lines.

Cash flow forecasts are prepared and adequately monitored.

The table below analyses the entity's non-derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	1,424,273	-	-	-
At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Payables from exchange transactions	1,831,533	-	-	-

No financial guarantee contracts were issued by the entity and non-derivative financial liabilities as at the reporting date.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
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3. New standards and interpretations (continued)

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

The entity's interest rate risk arises from short-term investments. Investments are made at a quoted variable rate and the capital invested is secured/guareanteed which limits the entity's exposure to cash flow interest rate risk.

4. Receivables from exchange transactions

Board members and employees	18,104	18,104
Trade and other receivables	203,307	550,265
Interest income accrued	40,760	17,725
Provision for impairment	(18,104)	(18,104)
	244,067	567,990

Trade and other receivables impaired

As of 31 March 2017, there were no trade and other receivables impaired.

An amount of R18,104 was provided for as at 31 March 2017.

The ageing of this amount is as follows:

Over 24 months	-	18,104
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	18,104	-
Provision for impairment	-	18,104
	18,104	18,104

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note 21). Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

5. VAT receivable

VAT	3,681,426	2,872,208
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VAT receivable is calculated at the standard rate of 14% on all qualifying goods and services delivered to/by TEDA.

VAT is calculated on all qualifying goods and services delivered to/by TEDA on an accrual basis monthly.

6. Prepayments

Prepayments	-	151,323
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7. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
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7. Cash and cash equivalents (continued)

Cash on hand	517	1,281
Bank balances*	11,218,241	2,915,932
Short-term deposits^	423,800	3,399,915
	11,642,558	6,317,128

*The entity has a primary and a salaries bank account with Standard Bank which is used to meet the entity's obligations.

^The entity has a short-term deposit account with Investec Bank.

The total amount of undrawn facilities available for future operating activities and commitments	11,642,558	6,317,128
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The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2017	30 June 2016	30 June 2015	31 March 2017	30 June 2016	30 June 2015
Standard Bank - Cheque Account - Primary Account - 410791830	10,985,055	2,909,873	195,808	10,985,055	2,909,873	195,808
Standard Bank - Cheque Account - Salaries Account - 011057491	233,186	6,059	5,950	233,186	6,059	5,950
Investec Bank- Investment Account-50009061311	423,800	3,399,915	9,698,316	423,800	3,399,915	9,698,316
Total	11,642,041	6,315,847	9,900,074	11,642,041	6,315,847	9,900,074

8. Property, plant and equipment

	March 2017			June 2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1,676,723	(490,226)	1,186,497	1,676,723	(369,537)	1,307,186
Motor vehicles	1,067,708	(805,347)	262,361	1,067,708	(645,045)	422,663
Office equipment	1,255,654	(456,803)	798,851	1,255,654	(338,978)	916,676
IT equipment	1,858,996	(1,341,090)	517,906	1,944,681	(1,137,613)	807,068
Leasehold improvements	8,204,766	(6,595,551)	1,609,215	6,411,837	(5,526,018)	885,819
Library material	11,488	(4,513)	6,975	11,488	(2,640)	8,848
Total	14,075,335	(9,693,530)	4,381,805	12,368,091	(8,019,831)	4,348,260

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - March 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,307,186	-	-	(120,689)	1,186,497
Motor vehicles	422,663	-	-	(160,302)	262,361
Office equipment	916,676	-	-	(117,825)	798,851
Computer equipment	807,068	-	(37,399)	(251,763)	517,906
Leasehold improvements	885,819	1,792,929	-	(1,069,533)	1,609,215
Library material	8,848	-	-	(1,873)	6,975
	4,348,260	1,792,929	(37,399)	(1,721,985)	4,381,805

Reconciliation of property, plant and equipment - June 2016

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Furniture and fixtures	1,607,185	69,009	-	(205,701)	(163,307)	1,307,186
Motor vehicles	636,790	-	-	-	(214,127)	422,663
Office equipment	1,004,154	115,594	-	(57,499)	(145,573)	916,676
Computer equipment	861,615	275,198	(14,528)	(10,547)	(304,670)	807,068
Leasehold improvements	3,046,673	17,078	-	-	(2,177,932)	885,819
Library material	11,003	-	-	-	(2,155)	8,848
	7,167,420	476,879	(14,528)	(273,747)	(3,007,764)	4,348,260

A register containing the information required by section 96 of the Municipal Finance Management Act is available for inspection at the registered office of the entity.

9. Intangible assets

	March 2017			June 2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	279,264	(140,129)	139,135	279,264	(91,033)	188,231

Reconciliation of intangible assets - March 2017

	Opening balance	Amortisation	Total
Computer software, other	188,231	(49,096)	139,135

Reconciliation of intangible assets - June 2016

	Opening balance	Amortisation	Total
Computer software, other	253,812	(65,581)	188,231

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

9. Intangible assets (continued)

Pledged as security

No intangible assets are pledged as security.

Impairment test

*Impairment test is performed by management annually on the 1st of June, on all fixed assets including intangible assets using the following impairment indicators;

- Inspection of any physical damage,
- Disposal plans,
- Performance of the assets and
- Changes in technological environment

10. Taxation movement

Balance at beginning of the period	(1,176,843)	1,004,778
Current tax for the period recognised in surplus or deficit	393,962	-
Provisional tax paid	(150,000)	(1,003,547)
Normal income tax paid - prior year	-	(1,178,073)
Balance at end of the period	(932,881)	(1,176,843)

11. Operating lease asset (accrual)

Current assets	-	49,216
Non-current liabilities	(99,052)	-
Current liabilities	-	(215,010)
	(99,052)	(165,794)

Operating lease liability is from the rental of offices used by TEDA situated at: 5th Floor; The Anker Building; 1279 Mike Crawford Road; Centurion for the period of three years starting from 1st of November 2016. It is caused by the escalation on rental payable at every anniversary date.

Operating lease asset emanates from sub-letting agreement with the CoT which allows the CoT permission to utilise the 1st Floor of the rented offices used by TEDA situated at: 349 Witch-Hazel Avenue; Eco-origin Building; Block F; Highveld Extension 70; Centurion for the period of 27 months starting from 1st of May 2014. There are no contingent rentals receivable.

Refer to note 31 for a detailed disclosure on operating lease as per GRAP 13 para 50.

12. Payables from exchange transactions

Trade creditors	691,866	1,471,571
Board of directors accrued expenses	-	183,463
Employees contributions accrual	41,017	176,501
Payable: SARS-PAYE	691,390	-
	1,424,273	1,831,535

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

13. Provisions

Reconciliation of provisions - March 2017

	Opening Balance	Additions	Utilised during the year	Total
Employee benefit - Leave pay entitlement	1,294,744	1,856,949	(2,639,475)	512,218

Reconciliation of provisions - June 2016

	Opening Balance	Additions	Utilised during the year	Total
Employee benefit - Leave pay entitlement	1,296,068	2,207,897	(2,209,221)	1,294,744

Employee benefit cost provision

The provision is for leave entitlement not utilised by employees as at 31 March 2017 and it is only payable in cash upon resignation.

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Transfers from City of Tshwane	8,845,153	4,028,029
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Movement during the period

Balance at the beginning of the period	4,028,029	5,886,270
Additions during the period	40,612,498	54,150,000
Income recognition during the period	(35,795,374)	(56,008,241)
	8,845,153	4,028,029

The Unspent Grant is a transfer from the CoT to enable the entity to achieve its strategic objectives as per the Service Delivery Agreement and business plan.

The unspent Grant balance of R8,845,153 will be utilised on commitments raised as at the reporting date and on activities that were not complete as envisaged in the business plan.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

15. Deferred tax

Deferred tax asset \ (liability)

Property, plant and equipment	(479,542)	(521,562)
Unutilised tax loss	-	37,256
Provision for doubtful debts	5,069	5,069
Provision for leave	143,421	362,528
Unspent grant	2,476,643	1,127,848
Section 24C allowance	(2,476,643)	(1,127,848)
Straight lining of operating lease	27,735	46,422
Prepayment	-	(1,680)
Total deferred tax	(303,317)	(71,967)

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Reconciliation of deferred tax asset \ (liability)

At beginning of year	(71,967)	(48,511)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	(37,256)	37,256
Movement on property, plant and equipment as well as intangible assets	42,021	18,419
Movement in provision for doubtful debts	-	5,069
Movement in provision for leave pay	(219,107)	(371)
Movement on unspent grant	1,348,795	(520,308)
Section 24C allowance	(1,348,795)	520,308
Operating lease straight lining	(18,688)	(83,953)
Prepayment	1,680	124
	(303,317)	(71,967)

16. Share capital / contributed capital

Authorised

1000 Ordinary shares of R1 each	1,000	1,000
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Reconciliation of number of shares issued:

Reported as at 01 July 2016	1,000	1,000
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Issued

Ordinary	1,000	1,000
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17. Revenue

Sale of tender documents	11,404	14,211
Rental and other income	1,150,697	3,587,893
Interest earned - bank; current account	272,155	518,005
Grant revenue recognised	35,795,374	56,008,241
Sponsorship income	-	394,737
	37,229,630	60,523,087

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

17. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of tender documents	11,404	14,211
Rental and other income	1,150,697	3,587,893
Interest earned- bank current account	272,155	518,005
	1,434,256	4,120,109

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

Grant revenue recognised	35,795,374	56,008,241
Sponsorship income	-	394,737
	35,795,374	56,402,978

18. Employee related costs

Basic	21,862,841	26,897,790
Medical aid - contributions	751,818	989,491
Movement in leave provision	(782,526)	(1,324)
Defined contribution plans	929,437	1,217,410
Other employee cost	84,982	-
	22,846,552	29,103,367

Detailed information on the remuneration of key personnel refer to Note 39.

19. Depreciation and amortisation

IT equipment	251,762	304,670
Furniture and fixtures	120,689	163,307
Office equipment	117,825	145,573
Leasehold property	1,069,532	2,177,932
Library material	1,873	2,155
Motor vehicles	160,302	214,127
Intangible assets	49,096	65,581
	1,771,079	3,073,345

20. Interest and Penalties Charged

Late payment of tax	-	424,272
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21. Debt impairment

Debt impairment	-	18,104
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The debt impairment is for amounts older than 12 months the likelihood of recovering the amounts is nil.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
22. Investment promotion and funding		
Branding	206,306	133,477
Events	304,942	527,457
Export development and promotion	212,745	206,643
Marketing production	174,561	-
Public relations	-	31,750
Trade conferences and missions	271,212	201,054
Trade and investments intelligence	509,474	388,700
Investment attraction	13,992	-
	1,693,232	1,489,081
23. Projects		
Agro processing-hub project	-	6,750,000
Intermodal freight terminal & logistics project	-	818,983
TITIIC	-	5,167,783
Revatilisation of inners city and design	-	430,093
Bioenergy facility	658,054	-
Clothing and textile Hub	404,073	-
	1,062,127	13,166,859
24. General expenses		
Admin fees (pension and group risk)	125,334	158,674
Advertising	47,290	41,641
Auditors fees	518,369	484,942
Bank charges	43,737	48,761
Consulting fees (Including legal expenses)	426,227	1,052,595
Catering and office refreshments	103,192	91,828
Office space rental	4,215,194	7,108,036
Insurance	82,191	56,699
IT expenses	132,821	232,631
Staff recruitment	8,618	268,465
Printing and stationery	284,814	330,447
Staff welfare	67,583	23,511
Subscriptions and membership fees	11,386	5,830
Communication expenses	5,588	17,989
Training and development	142,272	299,649
Travel and subsistence	158,413	262,993
Non-Capitalised assets below R2000	1,852	77,311
Electricity	271,692	423,058
Uniforms	-	7,049
Conferences and delegation	10,716	122,996
Non-Capitalised assets below R2000 adjustment	-	273,746
Repairs and maintenance	18,080	7,118
Compensation for Occupational Injuries and Diseases	-	108,130
Occupational Health and Safety	200	-
Publications and periodicals	6,944	262,797
Office consumable expenses	63,610	20,653
	6,746,123	11,787,549
25. Loss on assets written off		
Carrying amounts of assets written off	37,399	14,528

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
25. Loss on assets written off (continued)		
The loss is from computer equipment that were reported lost by the custodians and they have been approved by the Board of Directors to be written off.		
26. Taxation		
Major components of the tax expense		
Current		
Current year	393,962	(37,256)
Deferred		
Current year	231,351	60,711
	625,313	23,455
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	28.00 %	28.00 %
Total Non-temporary differences	- %	(34.89)%
	28.00 %	(6.89)%
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	-	37,256
A provisional tax payment of R150,000 was made on the 31 December 2016 for 2016/17 financial year.		
27. Cash generated from (used in) operations		
Surplus (deficit)	1,607,945	(363,954)
Adjustments for:		
Depreciation and amortisation	1,771,079	3,073,345
Loss on sale of assets and liabilities	37,399	14,528
Debt impairment	-	18,104
Movements in operating lease assets and accruals	(66,742)	(299,833)
Movements in provisions	(782,526)	(1,324)
Non-Capitalised assets (below R2000) written off	-	273,746
Changes in working capital:		
Receivables from exchange transactions	323,923	(535,569)
Consumer debtors	-	(18,104)
Prepayments	151,323	1,438,252
Payables from exchange transactions	(407,263)	(1,390,339)
VAT	(809,215)	(1,300,833)
Taxes	475,312	(2,158,163)
Unspent conditional grants and receipts	4,817,124	(1,858,241)
	7,118,359	(3,108,385)

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

28. Financial instruments disclosure

Categories of financial instruments

March 2017

Financial assets

	At amortised cost	Total
Other receivables from non-exchange transactions	244,067	244,067
Cash and cash equivalents	11,642,558	11,642,558
	11,886,625	11,886,625

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	1,424,273	1,424,273

June 2016

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	567,990	567,990
Cash and cash equivalents	6,317,128	6,317,128
	6,885,118	6,885,118

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	1,831,535	1,831,535

29. Budget differences

Material differences between budget and actual amounts

The entity's approved budget is R 60.7 million including the unspent grant of R4 million from 2015-16 financial year. The approved budget covers the period from 01 July 2016 to 30 June 2017. The budget and accounting bases is the same. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance and the budget was previously on cash basis and it has since changed to accrual basis as a result of the budget adjustment.

A reconciliation between the actual amounts on the comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2017 is presented below. The financial statements and budget documents are prepared for the same period. There is a timing difference: the budget and the financial statements are prepared on accrual basis.

The budget is as per the economic classification and explanation on spending is as follows;

Revenue Analysis

Revenue for the entity constitute of the grant received from CoT, rental income, interest income from positive bank balance and short term investments and sale of tender documents.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

29. Budget differences (continued)

- Grant revenue from CoT is transferred to TEDA every quarter in four equal installments. As at the reporting date 77% of the budgeted revenue was received with remainder to be received in the fourth quarter.
- Rental and other income emanates from the subletting of the office space to CoT and the funds have received.
- Interest income earned for the period is at 63% of the budgeted amount the increase is due to strict cash flow measures employed by keeping excess cash in a high yield short term investment account.
- Revenue from the sale of tender documents is at 100% and was not budgeted as this funds are generated from adhoc activities.

Expenditure Analysis

Total expenditure for the period is at 60% of the total budget, below it the detailed analysis per expenditure type.

- Remuneration of employees is at 71% of the budget slightly outside the entity's target due to the temporary halt in filling vacant positions.
- Remuneration of board of directors is at 47% and spending is as envisaged.
- Investment Promotion and Funding spending as at 36% which will increase after all opened purchase orders have been closed in the next quarter.
- Projects spending is at 19% and is envisaged to increase in the fourth quarter as per the project management plan.
- General expenses spending is at 54% driven by office space rental and spending is as planned.
- Capital expenditure refers to purchases of operational fixed assets and tenant installation at the new TEDA offices, thus expenditure is at 84% as at the reporting date.
- Taxation expense is above the budgeted amount however the amount paid of R150,000 for provisional tax amounts to 30% of the budget as at the reporting date. The item might need additional funds if the expense were to remain at the current amount of R625,313 at the end of the financial year.

30. Reconciliation between budget and cash flow statement

Operating activities

Actual amount as presented in the budget statement	9,804,097	2,081,386
Timing differences	(2,685,738)	(5,189,771)
Net cash flows from operating activities	7,118,359	(3,108,385)

Investing activities

Actual amount as presented in the budget statement	(1,792,929)	(476,879)
Net cash generated from operating, investing and financing activities	5,325,430	(3,585,264)

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
31. Commitments		
Authorised operational expenditure		
Already contracted for and provided for		
• Commitments less than one year	5,171,485	1,824,741
Total operational commitments		
Already contracted for and provided for	5,171,485	1,824,741
Operating leases commitments - as lessee (expense)		
Minimum lease payments due		
- within one year	3,981,498	2,584,355
- in second to fifth year inclusive	6,766,345	-
	10,747,843	2,584,355
Operating lease commitment is the rental of offices used by TEDA situated at: 5th Floor; The Anker Building; 1279 Mike Crawford Road; Centurion for the period of three years starting from 1st of November 2016. No contingent rent is payable.		
Operating leases commitments - as lessor (income)		
Minimum lease payments due		
- within one year	-	787,858

TEDA has entered into a sub-letting agreement with the CoT which allows the CoT permission to utilise the 1st Floor of the rented offices used by TEDA situated at: 349 Witch-Hazel Avenue; Eco-origin Building; Block F; Highveld Extension 70; Centurion for the period of 27 months starting from 1st of May 2014. There are no contingent rents receivable. The contract ended on the 31 October 2016.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

32. Related parties

Relationships

Controlling entity	City of Tshwane Metropolitan Municipality
Municipal entity under the same control	Housing Company Tshwane
Municipal entity under the same control	Sandspruit Water Works Association

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

City of Tshwane Metropolitan Municipality	3,306	5,811
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Related party transactions

Transfers received from related party

City of Tshwane Metropolitan Municipality	46,298,250	54,150,000
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Purchases from (sales to) related parties

CoT (Printing services)	-	2,238
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Rent and other income received from related parties

City of Tshwane Metropolitan Municipality	1,321,794	3,395,096
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Expenses incurred and paid by the related party on behalf of TEDA

CoT (SAP implementation of MM and FI/CO)	-	1,200,000
CoT (MFMP Training)	-	126,120
CoT (Interns remuneration)	60,000	131,432

TEDA benefited from the use of the following services provided by the related party at no cost to TEDA:

- Risk management and internal audit resources from CoT,
- Audit and Performance Committee from CoT,
- Use of network, telecommunication, desktop and server support provided by CoT,
- mSCOA implementation (SAP) by CoT,
- OHS services and Records management from CoT,
- Insurance management by CoT and JOC Services from CoT, and
- QPR - Performance Management Solution.
- Cross check system

33. Fruitless and wasteful expenditure

Opening balance	424,272	870,123
Fruitless and wasteful expenditure - current year	-	424,272
Written off	-	(870,123)
	424,272	424,272

Included under interest and penalties previously reported in the year ended 30 June 2016 is the following fruitless and wasteful expenditure which are under investigation.

- Interest charged by SARS under the Voluntary Disclosure Programme (VDP) on VAT 201 returns that were not submitted correctly amounted to R382,449 with only **R12,824** payable.
- Understatement charge on VAT201 and EMP201 totaling to R41,823.

34. Irregular expenditure

- TEDA did not incur irregular expenditure for the period ended 31 March 2017

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
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35. Additional disclosure in terms of Municipal Finance Management Act

Consultants/Professional Services

Opening balance	29,367	274,234
Current year fees	426,227	1,052,595
Amount paid - current year	(410,982)	(1,023,228)
Amount paid - previous years	(29,367)	(274,234)
	15,245	29,367

Audit fees

Opening balance	-	282,557
Current year fees	518,369	484,942
Amount paid - current year	(518,369)	(484,942)
Amount paid - previous years	-	(282,557)
	-	-

PAYE and UIF

Opening balance	-	716,893
Current year payroll deductions	6,832,524	8,660,443
Amount paid - current year	(6,141,134)	(8,660,443)
Amount paid - previous years	-	(716,893)
	691,390	-

Pension and Medical Aid Deductions

Current year raised	1,681,255	2,206,901
Amount paid - current year	(1,490,562)	(2,206,901)
	190,693	-

The entity has a pension fund defined contribution plan with Momentum where employees pay a fixed amount and the employer pays for the administration fees.

The entity has a group risk plan with Discovery Life where employees pay a fixed amount and the employer pays for the administration fees.

Medical Aid contributions are with Discovery Medical Aid Scheme and Bonitas Medical Aid Scheme.

VAT

VAT receivable	3,681,426	2,872,208
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VAT is calculated on all qualifying goods and services delivered to/by TEDA on an invoice basis. All VAT returns have been submitted by the due date throughout the year.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand	31 March 2017	30 June 2016
-----------------	------------------	-----------------

35. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

Paragraph 12(1)(a)-(d) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a:

- Written or verbal quotation for values up to R2,000 up to R10,000 (VAT included),
- Formal written quotations for values over R10,000 up to R200,000 (VAT included), and
- Competitive bidding process for values above R200,000 (VAT Included).

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and then reports them to the next meeting of the accounting officer and includes a note to the interim financial statements.

In terms of section 36(1)(a) of the Supply Chain Management Regulations, the accounting officer may dispense with the official procurement processes in the following instances:

- in an emergency
- if such goods or services are produced or available from a single provider only
- for the acquisition of special works of art or historical objects where specifications are difficult to complete
- in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

TEDA deviated from the official procurement processes during the financial year were a follow;-

Incident

Board meetings management software (hosting services)	-	36,799
Appointment of the law firm	142,100	-
	142,100	36,799

36. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. In assessing the going concern, the accounting authority considers financial position, potential sources of funding and political factors.

We draw attention to the fact that at 31 March 2017, the entity had accumulated surplus of R 9,836,859 and that the entity's total assets exceed its liabilities by R 9,837,859.

The ability of the entity to continue as a going concern is dependent on a number of factors, being the current review of the entity by the parent municipality which holds 100% ownership of the entity. No formal communication has been forwarded to TEDA which seeks to indicate that the entity is not a going concern.

37. Contingencies

The entity as at 31 March 2017 had the following contingent liabilities:

- Litigation is in the process on a dispute with a service provider pertaining to TITIIC 2015 contract termination whereby the service provider is seeking damages of R793,125.40 including legal costs. The entity's lawyers and management consider the likelihood of the action against the entity being successful as unlikely, and the case should be resolved within the next two years.
- TEDA has a labour relations dispute with a former employee and the litigation claim amounts to R10,200,000 including legal costs. The entity's lawyers and management consider the likelihood of the action against the entity being successful as unlikely, and the case should be resolved within the next two years.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

	31 March 2017	30 June 2016
Figures in Rand		

38. Regulation 45

The financial statements of a municipality must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state or has been in the service of the state in the previous 6 months indicating:

- The name of that person,
- The capacity in which that person is in the service of the state/municipality; and
- The amount of the award

No Awards were made in terms of regulation 45.

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand

39. Remuneration of Executive Managers and Board of Directors

Executive Managers

March 2017

	Basic Salary	Cellphone allowance	Car allowance	Medical Aid	Defined contributions	Total
Chief Executive Officer	1,391,150	27,000	-	59,148	-	1,477,298
Chief Financial Officer*	1,049,797	16,000	-	-	-	1,065,797
Executive Manager Corporate Services	1,104,927	18,000	-	32,238	58,092	1,213,257
Executive Manager Marketing & Communications (Now Senior manager Investment Intelligence)	615,732	12,000	120,000	48,654	12,728	809,114
Executive Manager: Strategy and Performance Monitoring^	791,756	18,000	-	36,234	57,486	903,476
Executive Manager Projects Portfolio Management^	871,613	18,000	81,000	15,471	67,251	1,053,335
Company Secretary	952,448	18,000	-	43,452	-	1,013,900
Executive Manager Trade and Investment	541,911	10,000	90,000	32,160	-	674,071
Executive Manager Investment Promotion and Funding (resigned 30 Nov 2016)	492,292	12,000	60,000	26,574	29,581	620,447
	7,811,626	149,000	351,000	293,931	225,138	8,830,695

*The Chief Financial Officer started on the 01 August 2016.

June 2016

	Basic Salary	Acting Allowance	Cellphone allowance	Car allowance	Medical Aid	Defined contributions	Total
Chief Executive Officer	1,747,013	-	36,000	-	74,790	-	1,857,803
Chief Financial Officer*	1,156,554	91,986	17,397	106,306	33,130	74,126	1,479,499
Executive Manager Corporate Services	1,386,078	-	24,000	-	41,232	74,818	1,526,128
Executive Manager Marketing & Communications	1,145,757	-	24,000	240,000	92,280	24,593	1,526,630
Executive Manager Trade and Investment	333,188	-	8,000	-	12,078	25,549	378,815
Executive Manager Projects Portfolio Management	880,884	104,584	15,200	108,000	35,535	74,469	1,218,672
Company Secretary	1,189,739	-	24,000	-	61,592	-	1,275,331
Executive Manager Trade and Investment	1,217,726	-	24,000	216,000	68,473	-	1,526,199
Executive Manager Investment Promotion and Funding^	90,644	-	2,000	-	-	4,930	97,574

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand

39. Remuneration of Executive Managers and Board of Directors (continued)

	9,147,583	196,570	174,597	670,306	419,110	278,485	10,886,651
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*The Chief Financial Officer resigned on the 31 October 2015 and Senior Manager: Financial Management was acting which ended on the 24 June 2016. The entity has appointed a Chief Financial Officer anticipated to start on 01 August 2016

^The following positions of Executive Manager: Investment Promotion and Funding, Project Portfolio Management and Strategy, Performance Management were filled as at 30 June 2016

Board of Directors

March 2017

	Directors and committees fees	Audit and performance committee fees	Total
Prof LD Mosoma (Chairperson)	83,986	-	83,986
Ms RS Bahula- Ermias	85,700	-	85,700
Mr H Gouvelis	70,274	-	70,274
Ms ZG Mpungose	87,414	-	87,414
Mr CR Mpyane	95,984	-	95,984
Ms SP Mzizi	80,558	-	80,558
Mr FK Sibanda	70,274	-	70,274
Ms N Singh	85,700	10,284	95,984
Adv JL Thubakgale	78,844	-	78,844
Mr MW Yates	90,842	-	90,842
	829,576	10,284	839,860

June 2016

Tshwane Economic Development Agency SOC Ltd

(Registration number 2006/019396/30)

Unaudited Third Quarter Financial Statements for the period ended 31 March 2017

Notes to the Unaudited Third Quarter Financial Statements

Figures in Rand

39. Remuneration of Executive Managers and Board of Directors (continued)

	Directors and committees fees	Retainer fees	Audit and performance committee fees	Total
Prof LD Mosoma (Chairperson)	175,559	33,357	13,712	222,628
Ms RS Bahula- Ermias	128,176	16,678	-	144,854
Mr H Gouvelis	89,487	16,678	-	106,165
Ms ZG Mpungose	185,419	16,678	-	202,097
Mr CR Mpyane	171,647	16,678	-	188,325
Ms SP Mzizi	129,834	16,678	-	146,512
Mr FK Sibanda	131,548	16,678	-	148,226
Ms N Singh	156,950	16,678	13,712	187,340
Adv JL Thubakgale	136,506	16,678	-	153,184
Mr L Vutula (Resigned January 2016)	86,040	-	-	86,040
Mr MW Yates	184,434	16,678	-	201,112
	1,575,600	183,459	27,424	1,786,483

Reference No 63852/1
Fikile Rasmeni (1182)
MAYORAL COMMITTEE:

GROUP LEGAL & SECRETARIAT SERVICES DEPARTMENT
3RD QUARTER ASSESSMENT REPORT: HOUSING COMPANY TSHWANE
(HCT)

1. PURPOSE

The purpose of this report is to present the assessment of 3rd Quarterly performance Report of the Housing Company Tshwane (HCT) for the period January to March 2017.

2. STRATEGIC OBJECTIVES

2.1 Provide sustainable service infrastructure and human settlement management.

2.2 Promote good governance and active citizenry.

3. BACKGROUND

The Shareholder Operations Unit is concerned with reviewing, monitoring and “overseeing” the affairs, practices, activities, behaviour and conduct of municipal-owned entities (MOEs) to ensure the City of Tshwane that the business of MOEs is being conducted in a manner expected in accordance with commercial legislative and other prescribed or agreed conventions.

The unit is poised to assist the institution and its MOEs to comply with applicable legislation by providing regular advice and reports on compliance and recommending remedial action where required. The Division regulates the functions of MOEs and co-ordinates these with prevailing political imperatives, whilst ensuring alignment with departmental SDBIPs.

In terms of Section 87 of the MFMA, municipal entities are required to submit to the parent municipality on a quarterly basis against the approved budget as well as the approved business plan. This report seeks to provide assessment of the submitted 3rd quarter report by the entity and also provide recommendations based on the assessment.

The Performance Report for Quarter 3 of HCT is attached hereto as Annexure A. It should be noted that the amended Business Plan for HCT has not yet been approved by the Mayoral Committee. The amended business plan should have been presented to MayCo during February 2017 but is only scheduled to serve during April 2017.

4. DISCUSSION

OVERALL BUSINESS PERFORMANCE

During the quarter under review, HCT has successfully signed Social Housing Regulatory Authority (SHRA) agreement. The signing of the agreement will result in the entity obtaining ten percent (10%) funding from SHRA to execute its projects. HCT's conditional accreditation status has been renewed by SHRA.

The entity has commenced with construction of seven hundred and sixty seven (767) social housing units for the Townlands Project. The contractor has been mandated to accelerate the project. This will ensure that the set target of hundred (100) units is achieved by 30 June 2017. It should be emphasised, however, that the quality of these 100 units should not be compromised while accelerating the project to ensure achievement of the target. This would require constant and adequate monitoring of this project by the entity.

HCT has further taken over the Sunnyside Project from CoT. The Housing and Human Settlement Department has successfully completed the planning and design phases of the project. The Sunnyside project has been put on hold due to its financial liability challenges. However, The Timberlands Social Housing project is at detail design stage.

PERFORMANCE AGAINST THE SDBIP AND THE SCORECARD

In terms of the entity's performance scorecard, the entity has 15 key performance indicators for the current financial year. Twelve targets are relevant for Quarter 3 for the quarter. Seven targets have been achieved and exceeded and five targets have not been achieved.

Summary of Business Plan Targets

	Q3	Annual
Target	12	15
Achieved (unaudited results)	7	8
Not Achieved	5	7

Below is the summary of targets that have not been achieved for the quarter under review:

- Detailed designs completed in Timberland: This target was not achieved due to community objections with regard to this development. Meetings were held with a view to resolve this issue on 31 March 2017. However, this is viewed in a serious light in that the public participation has not been conducted prior to the design phase and the views of the community were not solicited. As a result, the entity is prohibited with the implementation of the project and attempted to rectify the situation reactively. The seriousness of this objection could result in

delay of the implementation of the project. It is suggested that the delay could be interpreted as a result of poor project management by the entity;

- Bulk infrastructure provision completed in Sunnyside: This target was not achieved as result of the BAC recommendation that the tender be re-advertised. However, this target was revised during the budget adjustment and was moved to 2017/18 financial year;
- Internal reticulation completed in Chantelle X39: This target was not achieved due to the non-compliance with the supply chain management processes. As a result of Internal Audit recommending the re-advertisement of this tender, the Shareholder Unit is concerned regarding inadequacies around scm processes within the entity. This impacts negatively on service delivery as well possible under expenditure, which could further result in retainment of the grant by the City;
- 31% of total expenditure to be spent on procurement from BEE SMME's: This target was not achieved as a result of delays in the tender processes for Chantel X39 and the Sunnyside project. Poor supply chain management processes at HCT is evident and it impacts negatively on the service delivery. Though the entity has planned to improve by quarter four (4), this projection however will not be achieved as the root cause of the incompetencies in the supply chain management function, especially in terms of contract management, is not effective;
- % of Levies collection of billed units above baseline: This target was not achieved due to the factual situation in that the tenants are not employed. This unemployment results in adequate funds being available by the tenants to pay for their levies. This would require the City's intervention in assisting the entity with the achievement of this target. Without such assistance, the target remains a challenge;

It should be noted that the reported results are not yet tested and verified by the City's Internal Audit Unit and there is a probability that these results could change. This assessment is based on the entity revised 2016/17 Business Plan, which is awaiting Mayoral Committee approval.

FINANCIAL PERFORMANCE

REVENUE

Total revenue for the 3rd quarter of this financial year was R21,1 million against budgeted revenue of R25,8 million, which is below the budgeted by R4,7 million. Rental revenue for the quarter was R4,1 million which is more than the budgeted rental revenue of R3,9 million, which exceeded the budgeted by R197 000. This is mainly due to increase in the collection at Silwerkroon Building transferred by the City as well as improvement in the collection level at Eloff Building. The increase in the interest earned from outstanding debtors of R104 000 against the budgeted amount of R61 000. This is as a result of the defaulting tenants.

The Grant transferred to the entity amounting to R16,7 million was R5 million below the budgeted amount of R21,8 million.

The collection level at Clarina House should improve taking into consideration the 97% occupancy level. However, there is a high percentage of indigents in this area, which create a challenge regarding collection. The City should assist the entity in terms of regularization of indigents.

EXPENDITURE

The total expenditure for the quarter is R12,9 million which is below the budgeted amount of R20 million resulting in a shortfall of R7,1 million. Contracted services of R1,1 million is below the budgeted amount of R2,3 million resulting in a shortfall of R1,2 million owing to the delays in the procurement processes (pre-construction phase) of Townlands. Other expenditure has a short fall of R3,6 million against the budgeted amount of R7,2 million. The remuneration of directors of R952 000 is below the budgeted amount of R1,052 million resulting in a shortfall of R100 000. This is due to the decrease in the number of board meetings. The decrease in finance charges of R208 000 against the budgeted amount of R218 000 resulted in a savings of R10 000.

The under expenditure by the entity is of concern in that it impacts on service delivery as a result of challenges experienced in the supply chain management processes in particular, the delays in the tender processes as well as the poor contract management.

SOLVENCY

Total assets for the quarter under review was recorded at R78 million and the total liabilities is R37,8 million thus implying thus implying a solvency ratio of 2.06:1 against the standard norm of 2:1. The entity is able to meet its long-term liabilities as its total assets exceeds its total liabilities by R40,2 million.

LIQUIDITY

The entity's current assets for the quarter under review are R47 million and the current liabilities are R35,9 million resulting in the current ratio of 1.3:1 against the standard norm of 1:1. HCT is solvent and is able to meet its short-term liabilities as its current assets exceeds its current liabilities by R11 million.

GOVERNANCE RELATED MATTERS

There are no matters that require Shareholder interventions as the board of HCT is stable. The Board held two (2) special meetings during this quarter. The FinRisk and Ethics Committee also held 2 special sub-committee meetings. The entity also conducted Strategic Plan Review during the quarter under review. The entity has not incurred any fruitless and wasteful expenditure during quarter 3.

The entity has 3 Auditor General findings that are in progress to be addressed. These findings must be resolved by 30 June 2017. It is recommended that the action plans be monitored by the Board and be implemented by management to prevent their re-occurrence in the next financial year.

ICT GOVERNANCE

Entity has not reported ICT challenges, however, the City has to assist the entity in ensuring that it is mSCOA compliant by 1 July 2017. It should be noted however, that entity's 2017/18 business plans budgets were prepared in accordance with mSCOA. The Entity needs assistance from the City in terms data migration to SAP system.

HUMAN RESOURCE GOVERNANCE

The position of the Chief Executive Officer (CEO), is vacant due to his resignation in February 2017. The Shareholder intervention is required as there is a vacuum, since the entity has no succession planning in place. The Senior Supply Chain Manager also resigned in March 2017. This also needs City's intervention in the light that there are weaknesses in the SCM Department and it is evident by the delays in the tendering system as the position is viewed as essential.

Moreover, the entity does not have a designated Chief Financial Officer (CFO). This is a matter for concern in that key strategic positions that of a CEO and CFO are vacant which may result in the instability of the entity. It must be noted however, that the entity is under review and the permanent filling of these (2) positions might be a challenge. It would be recommended that the City consider secondment to ensure that this entity's operations are run smoothly.

RISK GOVERNANCE

Structure & Progress this Quarter	Strategic Risk Register & Reporting	Governance Risk Gaps
The Company's Board and the sub-committees are responsible for the overall risk management.	Risks identified are escalated to the Board.	<p>HCT faces certain challenges and they are as follows:</p> <ul style="list-style-type: none"> • 2 Vacant key strategic and critical positions, namely CEO and CFO; • Inadequate Supply Chain Management in terms of contract management, which impacts negatively on service delivery of Social Housing as there are delays in the tendering system. • Poor project management (Timberland), wherein the Public Participation was not done prior development of designs and led to Community objections, which may result in poor service delivery as the project may delay and be stopped.
Recommendation:		

The board should ensure that the 3 critical risks identified are monitored and management implements the management actions to eradicate them.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognizance is the of the contents of the report.

There are no additional financial implications as a result of this report for the City of Tshwane as the purpose of the report is to present the assessment of the 3rd Quarterly Report of the Housing Company Tshwane (HCT) for the period of January to March 2017.

5.2 COMMENTS OF THE GROUP HEAD: CITY STRATEGY & ORGANISATIONAL PERFORMANCE

The reported results are noted. CSOP awaits the Internal Audit report on the verified performance results.

5.3 COMMENTS OF THE GROUP LEGAL COUNSEL

COMMENTS ON REPORT: 3RD QUARTER ASSESSMENT REPORT: HOUSING COMPANY TSHWANE (HCT)

The purpose of this report is to present the assessment of 3rd Quarterly performance Report of the Housing Company Tshwane (HCT) for the period January to March 2017.

The report is aligned with Strategic Objective 4 which aims to promote good governance and active citizenry.

The report complies with the provisions of Section 11(3)(a)(k)&(n) of the Local Government: Municipal Systems Act 32 of 2000, whereby a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, establishing and implementing performance management systems and also by doing anything else within its legislative and executive competence.

Section 88 (1) of the Municipal Finance Management Act 56 of 2003 provides that, the accounting officer of a municipal entity must by 20 January of each year—

1. assess the performance of the entity during the first half of the financial year, taking into account—
1. the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and

2. the entity's annual report for the past year, and progress on resolving problems identified in the annual report; and

(b) submit a report on such assessment to—

(i) the board of directors of the entity; and

(ii) the parent municipality of the entity.

(2) A report referred to in subsection (1) must be made public.

Clause 12.3 of the Staffing Policy: Collective Agreement on Secondment stipulates that, the request for secondment of an employee to another Department must be initiated by a departmental head and negotiated with the future Departmental Head of the employee identified.

The secondment agreement must be signed by the seconded employee, his/her present and future Departmental Head or his/her nominee as well as the Executive Director: Strategic Human Resources or his/her nominee, and a copy of the signed agreement must be distributed to each signee.

An employee can only be seconded to a similar or equal position for a certain period, provided that the job level and job category are the same. The seconded employee moves with his/her current position and its allocated budget, which means that the position is not vacant and cannot be filled during the secondment period.

Secondment is used for internal movement of employees between/among/within Departments/Divisions/Sections.

Having taken regard to the aforesaid and with specific reference to the contents of the report, Group Legal Services Department support the approval of the report and the recommendations thereof, subject to compliance with the above legislations and policy and submits that the report and its Annexures be referred to the Mayoral Committee and the Accounting Officer for their attention, cognisance and decision on the recommendations herein.

5.4 COMMENTS OF THE HEAD: HOUSING AND HUMAN SETTLEMENT

The Department notes the contents and the recommendations of the report.

The Department of Housing and Human Settlements provides policy and business operations oversight over the entity as well as ensuring alignment with the City's priorities and strategic objectives.

The Department has been working closely and providing technical support to the HCT in implementation of its programmes. With regards to targets not achieved in as far as they relate to the property development projects, the Department would like to comment as follows:

Sunnyside social housing project: the project failed the Social Housing Regulatory Authority (SHRA's) assessment on the basis that it is not financially viable. SHRA caps the cost per unit R350 000.00, however due to the Sunnyside project being a

highrise development, the structural engineering requirements push the price to over R450 000.00 per unit. Both the HCT and the City do not have top-up funding to ensure implementation of the project. The Department proposes that the project be considered for private investment partnership. The planned project is in a strategically located area where the demand for affordable rental housing is high.

Chantelle X39: The City seconded a senior official to HCT to assist with SCM process and it is anticipated that a contractor will be appointed at the beginning of the fourth quarter. The project forms part of the SHRA's project pipeline.

The number of vacant positions and moratorium on filling of positions currently imposed on the entity had a role in the entity's ability to meet and achieve its targets.

The department has no objections on the content and recommendations of the report and the report is supported.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

None

6.2 FINANCES

None

6.3 CONSTITUTIONAL AND LEGAL FACTORS

This report is in accordance with the legislative provisions and processes stipulated in the Local Government: Municipal Finance Management Act, Act 56 of 2003 as amended; the Municipal Systems Act, Act 32 2000 as well as relevant National Treasury Regulations and Circulars.

6.4 COMMUNICATION

None

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

None

7. CONCLUSION

The purpose of this report was to present a quarterly review of Housing Company Tshwane (HCT) for the third quarter of the 2016/17 financial year i.e. 01 January 2017 to 31 March 2017. The report assessed the matters pertaining to (i) performance; (ii) financials; and (iii) governance related aspects for the period under review.

As can be seen from the above assessment, serious interventions are necessary to normalise the situation in HCT. One aspect that has been hampering the operations of HCT, is the pending review of all municipal entities currently under consideration

by the City. This review process created a certain level of uncertainty within the municipal entities and impacted on its performance. The review process should be finalised as a matter of urgency to determine a way forward.

ANNEXURE:

- A. HCT-Q3 Performance Report 2016-17-03 March 2017.docx - HCT Q3 2016/2017 - Performance Review

RECOMMENDED:

That it be recommended to the Mayoral Committee:

1. That cognisance be taken of the content of the review of HCT for Quarter 3.
2. That it be considered to second officials from the City to act as CEO, CFO and the SCM Manager of HCT.
3. That the registration of indigents at Clarina House be expedited by the City.



HOUSING COMPANY TSHWANE

QUARTER 3 PERFORMANCE REPORT

(2016 – 2017 FINANCIAL YEAR)

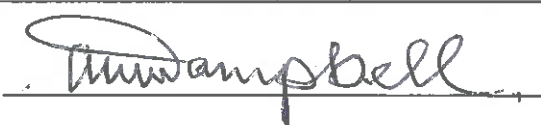
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CHIEF OPERATIONS OFFICER: Mr. A. W. Campbell	
DATE:	02 March 2016

TABLE OF CONTENT

1. EXECUTIVE SUMMARY	4
2. PERFORMANCE AGAINST THE ENTITY'S DEPARTMENTAL BUSINESS PLAN	4
2.1 SUMMARY OF PROGRESS AGAINST ENTITY'S BUSINESS PLAN TARGETS	5
3. PERFORMANCE AGAINST THE CORPORATE SDBIP	8
3.1 PERFORMANCE AGAINST THE SDBIP TARGETS	8
3.2 SUMMARY OF PROGRESS ON PROJECTS	8
4. PERFORMANCE ON THE 180 AND 18 MONTH PROGRAMME	9
5. FINANCIAL PERFORMANCE	10
5.1 REVENUE	10
5.2 RESULTS OF OPERATIONS	10
5.3 CASH FLOW	10
5.4 STATEMENT OF FINANCIAL POSITION	10
5.5 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE	10
6. GOVERNANCE	11
6.1 BOARD COMPOSITION	11
6.2 BOARD AND COMMITTEE MEETINGS	11
6.3 DIRECTORS REMUNERATIONS	11
6.4 RISK MANAGEMENT AND INTERNAL CONTROLS	12
6.5 HUMAN RESOURCES	12
6.6 STRATEGIC AND INTERNAL CONTROLS	13
7. DEPENDENCIES AND CROSS CUTTING ISSUES	13
8. OPERATION CLEAN AUDIT	14
9. CONCLUSION AND RECOMMENDATIONS	15
ANNEXURE A: ENTITY'S BUSINESS PLAN REPORT	16
ANNEXURE B: STATEMENT OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE	19
ANNEXURE C: RISK REGISTER	23

TABLE 1: SUMMARY OF PERFORMANCE AGAINST THE BUSINESS PLAN.....5

TABLE 2: BUSINESS PLAN TARGETS ACHIEVED.....5

TABLE 3: SUMMARY OF PERFORMANCE AGAINST THE SDBIP TARGETS8

TABLE 4: SDBIP TARGETS NOT ACHIEVED.....8

TABLE 5: SUMMARY OF PROJECTS.....8

TABLE 6: NON ACHIEVED MILESTONE TARGETS ON PROJECTS AND CORRECTIVE MEASURES9

TABLE 7: SUMMARY OF PERFORMANCE ON THE 18 MONTH PROGRAMME9

TABLE 8: CHALLENGES.....13

TABLE 9 DEPENDENCIES.....13

TABLE 10: EVIDENCE.....14

TABLE 11: OPCA CONTROLS AND INTERVENTIONS14

1 EXECUTIVE SUMMARY

The Housing Company Tshwane's (HCT), performance rating during the third quarter of the 2016/17 financial year has improved in comparison to the performance of the previous period (2015/16). The entity has filled the key vacant position of Project Development Manager (PDM), and his presence is already bearing fruits. The Townlands Project is at construction phase and the entity has received the Restructuring Capital Grant (RCG) from the SHRA for the construction of 767 social housing units. The SHRA agreement was signed in January 2017 and the entity has also submitted conditions precedent as per Annexure A which will unlock 10% release of the grant funding from SHRA. The contractor has been mandated to accelerate the project in order to comply with the 100 unit's delivery target by 30 June 2017 deadline. The Project Management Plans and Project Progress Reports have been generated and have been tabled at the HCT's Projects and Development Committee meetings, and subsequently included in a report to the Board. The HCT has taken over the Sunnyside Project after its Planning and Design stages were achieved by the Tshwane Metropolitan's (TMM), Department of Housing and Human Settlements. However, the Sunnyside project was put on hold due to the issue of the project's financial viability. Timberlands Social Housing project is in the detail design stage and the plans will be circularized within the internal departments.

The HCT is taking active steps to improve the levies collection rate of Clarina Estate residents. The Client Service function has been decentralized by deploying a Junior Credit Controller at the Clarina Estate. The complaints emanating from poor workmanship in Clarina, are being resolved through a structured, strategic, maintenance plan. The HCT is embarking on improving both the HCT's individual and organizational performance. Quarterly performance reviews are done and the organizational performance management system is impacting positively on the HCT's monitoring and evaluation profile. A balanced scorecard is used to track the organizational key indicators. The Property Management function has been enhanced as a result of the installation of CCTV cameras to monitor all movements at the Clarina Estate.

The HCT conducted its Strategic workshop to review the entity's strategy for the next 5 years. The entity's Business Plan and Strategic Plan is aligned and updated to the issues raised during the strategic workshop. The SHRA has deemed it fit to renew HCT's Conditional Accreditation Status. The Annual Financial Statements were prepared and submitted to the Auditor-General timeously. Also, the Draft Adjusted Budget has been submitted to the City of Tshwane, the HCT's sole shareholder. The main objectives of this year's budget adjustment is a provisional funding for 100 units at Townlands to increase to 158 units, Sunnyside was reduced to 0 due to the non-start and the non-appointment of a Chief Financial Officer at the HCT.

2 PERFORMANCE AGAINST THE ENTITY'S DEPARTMENTAL BUSINESS PLAN

In terms of the Social Housing Act, 2008 (Act 16 of 2008), the Tshwane Metropolitan Municipality (TMM), does not implement social housing itself. However, the TMM creates the milieu and facilitates the environment for the delivery of social housing units. Within that, the social housing grants can thus only be accessed by accredited social housing institutions. Social housing must adhere to the general principles laid down in the Housing Act, 1997 (Act 107 of 1997). Moreover, the entities must comply with Part 1 Section 2, as well as in relevant sections of subsequent legislation such as the Rental Act, 1999 (Act 60 of 1999). In addition, the policy must be read in conjunction with the White Paper on Housing (1994), the Urban Development Framework (1997) and with the National Housing Code. Social housing must adhere to the general principles laid down in the Housing Act, 1997 (Act 107 of 1997).

The targets set are based on projects that are currently pursued with other private social housing institutions the TMM has partnered with, including the Housing Company Tshwane (TMM). The HCT has submitted an expression of interest to the Social Housing Regulatory Authority (SHRA) for the Townlands and Timberlands projects. The RCG Agreement for 767 units for Townlands has been duly signed. The HCT is incessantly working to prepare the

Timberland project up to the level where a funding application can be lodged, by preparing the built-environment design and planning work required.

The detailed design for the Chantelle project has been finalized, and is awaiting the approval of the town planning process to be submitted. The detailed design for the Sunnyside project has been finalized as stated in table 3 below, and the project has been put on hold due to the project's viability. The HCT will be finalizing the detailed design for the Timberland project, including the provision of internal civil services, reticulation for Chantelle X39 as well as the construction of 158 social housing units for the Townlands project.

2.1 SUMMARY OF PROGRESS AGAINST ENTITY'S BUSINESS PLAN TARGETS

The entity will be finalizing the detailed design for Timberland project and the provision of internal civil services reticulation for Chantelle X39 as well as the construction of 100 social housing units for the Townlands project.

Table 1: Summary of performance against the business plan

Total Nr of targets for the financial year	Number of targets for the quarter	Nr of targets not achieved for the quarter	Nr of targets achieved for the quarter	Nr of targets not achieved year to date	Nr of targets achieved year to date
15	12	5	7	5	8

Table 2: Business plan targets achieved

	KPA	Targeted indicator	Q3 Target	Actual	Management comments
1	Number of New units built and developed (Greenfields development)	100 units completed in Townlands	Commencement of construction of 100 units	The contractor has been appointed and the construction work is in progress	Performance will be sustained
2	Occupancy level in units under management	95% of all units occupied	95%	99%	Performance will be sustained
3		90% of all units occupied	87%	97%	Performance will be sustained
4	Turnaround in resolving tenant complaints	90% of complaints resolved within approved timeframes	88%	100%	Performance will be sustained
5	Manage budget processes of the entity in accordance with regulatory frameworks	Budget management and implementation (90% of the annual budget spent)	25%	38%	Re-advertisement of tenders for both Chantel x 39 and Sunnyside will impact the targets achievement by the end of financial year
6	Rental Collection (Eloff)	Rental collection rate of billed units above baseline	2%	2.5%	Performance will be sustained
7	Maintaining entity asset liquidity to an acceptable level	Liquidity ratio of 1:1	Liquidity ratio of 1:1	Liquidity ratio of 1:1.3	Performance will be sustained

Table 3: Business plan targets not achieved

697

	KPA	Targeted indicator	Q3 Target	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	Due date
1	Number of New units built and developed (Greenfields development)	Detailed Designs completed in Timberland	Detailed planning and designs, 75% Completed	There were objections on the development of Timberland Social Housing. These objections caused some delays in the progress for the detailed design.	A meeting was arranged with the objectors on the 31st of March 2016 to discuss and resolve the concerns from the objectors (see attendance register for the meeting).	The detailed design development is currently underway (see attached sketches).	PDM	30 June 2017
2	Number of New units built and developed (Greenfields development)	Bulk infrastructure provision completed in Sunnyside	Detailed Planning Completed	The BAC recommended that the tender for the construction of 130 units be re-advertised (see attached BAC report).	During budget adjustment, the targets for the construction of 130 units were moved to 2018/19 financial year and the installation of bulk infrastructure was also moved because this work was included in the scope of work for the main contractor for the construction of 130 units (see attached BAC report).	Re-advertisement of the tender	SCM/Finance Manager & PDM	30 June 2017

	KPA	Targeted indicator	Q3 Target	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	698 date
3	Number of New units built and developed (Greenfields development)	Internal reticulation completed in Chantelle X39	Internal reticulation 50% completed	The tender was evaluated, taken to the internal auditors who rose finding in terms of SCM processes. The tender was therefore presented to the BAC which recommended that the tender be returned to BEC to address the findings of the internal auditors (see internal auditors and BAC reports).	The BEC presented their response to the BAC on the 30th of March 2017 in relation to the internal auditor's findings.		SCM/Finance Manager & PDM	30 June 2017
4	Development of BEE & SMME's	31% of total expenditure to be spent on procurement from BEE SMME's	29%	26%	The delay in the tender process for both Chantel X39 and Sunnyside has impacted the budget spending.	Construction of 100 social housing units for Townlands will improve the BEE SMME spending by the end of the financial year	SCM/Finance Manager & PDM	30 June 2017
5	Levies Collection	% of Levies collection of billed units above baseline	3%	-28.40%	Tenants allocated at Clarina do not go through the normal HCT processes of affordability assessments. Their allocation is as per the court ruling. A majority of the residents are unemployed and of those who are employed, some do not earn enough to even pay the Levied amount.	Continuous engagements with the Residents sub-Committee, working with them to drive through the message of complying with their obligation to pay the Levies. Re – education about Levy payments and the consequences of non-payment. A Junior credit controller has been appointed to engage the residents and facilitate payment arrangements. Furthermore,	Finance/Property Management department	30 June 2017

	KPA	Targeted indicator	Q3 Target	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	Due date
						the residents who are employed and are intentionally defaulting on their payments will be handed over to the Lawyers		

3 PERFORMANCE AGAINST THE CORPORATE SDBIP

3.1 PERFORMANCE AGAINST THE SDBIP TARGETS

Not Applicable to the entity.

Table 3: Summary of performance against the SDBIP targets

Total Nr of targets for the financial year	Nr of targets for the quarter	Nr of targets not achieved for the quarter	Nr of targets achieved for the quarter	Nr of targets not achieved year to date	Nr or targets achieved year to date
N/A	N/A	N/A	N/A	N/A	N/A

Table 4: SDBIP targets not achieved

KPA	Indicator no.	Reason for non-achievement	Corrective measures implemented to date	Planned corrective measures to be implemented	Responsible official for corrective measure	Due date
N/A	N/A	N/A	N/A	N/A	N/A	N/A

3.2 SUMMARY OF PROGRESS ON PROJECTS

Timberland is at an early planning stage i.e. feasibility studies and concept designs whereas Chantelle is towards the last stage of planning. All the detailed designs for Chantelle have been completed, waiting to be submitted to the municipality as soon as the Town Planning processes are completed. The detailed designs for Sunnyside have been completed and as noted in table 3 above, the tender supposed to be re-advertised. Townlands is currently at the construction stage. The contractor has been appointed and busy with construction on site.

Table 5: Summary of projects

Total nr of Projects	Nr of projects that achieved planned non-financial milestones for the quarter	Nr of projects that did not achieve planned non-financial milestones for the quarter	Nr of projects that achieved planned non-financial milestones year to date	Nr of projects that did not achieve planned non-financial milestones year to date
Four				

Table 6: Non achieved milestone targets on projects and corrective measures

700

Projects in the Business Plan	Corrective measures implemented for non-achieved milestone	Corrective measures to be implemented	Date of implementation	Responsible official
Number of new social housing units built (Townlands and Timberland)	<p>The contractor for the construction of the units has been appointed and is currently busy with construction.</p> <p>The re-routing and installation of the sewer pipe line is 95% completed. The remaining 5% consists of installation of the sewer pipe for crossing the road by cutting underground. Due to the discovering of the underground oil and live electrical cables, it became difficult to cross the road as per the approved plan (see attached Engineer's report in the February report). This therefore necessitated a change in the design of the sewer installation. The re-design of the alternative route for the sewer line was done and approved by the City.</p> <p>Phase 2: The detailed design development for Timberland is currently underway. There were delays caused by the objections against the development of the Timberland project.</p>	<p>During inspection sewer line project by the City of Tshwane. The City's maintenance department requested changes in the design and the addition of an extra Manhole. Because the City's request has financial implications, the Engineer was requested to assess the financial implications and advise.</p> <p>The contractor will prepare and submit a variation order (VO) for approval.</p> <p>Should the VO not be approved, the work will be carried over to the main contractor's scope of work and quotations will be sourced for pipe-jacking. The Engineer will submit for approval motivations to the CoT to utilize a portion of the contingencies to execute the work for the under-ground road-crossing with the provision of an additional Manhole as requested by the City.</p> <p>A meeting was held on the 31st of March 2017, with the objectors to address their concerns.</p>	02 May 2017	Property Development Manager

4 PERFORMANCE ON THE 180 DAY AND 18 MONTH PROGRAMME

The entity does not have a 180 day and 18 month programme

Table 7: Summary of performance on the 18 month programme

Programme/project	Non-achieved targets year to date	Reasons for non-achievement	Corrective measures	Date for corrective measures	Responsible official
N/A	N/A	N/A	N/A	N/A	N/A

5 FINANCIAL PERFORMANCE

5.1 REVENUE

The entity posted revenue of R 24 million for the 3rd quarter period (July 2016 – March 2017), an increase of 118% (2016: R11 million) as compared to the previous year 3rd quarter. The increase is attributable mainly to Silwerkroon building that was transferred to the entity by the City in the current financial year and utilizing more operational grant from the City for the management of buildings under its control as well construction of Townlands project. The operation grant from the City remains significantly high and contributes up to 82% of the total revenue, this being a decrease of 10% as compared to the previous year 3rd quarter. The revenue earned from interest income is R104,293 and increase of 50% (2016: R 69,425) due to an increase on interest charged on defaulting tenants. The collection rate for Eloff building has improved Eloff (101%) but declined for Clarina building (28%).

5.2 RESULTS OF OPERATIONS

Operational costs decreased by 13% as compared to the previous year 3rd quarter to R13 million (2016: R 15 million). The key operational costs that contributed to the decrease were mainly directors' remuneration, depreciation, finance charges, contracted services as well as other expenditures. Directors' remuneration were 6% lower as compared to the previous year 3rd quarter due to a reduction in the number of board and committee meetings. Depreciation decreased by 4% as a result of reviewed useful life of assets. Finance charges on the National Housing Finance Corporation (NHFC) decreased by 21% due to reduction in the capital portion of the loan. Contracted services decrease by 212% due to pre-construction phase of Townlands project that was completed during the last financial. Other expenditures decreased by 31% due less maintenance expenditure on properties under management.

Capital expenditure increased by 100% due construction phase that has commenced for Townlands project. The entity expects to deliver 100 social housing units by the end of the financial year 2016/2017. The entity has also received Restructuring Capital Grant (RCG) from SHRA for the construction of 767 units by the end of 2017/2018.

The entity posted a surplus of R 11 million for the period under review, against a deficit of R 4 million in the previous year 3rd quarter.

5.3 CASH FLOW

The entity has received operational and capital grant to the value of R82 million from the City. The collection rate at Silwerkroon building has been very good since the collection is higher by 20% as compared to the budgeted collection rate. The entity ended the 3rd quarter in a favourable cash position with cash on hand being R 41, 7 million (2016: R 19, 8 million). The cash position of the entity has increased due to capital grant contribution from the parent municipality. The entity is waiting for 10% of the grant contribution from SHRA for the construction of Townlands project.

5.4 STATEMENT OF FINANCIAL POSITION

The financial position reflects that the entity is capable of meeting its financial obligations given that the total assets exceed total liabilities by R 40 million. This is a reflection that the company could be not be plunged into insolvency as long as it receives the necessary support from the shareholder. Current assets exceed current liabilities by R 40 million which indicates that the entity is liquid. The current ratio is currently 1:1.3 versus standard norm of 1:1.

5.5 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The entity has not incurred fruitless and wasteful expenditure during the 3rd quarter of the current financial year.

6. GOVERNANCE

6.1 BOARD COMPOSITION

Housing Company Tshwane has a unitary board, which consists of an executive director (CEO) and seven (7) non-executive's directors, chaired by the non-executive director, Mr. Tshepo Phetla. The board meets regularly, at least once quarterly and retains full control over the company. The Board remains accountable to City of Tshwane Metropolitan Municipality, the sole Shareholder. A Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity's relationship with the City of Tshwane. The Board provides Quarterly, and Annual Reports on its performance and service delivery to the parent municipality as prescribed in the SDA, the MFMA and the MSA.

The Board has three committees, namely:

Finance Risk and Ethics Committee

Human Resources and Remunerations Committee

Projects and Development Committee

6.2 BOARD AND COMMITTEE MEETING

Board Committee	Number of Meetings	
	Quarter 3	Year to date
Board meeting (normal)	0	0
Board meeting (special)	2	2
Annual General meeting	0	0
Human Resources	0	2
Finance Risks and Ethics	2 (all special)	6 (5 special)
Projects and Development	0	3
Strategic Plan Review	1	1

6.3 DIRECTORS REMUNERATION

None-Executive Director	Quarter 3	Year to date
Mr. T.S Phetla	25,582.00	154,140.00
Dr R.W Rowland	22,619.20	107,515.06
Adv T.S Kholong	54,730.34	149,176.78
Adv M.E Mphahlele	37,143.58	127,998.37
Ms D Masilela	53,437.76	155,319.58
Adv A.J Singh	34,621.59	119,469.41
Dr M Matlou	39,583.30	139,515.10
Total	267,717.77	953,134.30

Executive Director (Senior Management)	Quarter 3	Year to date
Mr Ngcezula (CEO)	270,998.87	921,017.63
Mr W Campbell (COO)	237,295.65	701,755.29
Mr J. Mkhonto	168,078.60	504,235.80
Ms L. Makibinyane	206,297.13	618,891.39
Mr K.W Ramotshela	143,944.74	431,834.22
Mr J. Mokadikwa	81,498.66	244,495.98
Total	1,108,113.65	3,422,230.31

6.4 RISK MANAGEMENT AND INTERNAL CONTROLS

The HCTs' Chief Executive Officer (CEO), is the entity's Risk Champion. He attends Risk Committee meetings which are scheduled and coordinated by the Risk Department of the City of Tshwane. He monitors the risk register on a quarterly basis. The current risk register is aligned to HCT's 2016/17 Business Plan and identifies risks which may have a negative impact on the HCT's achievement of quarterly targets. Management has a responsibility to mitigate or eliminate the risk. At the previous Risk Committee meeting, the HCT was encouraged to compile their risk mitigation/elimination plan in a clear and understandable language. The Risk Register is tabled at the CoT's Finance and Risk Committee, APC meetings as well as HCT Board meetings. The filling of the position of Chief Financial Officer (CFO), has been identified as an action that would mitigate the HCT's legal compliance risk and contribute towards the achievement of a clean audit. A moratorium has been placed on all appointments at the HCT, pending the final outcome of the Review of Entities Process. Consequentially, the appointment of the CFO as well as other appointments, has been placed on hold for the time being. The HCT has scored very well in the reliability of its internal-controls. To prevent future irregular, fruitless and wasteful expenditure, only the CEO has the authority to effect a deviation. The Auditor General has concluded an audit in November 2016, for the previous financial year 2015/16, and the entity has received an unqualified audit opinion. The number of findings has reduced in comparison to prior financial years.

6.5 HUMAN RESOURCES

The CEO resigned on 28 February 2017 and the SSCO on 31 March 2017, respectively.

2016/17						
Units	No. of posts	No. of filled posts	No. of vacancies	Vacancies %	Challenges	Intervention/Action to be taken
Office of the Chief Executive Officer (CEO)	3	3	0	0%	The post of the CEO was filled but he resigned and the post has been vacant since the 1 st March 2017	
Office of the Chief Operations Officer (COO)	31	29	3	10%		
Finance Department	6	5	1	17%	The Senior Supply Chain Manager post was filled, but he resigned on 1 March 2017	
Property Development Office	3	1	2	67%		
TOTAL	43	38	5	12%		

Current employment Equity profile

Current Employment Equity Profile					
	Black	Indian	White	Coloured	Total
Males	17	0	0	1	18
Females	19	0	1	0	20
Total	36	0	1	1	38

Equity plan

Employment Equity Plan					
	Black	Indian	White	Coloured	Total
Males	17	1	1	2	21
Females	19	1	1	1	22
Total	36	3	2	3	43

6.6 STRATEGIC AND OPERATIONAL CHALLENGES

HCT has some operational challenges which have an impact on HCT achieving its strategic objectives.

Table 8: Challenges

Challenges	Interventions implemented	Assistance required
1. Reduced budget allocation for operational purposes.	Submission of draft adjusted budget.	Full Commitment of the CoT to fund the catalytic projects of Townlands and Sunnyside.
2. HCT Organogram	HCT Held an organogram workshop to deliberate on an appropriate HCT structure for HCT's rapid growth trajectory.	CoT to fund the critical positions of CFO and Executive Manager: Projects and Housing.
3. Staff Turnover	Salary Benchmarking and Grading was submitted to the board for approval. However, the report was not approved.	Approval of the Salary Adjustment Proposal. Introduction of various employee benefits such as pension and medical aid contributions to HCT employees.
4. Lack of capacity within the Supply Chain division	The Senior Supply Chain Official was appointed in July 2017. However, there were still gaps within the SCM	SCM Officials be trained on SCM Legislation. The appointment of the Supply Chain Manager with vast experience and expertise in the field
5. Non- payment of Clarina levies (Management had engagements with the residents and the committee to inform, educate and motivate to pay their levies. Phone calls were made, several letters of demand were sent. After assessing the employment status of residents, 20 employed tenants were handed over to the lawyer for action.	Engagement with the City on the SLA

7. DEPENDENCIES AND CROSS-CUTTING ISSUES

Table 9 Dependencies

No	Inter-Departmental Dependency Description	Department & Individuals Assigned Responsibility	Departmental Response	Joint Action (Provide details on how the dependency will be managed)
1	Access to suitable land for social housing development/s	*City Planning *Department of Human Settlement and Housing	City Planning is identifying all land parcels suitable for social Housing. The Department of Housing and Settlements is	HCT and CoT's Department of Housing and Human Settlements are working closely and much more collaboratively than before.

			coordinating Social Housing pipeline projects approved by the GPF.	705
2	Slow land conversion process	* The CoT's Service Departments * The HCT's Property Development Department	The CoT's Service Departments and the HCT have held meetings apropos project specific city approvals	Acceleration of City Approvals and a Social Housing Workshop with the Service Departments.

8 OPERATION CLEAN AUDIT

Table 10: Evidence

Evidence for the quarter submitted with report (Yes/ No)	Departmental evidence files updated, centralized and verified in the department (Yes/ No)	If no, indicate corrective measure	Departmental project files for the quarter compiled, centralized and verified (Yes/No)	If no indicate corrective measure
Yes	Yes	N/A		

Table 11: OPCA controls and Interventions

AG or internal audit finding not resolved	Corrective action	Responsible official	Due date
The accounting officer did not take reasonable steps to prevent irregular or fruitless and wasteful expenditure, as there was irregular expenditure of R 500 393 and fruitless and wasteful expenditure of R 14 339.	Management developed an EMP 201 procedure to avoid late payment of PAYE, UIF and SDL to SARS. Compliance with section 32 of the MFMA has been included in the performance agreement of the Finance Manager, Bookkeeper and Supply Chain Officer to prevent occurrences of fruitless and wasteful expenditure. The entity has not incurred irregular, fruitless and wasteful expenditure to date. Ongoing, prevention will be monitored	Finance Manager, Bookkeeper, Supply Chain Officials and CEO	30-Jun-17
Inconsistency of strategic objectives included in the Performance report. "Strive for financial sustainability by 2017" on page 10 and as "Strive for financial sustainability by 2019" on page 5.	In the future when different employees compile different sections of the report, the COO will provide quality assurance to ensure that there is no inconsistency between the approved Business Plan and the Annual Performance report. Ongoing.	FM, CEO & COO	30-Jun-17
Actual performance misstated in the Annual Performance Report on the following targets: Achieving Liquidity Ratio of 1:1 % of total expenditure to be spent on BEE and SMME procurement	The CFO must be appointed to assist with the quality assurance of reports to be submitted to either the AG or internal auditors. However, the appointment has been placed on hold due to the entity's review process. Currently, Junior Officials assist in compiling the information and the Senior Managers review it for quality assurance. Ongoing	FM, PM & CEO	30-Jun-17

Housing Company Tshwane's 2016/17 performance outlook is encouraging, provided the Shareholder (City of Tshwane), fully commits itself to the funding of catalytic projects, namely Townlands, Timberland and Sunnyside in the subsequent quarters of this financial year. Making the City of Tshwane a "livable city" remains the most relevant goal for the HCT. The high demand for decent rental accommodation is a powerful driver for the aggressive growth path which HCT is embarking on to provide affordable, well-located and sustainable social/rental solutions.

HCT's performance has improved during quarter 3 of the current financial in comparison to the same period in the previous financial year. The HCT will embark on achieving 80% of its targets within the next quarters of this current financial year. A disciplined workforce and a candid and straightforward performance management system will be instrumental to the attainment of the ambitious goals enunciated above.

ANNEXURE A: ENTITY'S BUSINESS PLAN REPORT

Department	Key performance indicator	Annual Target	Q3 Target	Q3 Actual	Comments Work done / Reasons for non-performance	Mitigation plan	Evidence Required
Property Development (Construction of Social Housing Units)	100 units completed in Townlands	100 units completed in Townlands	Commencement of construction of 100 units	The contractor has been appointed and the construction work is in progress (see attached appointment and progress report for March 2017).			Progress report
	Detailed completed Designs in Timberland	Detailed Designs completed in Timberland	Detailed planning and designs, 75% Completed	The detailed design development is currently underway (see attached sketches).	There were objections on the development of Timberland Social Housing. These objections caused some delays in the progress for the detailed design.	A meeting was arranged with the objectors on the 31st of March 2016 to discuss and resolve the concerns from the objectors (see attendance register for the meeting). The detailed design development is currently underway (see attached sketches).	Detailed design sketches
	Bulk infrastructure provision completed in Sunnyside	Bulk infrastructure provision completed in Sunnyside	Re-Advertisement for procurement of Main Contractor	The procurement of the main contractor was not re-advertised	The BAC recommended that the tender for the construction of 130 units be re-advertised (see attached BAC report).	During budget adjustment, the targets for the construction of 130 units were moved to 2018/19 financial year and the installation of bulk infrastructure was also moved because this work was included in the scope of work for the main contractor for the construction of 130 units	BAC report
	Internal reticulation completed in Chantelle X39	Internal reticulation completed in Chantelle X39	Internal reticulation completed 50%	The tender was evaluated, and taken to the internal auditors who raised a finding apropos the SCM processes. The tender was therefore presented to the BAC which recommended that the tender be returned to BEC to address the findings of the internal auditors	The tender was evaluated, taken to the internal auditors who rose finding in terms of SCM processes. The tender was therefore presented to the BAC which recommended that the tender be returned to BEC to address the findings of the internal auditors	The BEC presented their response to the BAC on the 30th of March 2017 in relation to the internal auditor's findings. They recommended re-advertisement of the Tender.	BEC minutes

Department	Key performance indicator	Annual Target	Q3 Target	Q3 Actual	Comments Work done / Reasons for non-performance	Mitigation plan	Evidence Required
				the internal auditors (see internal auditors and BAC reports).	(see internal auditors and BAC reports).		
Property Management (Management of Housing Stock)	Number of CoT's transferred to HCT for management (brownfields)	120 rental units transferred from CoT to HCT	N/A	N/A	N/A	N/A	N/A
	Occupancy level in units under management	Eloff - 95%	95%	99%			Occupancy listing
		Clarina - 100%	87%	97%			Occupancy listing
	Turnaround in resolving tenant complaints	90% of the complaints were resolved within the approved timeframes	88%	100%			Complaints register
Finance (Financial Management)	Development of BEE SMME's	31% of total expenditure spent on procurement from BEE & SMME's	29%	26%	The delay in the tender process for both Chantel X39 and Sunnyside has impacted the budget spending.	Construction of 100 social housing units for Townlands will improve the BEE SMME spending by the end of the financial year	Progress reports
	Manage budget processes of the entity in accordance with regulatory frameworks	Budget management and implementation: 90% of Budget spent	25%	38%			Financial report

Department	Key performance Indicator	Annual Target	Q3 Target	Q3 Actual	Comments: Work done / Reasons for non-performance	Mitigation plan	Evidence Required
Governance	% Rental collection rate of billed units above baseline	% Rental collection rate of billed units above baseline of 94%	2%	3%			Billing and collection report
	% of Levies collection of billed units above baseline	% of Levies collection of billed units above baseline of 45%	3%	-21.40%	Tenants allocated at Clarina do not go through the normal HCT processes of affordability assessments. Their allocation is as per the court ruling. A majority of the residents are unemployed and of those who are employed, some do not earn enough to even pay the Levied amount.		Billing and collection report
	Maintaining entity asset liquidity to an acceptable level	Achieving Liquidity Ratio of 1:1	Liquidity ratio of 1:1	Liquidity ratio of 1:1.3			Financial report
	Review of Internal Governance Structures and Processes	Entity annual strategic review and approval.	N/A	N/A	N/A	N/A	N/A
		Policy review and approval i.e. Supply Chain, Delegations of Authority, Human Resources, Marketing & Communication, Management, Financial and Internal control	N/A	N/A	N/A	N/A	N/A

ANNEXURE B: STATEMENT OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

Housing Company Tshwane - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 March

Description	Ref	2015/16	Current Year		Adjusted Budget	Quarter 3 actual	Year-TD actual	Year-TD budget	YTD variance	YTD variance %	Full Year Forecast
		Unaudited Outcome	2016/17	Original Budget							
Revenue By Source	1										
Rental of facilities and equipment		3,964		8,924	1,385	4,108	3,911	197		5.0%	8,924
Interest earned - outstanding debtors		95		69	36	104	61	43		70.7%	69
Transfers recognised - operational		19,761		36,757	7,666	16,791	21,847	(5,056)		-23.1%	36,757
Other revenue		86		113	59	179	75	104		137.9%	113
Total Revenue (excluding capital transfers and contributions)		23,906		45,863	9,147	21,182	25,894	(4,712)		-18%	45,863
Expenditure By Type	-										
Employee related costs		6,692		13,841	2,056	6,280	8,458	(2,178)		-25.8%	13,841
Remuneration of Directors		1,591		1,303	293	952	1,052	(100)		-9.5%	1,303
Debt impairment		340		1,799	117	486	417	69		16.6%	1,799
Depreciation & asset impairment		169		512	53	179	259	(81)		-31.1%	512
Finance charges		330		284	59	208	218	(10)		-4.6%	284
Contracted services		20,304		15,688	429	1,188	2,386	(1,198)		-50.2%	15,688
Other expenditure		7,989		15,688	1,257	3,643	7,257	(3,614)		-49.8%	15,688
Total Expenditure	3	37,416		49,114	4,264	12,934	20,047	(7,112)		-35.5%	49,114
Surplus/(Deficit)		(13,510)		(3,251)	4,883	8,248	5,848	2,400		41.0%	(3,251)
Transfers recognised - capital		-		41,304	2,753	2,753		2,753			41,304
Surplus/(Deficit) before taxation		(13,510)		38,053	7,636	11,001	5,848	5,153		88.1%	38,053
Surplus/(Deficit) for the year		(13,510)		38,053	7,636	11,001	5,848	5,153		88.1%	38,053

Vote Description	Ref	2015/16	Current Year 2016/17	Adjusted Budget	Year-TD actual	Full Year Forecast
Other Page 11 of 320						
ASSETS						
Current assets						
Cash		14,188	4,838	8,720	41,764	4,838
Consumer debtors		232	997	367	135	997
Other debtors		13,509	153	141	8,935	153
Inventory		-	385	-	-	385
Total current assets		27,910	6,373	9,228	47,093	6,373
Non-current assets						
Investment property		13,500	72,500	13,500	13,500	72,500
Property, plant and equipment		1,171	3,080	73,092	21,663	3,080
Intangible		-	34	11	12	34
Total non-current assets		14,671	75,615	86,603	31,036	75,615
TOTAL ASSETS		42,580	81,988	95,831	78,129	81,988
LIABILITIES						
Current liabilities						
Borrowing		-	315	315	79	315
Consumer deposits		527	527	527	556	527
Trade and other payables		17,989	941	594	38,359	941
Provisions		271	205	275	335	205
Total current liabilities		18,788	1,988	1,711	35,957	1,988
Non-current liabilities						
Borrowing		2,173	1,542	1,542	1,850	1,542
Total non-current liabilities		2,173	1,542	1,542	1,858	1,542
TOTAL LIABILITIES		20,961	3,530	3,253	37,814	3,530
NET ASSETS	1	21,620	78,458	92,578	40,315	78,458

COMMUNITY WEALTH/EQUITY

Accumulated Surplus/(Deficit)

Share capital

TOTAL COMMUNITY WEALTH/EQUITY

1

Housing Company Tshwane - Table F5 Monthly Budget Statement - Cash Flows - M08 March

Description	Ref	2015/16	Current Year 2016/17	Adjusted Budget	Quarter 3 actual	Year-TD actual	Year-TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		Unaudited Outcome	Original Budget							
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		3,849	7,219	4,606	1,303	4,491	3,739	752	20.1%	7,219
Other revenue		31	-	82	-	-	-	-	-	-
Government - operating		16,700	36,757	44,891	33,216	46,624	47,494	(871)	-1.8%	36,757
Government - capital		-	41,304	69,956	25,376	25,375	43,790	(18,415)	-42.1%	41,304
Interest		29	30	21	3	14	16	(1)	-9.5%	30
Payments										
Suppliers and employees		(23,433)	(43,630)	(39,550)	(16,950)	(44,367)	(30,646)	(13,720)	44.8%	(43,630)
Finance charges		(332)	(284)	(284)	(45)	(194)	(193)	(1)	0.5%	(284)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(3,156)	41,396	79,722	42,903	31,943	64,200	(32,257)	-50.2%	41,396
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments										
Capital assets		(280)	(41,304)	(75,748)	(3,773)	(4,133)	(24,439)	20,306	-83.1%	(41,304)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(280)	(41,304)	(75,748)	(3,773)	(4,133)	(24,439)	20,306	-83.1%	(41,304)
CASH FLOWS FROM FINANCING ACTIVITIES										
Payments										
Repayment of borrowing		(315)	(315)	(315)	(53)	(210)	(210)	-	-	(315)

ANNEXURE C: RISK REGISTER

No.	Strategic and Business Objectives	Date Risk Identified	Risk Description	Root Cause	Consequence	Impact	Likelihood	Inherent Risk
1	Provide new Social Housing units on a sustainable basis	08-Jul-16	Inability to provide social housing units and affordable housing units	<ol style="list-style-type: none"> Delays in obtaining approved plans and designs from the relevant authorities. Inadequate funding. Lack of Capacity in Supply Chain/Procurement of Professional Teams and Main Contracts. 	<ol style="list-style-type: none"> Non accreditation from Social Housing Regulatory Authority (SHRA). Poor service delivery. Reputational damage. 	Severe/Catastrophic	5 Almost Certain	25 Critical
2	Promote effective and efficient management of HCT and Social Housing Portfolio	08-Jul-16	Non-compliance with MFMA, Social Housing Act and Rental Housing Act	<ol style="list-style-type: none"> Non-adherence to Financial Procedures and Processes. Non-adherence to Supply Chain Policy. Non-existence of Finance and Supply Chain templates Critical Finance Posts not filled. Non-adherence to Tenant and Property Management Processes, Procedures and Good Practices. Lack of knowledge and competence in rental and social housing by middle and senior managers. 	<ol style="list-style-type: none"> Adverse audit opinions. Loss of accreditation from SHRA. 	Severe/Catastrophic	5 Likely	20 Critical
3	Strive for Financial sustainability by 2019	08-Jul-16	Inadequate levies and entail revenue.	<ol style="list-style-type: none"> Delay in construction of Social housing projects in order to increase number of Greenfields units. Delay in transfer of rental stock from CoT to HCT in order to increase number of brownfields units. Poor levies collection by HCT because of low levies payment rate by Clarina residents. 	<ol style="list-style-type: none"> Over-reliance on CoT Operational Grant. Non-achievement of break-even point. 	Severe/Catastrophic	5 Almost Certain	25 Critical
4	Promote sound governance	08-Jul-16	Lack of IT governance	<ol style="list-style-type: none"> The HCT Board is not responsible for IT Governance as required by Chapter 5 of King III. 	<ol style="list-style-type: none"> Non-compliance to relevant Regulations, Acts and Codes of 	Severe/Catastrophic	5 Almost Certain	25 Critical
5	Promote sound governance	08-Jul-16	Possible Fraud and corruption	<ol style="list-style-type: none"> Lack of capacity to deal with fraud and corruption within the entity 	<ol style="list-style-type: none"> Financial losses Reputational damage Litigation 	Severe/Catastrophic	5 Likely	20 Critical

Management perceived control effectiveness

No	Existing Control	Control Type	Perceived Control effectiveness	Residual Risk	Management Action plan	Inception Date of Plan	Risk Owner	Action Owner	Target Date	Severity/Catastrophic	Almost Certain	Very good	Critical
1	<p>1. Property development policy.</p> <p>2. SLA with developers.</p> <p>3. Service Delivery Agreement with CoT.</p> <p>4. Detailed designs.</p> <p>5. Conditional accreditation on level 2 has been granted by SHRA.</p> <p>6. Funding secured for 100 units for 2016/17 Financial year.</p> <p>7. Supply Chain Policy</p> <p>8.SDA with CoT.</p>	Preventative	Good	0.30	<p>1. To develop 100 units for Town lands.</p> <p>2. Development of Project Development Strategy [that includes Greenfields, i.e. Social housing and CRU; refurbishments; transfer of rental stock from CoT; FLISP and student accommodation].</p> <p>3. Proper costing and budgeting for projects.</p> <p>4. Development of Project Development Plans</p> <p>5. Training of Property Development Staff in Contract Management and Construction Contract Management.</p> <p>6. Building of credible pipeline of projects</p> <p>7. Lobbying for more funding for social housing.</p>	30-Sep-16	CEO	Property Development Manager	30-Jun-17	Major	Likely	Good	High

2	1. Finance Policies and Processes 2. Supply Chain Policy 3. Tenant Management Policy, Processes and Procedures 4. Organisational Performance Management System 5. Quarterly Compliance Checklist	Detective	Satisfactory	0.50	Medium	10	<p>1. Authority to deviate now rests with Accounting Officer. Stricter of Implementation Consequential Management.</p> <p>3. Development of Finance Templates.</p> <p>4. Development of Supply Chain Templates.</p> <p>5. Appointment of a CFO.</p> <p>6. Workshop on Tenant and Property Management.</p> <p>7. Workplace Skills Plan to include training and development for Leasing officer, Credit Controller, Caretaker, Maintenance Officer and Property Manager in Tenant Management and Property Management.</p> <p>8. Senior Managers to attend Municipal Finance Course.</p>	30-Jun-16	CEO	COO	30-Jun-17	Moderate	Moderate	Satisfactory	Medium
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3	<p>1. Service Level Agreements with Project Teams.</p> <p>2. Council Resolution for transfer of Silwerkroons (units), Ou/Nuwe Stalshoogte (units) and Bosmanshuis (units).</p> <p>3. Rent Collection Policy.</p> <p>4. Arrears Management Policy.</p> <p>5. Rental Housing Tribunal.</p>	Corrective	Weak	0.70	High	18	<p>1. Acceleration of bulk installation and construction of 100 units in Townlands.</p> <p>2. Acceleration of bulk installation and construction of 130 units in Sunnyside.</p> <p>3. Acceleration of detailed designs of 574 unit's social housing projecting Timberland.</p> <p>4. Acceleration of detailed designs of 1,131 unit's social housing project in Chantelle Extension.</p> <p>5. Consultations with the residents/tenants of Ou/Nuwe Stalshoogte and Bosmanshuis to be facilitated and concluded by the CoT.</p> <p>6. Stricter credit control and stringent levies arrears management processes to be enforced.</p> <p>7. Decentralize client service.</p> <p>8. Eviction of tenants who refuse to pay levies.</p>	30-Dec-16	CEO	COO	30-Jun-17	Minor	Unlikely	Weak	Low
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4	1. Quarterly Governance report. 2. Quarterly Compliance Checklist.	Preventative	Satisfactory	0.50	High	13	1. Development of IT Governance Framework (IT Governance Charter, IT Strategy, IT Policy, IT Plan). 2. Appointment of an IT Officer. 3. Board IT Report (on IT Investment and IT Expenditure). 4. Development of IT Risk Register. 5. Development of Information Management System. 6. Development of IT Business Continuity Plan. 7. Development of Information Security Strategy. 8. Finance and Risk Committees Terms of Reference to include carrying out IT responsibilities on behalf of the Board.	30-Mar-17	Director: MOAS	DD:HR Support		Insignificant	Rare	Unsatisfactory
5	1. Anti - Fraud and Corruption Policy.	Preventative	Weak	0.70	High	14	1. To sensitize and make HCT officials aware of the policy 2. To develop a Plan and a Strategy to monitor the Anti-fraud and Corruption policy.	31-Dec-16	CEO	COO	30-Jun-17			