



Annexure A

DRAKENSTEIN

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Section 52 (MFMA) Quarterly Performance Assessment Report

Non-Financial Performance Report

**Top Layer (TL) Service Delivery Budget Implementation
Report (SDBIP)**

2023/2024

Quarter 1 (01 July – 30 September 2023)

A city of excellence

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Disclaimer

This Quarterly Performance Assessment Report is based on reported information only and is un-audited. This report is subject to change on finalisation of the internal Performance Audit Report for the 1st Quarter of the 2023/2024 financial year.

1. PURPOSE

The purpose of this report is to inform Council of the progress made with the implementation of the Key Performance Indicators (KPIs) in the realisation of the development priorities and objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as in the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the first quarter (01 July 2023 – 30 September 2023) of the 2023/2024 financial year.

2. LEGISLATIVE REQUIREMENTS

- 2.1 The SDBIP is defined in terms of Section 1 of the Local Government: Municipal Finance Management Act, 56 (Act 56 of 2003) (MFMA), and the format of the SDBIP is prescribed by the MFMA Circular 13.
- 2.2 Section 41(1)(e) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000) (MSA), prescribes that a process must be established of regular reporting to Council.
- 2.3 This report is a requirement in terms of Section 52 of the MFMA which provides for:
 - 2.3.1 The Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality;
 - 2.3.2 The Accounting Officer, while conducting the above, must consider:
 - a. Section 71 Reports; and the
 - b. Performance in line with the SDBIP.

3. PERFORMANCE ASSESSMENT PROCESS

- 3.1 The SDBIP consists of a TL as well as a Departmental Plan for each department.
- 3.2 For purposes of reporting, the TL SDBIP is used to report on the organisational performance of the Municipality to Council and the Community.

- 3.3 The TL SDBIP measures the achievement of performance indicators with regards to the provision of basic services as prescribed by Section 10 of the Local Government Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and Strategic Objectives as detailed in the IDP of the Municipality. The TL SDBIP 2023/2024 was approved by the Executive Mayor on 28 June 2023.
- 3.4 The Departmental SDBIP measures the achievement of pre-determined performance indicators that are based on operational service delivery requirements aligned to the TL SDBIP. The Departmental Plans have been approved by the City Manager.
- 3.5 The Quarterly Performance Assessment Report is structured to report on the following six (6) Key Performance Areas (KPAs):
- Governance and Compliance (KPA 1);
 - Finance (KPA 2);
 - Organisation and Human Capital (KPA 3);
 - Infrastructure and Services (KPA 4);
 - Planning and Development (KPA 5); and
 - Community Development (KPA 6).
- 3.6 The overall assessment of actual performance against targets set for the KPIs as documented in the SDBIP are illustrated in terms of the following assessment methodology:

Table 1: Explanation of Colour Codes

Colour	Rating	Category
	0	No KPI Target This Quarter
	1	Unacceptable Performance
	2	Not fully Effective
	3	Fully Effective
	4	Above Expectation
	5	Outstanding Performance

- 3.7 The Performance Management System is a web-based system, and it uses, as its basis, the approved SDBIP. The SDBIP is a layered plan comprising of the TL SDBIP and Departmental SDBIPs.

- 3.8 Performance reports on the TL SDBIP are submitted to the Mayoral Committee and Council on a quarterly, half yearly (Mid-Year Budget and Performance Assessment Report) and annual basis (annual amendments to the TL SDBIP must be approved by Council following the submission of the Mid-Year Budget and Performance Assessment Report and the approval of the adjustments budget).

4. PERFORMANCE MANAGEMENT SYSTEM

- 4.1 The Municipality utilises an electronic web-based system that is monthly updated with actual performance.
- 4.2 The system closes every month between the 10th to the 15th day for updates of the previous month's actual performance as a control measure to ensure that performance is updated and monitored on a monthly basis. No access is available to a month's performance indicators after closure of the system. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting takes place. Departments must motivate to the City Manager should they require the system to be re-opened once the system is closed.
- 4.3 The system provides management information in graphs and indicates actual performance against targets. The graphs provide a good indication of performance progress and where corrective action is required.
- 4.4 The system requires KPI owners to update performance comments for each actual result captured, which provides a clear indication of how the actual was calculated/reached and serves as part of the Portfolio of Evidence (PoE) for auditing purposes.
- 4.5 In terms of Section 46(1)(a)(iii) of the MSA, the Municipality must reflect annually in the Annual Performance Report on measures taken to improve performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

5. ACTUAL PERFORMANCE FOR THE FIRST QUARTER (01 JULY 2023 – 30 SEPTEMBER 2023)

- 5.1 The TL SDBIP contains performance indicators per KPA and comments with corrective measures with regard to targets not achieved.
- 5.2 A detailed analysis of actual performance for the first quarter of the financial year 2023/2024 is provided for in section 7 of this report.

6. DRAKENSTEIN PERFORMANCE PER MUNICIPAL KPA (01 JULY - 30 SEPTEMBER 2023)

Table 2: Overall Performance per KPA (01 July – 30 September 2023)

	KPA 1: Governance and Compliance	KPA 2: Finance	KPA 3: Organisation and Human Capital	KPA 4: Infrastructure and Services	KPA 5: Planning and Development	KPA 6: Community Development
No KPI Target This Quarter	14	5	3	5	0	1
Unacceptable Performance	0	-	-	-	-	-
Not Fully Effective	1	-	-	1	-	-
Fully Effective	10	2	-	5	-	0
Above Expectation	2	-	-	1	1	-
Outstanding Performance	1	1	-	-	-	-
Total:	28	8	3	12	1	1

7. ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

7.1 KPA 1: Governance and Compliance

TL Nr.	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	01 July –30 September 2023				
						1st Quarter Target	1st Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL1	To ensure good governance and the active participation of all relevant stakeholders	Submission of Audit Committee reports to Council	Number of quarterly Audit Committee reports submitted to Council	4	4	1	1	G		
TL2	To ensure good governance and the active participation of all relevant stakeholders	Investigation of all formally reported fraud, theft and corruption incidents initiated	Percentage of formally reported fraud, theft and corruption incidents initiated within 14 days of receipt	100%	100%	100%	100%	G		
TL3	To ensure good governance and the active participation of all relevant stakeholders	IDP/Budget/SDF time schedule (process plan) submitted to Mayco/Council	Number of IDP/Budget/SDF time schedules (process plan) submitted to Mayco/Council by 31 August	1	1	1	1	G		

Table 3: Summary of Results - Governance and Compliance (KPA 1)

No KPI Target This Quarter	0
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	3
Above Expectation	0
Outstanding Performance	0
Total KPIs	3

7.2 KPI 2: Finance

TL Nr	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	01 July – 30 September 2023				
						1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL4	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the MTREF (aligned to the IDP) to Council for approval by 31 May	Number of MTREFs submitted to Council by 31 May	1	1	N/A	N/A	N/A		
TL5	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Ratio in respect of Debtor Payment Days (Collect all billed revenue to ensure that sufficient cash is generated to meet Drakenstein's debt and operating commitments)	Net Debtors Days Ratio ((Gross Debtors Bad Debt Provision)/Billed Revenue) x 365 (Target Number of days), measured quarterly	≤45	≤45	42	B	Improved and rigorous credit control processes has been applied.		
TL6	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the Annual Financial Statements (AFS) to the Auditor-General of South Africa	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	1	1	1	G			
TL7 NKPI	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MFMA, Reg. S10(g)(iii))	Cost coverage ratio (Available cash + investments)/Monthly fixed operating expenditure, measured annually	>1.0 (More than)	>1.0 (More than)	N/A	N/A			
TL8 NKPI	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MFMA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received)/(Debt service payments due within the year)) measured annually	>6.7 (More than)	>6.7 (More than)	N/A	N/A			

01 July – 30 September 2023										
TL Nr	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL9	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MFMA, Reg. S10(g)(iii))	Service debtors to revenue ratio - (Total outstanding service debtors/revenue received for services)	<0.25 (Less than)	<0.25 (Less than)	N/A	N/A	N/A		
TL10 NKPI	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Updated Indigent Register (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of all qualifying indigent applications processed	100%	100%	100%	100%	G		
TL11 NKPI	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the Adjustments Budget to Council for approval by 28 February	Number of Adjustment Budgets submitted to Council for approval by 28 February	1	1	N/A	N/A	N/A		

Table 4: Summary of Results - Finance (KPA 2)

No KPI Target This Quarter	5
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	2
Above Expectation	0
Outstanding Performance	1
Total KPIs	8

7.3 KPA 3: Organisation and Human Capital

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 July – 30 September 2023				Departmental Corrective Measures
						1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments	
TL12 NKPI	To ensure good governance and the active participation of all relevant stakeholders	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan (NKPI Proxy - MFMA, Reg. S10(e))	Number of reports on the number of people from employment equity groups employed in the three highest levels of management submitted to the City Manager by 30 November and 30 June	2	2	N/A	N/A	N/A		
TL13 NKPI	To transform the municipality into an effective and efficient organization	The percentage of the municipality's budget actually spent on implementing its workplace skills plan (NKPI Proxy - MFMA, Reg. S10(f))	Percentage of the Municipality's approved budget actually spent on implementing its Workplace Skills Plan	98%	98%	N/A	N/A	N/A		
TL14 NKPI	To transform the municipality into an effective and efficient organization	Job creation through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MFMA, Reg. S10(d))	Number of EPWP job opportunities created	1.118	1.118	N/A	N/A	N/A		

Table 5: Summary of Results - Organisation and Human Capital (KPA 3)

No KPI Target This Quarter	3
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	0
Above Expectation	0
Outstanding Performance	0
Total KPIs	3

7.4 KPA 4: Infrastructure and Services

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 July – 30 September 2023				Departmental Corrective Measures
						1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments	
TL15	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Water quality managed and measured quarterly i.e. the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate	90%	90%	98.10%	G2			
TL16 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of formal households with access to basic level of water	100%	100%	100%	G			
TL17	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied)	Percentage average water distribution losses	<19%	<19%	N/A	N/A			
TL18 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of new/upgraded water service points (taps) provided to registered informal settlements	4	4	N/A	N/A			

01 July – 30 September 2023										
TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL19	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Wastewater quality managed and measured quarterly i.e., the SANS Accreditation physical and micro parameters	Percentage wastewater quality	75%	75%	75%	73.60%	O	All equipment is not on generators during loadshedding / emergency. A lot of wash outs are done because of heavy flooding.	The department is in the process of installing additional generators.
TL20 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of formal households with access to basic level of sanitation	100%	100%	100%	100%	G		
TL21	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit the electricity losses to less than 10% annually (Average energy purchased to date - Average energy sold to date) / (Average energy purchased to date) X 100 = Average energy losses for reporting period	Percentage average electricity distribution losses	<10% (less than)	<10% (less than)	N/A	N/A	N/A		
TL22 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of formal households with access to basic level of electricity	100%	100%	100%	100%	G		
TL23 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of new electricity connections installed in the registered informal settlements	50	50	N/A	N/A	N/A		
TL24 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator - S10(a))	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements	42	42	N/A	N/A	N/A		

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 July – 30 September 2023				Departmental Corrective Measures
						1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments	
TL25 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator - S10 (a))	Percentage of formal households with access to basic level solid waste removal	100%	100%	100%	G			
TL26 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of registered informal settlements receiving a refuse collection service	43	43	43	G			

Table 6: Summary of Results - Infrastructure and Services (KPA 4)

No KPI Target This Quarter	5
Unacceptable Performance	0
Not Fully Effective	1
Fully Effective	5
Above Expectation	1
Outstanding Performance	0
Total KPIs	12

7.5 KPA 5: Planning and Development

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 July – 30 September 2023			
						1 st Quarter Target	1 st Quarter Actual	R	Departmental SDBIP Comments
TL27	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Monitoring the processing (approved/refused) of building plans exceeding 500 square meters within 40 days after receipt of complete application.	Percentage of building plans exceeding 500 square meters processed (approved/refused) within 40 days after receipt of complete application.	90% of building plans exceeding 500 square meters processed (approved/refused) within 40 days after receipt of complete application.	90% of building plans exceeding 500 square meters processed (approved/refused) within 40 days after receipt of complete application.	100%	G2		

Table 7: Summary of Results - Planning and Development (KPA 5)

No KPI Target This Quarter	0
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	0
Above Expectation	1
Outstanding Performance	0
Total KPIs	1

7.6 KPA: Community Development

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 July – 30 September 2023			Departmental Corrective Measures
						1st Quarter Target	1st Quarter Actual	R	
TL28	To ensure a safe community and a healthy and protected environment	Submit Disaster Management Plan to the Portfolio Committee (Community Services)/Mayco	Number of Disaster Management Plans to the Portfolio Committee (Community Services)	1	1	0	0	WVA	

Table 8: Summary of Results - Community Development (KPA 6)

No KPI Target This Quarter	1
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	0
Above Expectation	0
Outstanding Performance	0
Total KPIs	1

8. Conclusion

The TL SDBIP 2023/2024 comprises of 28 KPIs. The table below depicts the performance for the first quarter:

Table 9: Performance for the First Quarter

	No KPI Target This Quarter	14
	Unacceptable Performance	0
	Not Fully Effective	1
	Fully Effective	10
	Above Expectation	2
	Outstanding Performance	1
Total KPIs		28

See key below explaining the above results:

Table 10: Performance Assessment Criteria

Colour	Rating	Category
	0	No KPI Target This Quarter
	1	Unacceptable Performance
	2	Not fully Effective
	3	Fully Effective
	4	Above Expectation
	5	Outstanding Performance



DR. JOHAN LEIBBRANDT
CITY MANAGER

DATE: 24/10/2023