



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)

2022/2023

Quarter 4 (01 April – 30 June 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 4th Quarter of the 2022/2023 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 fourth quarter (01 April – 30 June 2023) of the 2022/2023 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 2022/2023 was approved by the Executive Mayor on 22 June 2022.
- 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 (KPA):
- 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 FOURTH QUARTER (01 APRIL – 30 JUNE 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 fourth quarter of the financial year 2022/2023 is provided for in section 7 of this report.

6. DRAKENSTEIN PERFORMANCE PER MUNICIPAL KPA (01 APRIL - 30 JUNE 2023)

Table 2: Overall Performance per KPA (01 April – 30 June 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	17	2	1	0	0	1
Unacceptable Performance	1	0	-	2	-	-
Not Fully Effective	1	1	-	0	-	-
Fully Effective	10	2	2	7	-	0
Above Expectation	2	1	1	2	1	-
Outstanding Performance	1	4	-	2	-	-
Total:	32	10	4	13	1	1

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

7.1 Governance and Compliance

GOVERNANCE AND COMPLIANCE (KPA 1)										
IDP Ref	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	01 April –30 June 2023				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL1	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%		G		
TL2	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		
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	0	0	N/A		

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

No KPI Target This Quarter	1
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	2
Above Expectation	0
Outstanding Performance	0
Total KPIs	3

7.2 Finance

FINANCE (KPA 2)											
Ref	IDP Ref	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	4th Quarter Target	01 April – 30 June 2023			
								4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL4	KPI011	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Raise/Collect Operating Budget revenue as per approved budget	Percentage of Operating Budget revenue raised/collected	95%	95%	95%	96.76%	G2	Dedicated focused revenue enhancement initiatives has led to the increased raising of revenue that exceeded the budget	
TL5	KPI015	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	1	1	G		
TL6 NKPI	KPI017	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MFMA, Reg. S10(c))	Percentage of approved Capital Budget actually spent	90%	90%	0	87.66%	O	Please note that these figures are still in draft as the figures will differ once the finalization of the AFS has been completed.	
TL7	KPI020	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	≤45	42.80	B	Improved and rigorous credit control processes has been applied.	
TL8	KPI022	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	0	0	N/A		

FINANCE (KPA 2)

Ref	IDP Ref	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	4th	4 th	Departmental SDBIP Comments	Departmental Corrective Measures
							Quarter Target	Quarter Actual		
TL9 NKPI	KPI023	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)	>1.0 (More than)	2.38	Increased cash and cash equivalents caused the ratio to improve.	
TL10 NKPI	KPI024	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)	>6.7 (More than)	10.52	Debt service payments are constant over the next few years as no external loans are taken up whilst our revenue is increasing year on year which causes a more favorable variance.	
TL11 NKPI	KPI025	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)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors/revenue received for services)	<0.25 (Less than)	<0.25 (Less than)	<0.25 (Less than)	0.21	Prudent credit control and debt collection processes are adhered to and implemented to ensure that debtors to revenue ratio are low.	
TL12	KPI121	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Implement electronic contract management system	Number of electronic contract management systems implemented	1	1	0	0	N/A	
TL22 NKPI	KPI115	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	

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

No KPI Target This Quarter	2
Unacceptable Performance	0
Not Fully Effective	1
Fully Effective	2
Above Expectation	1
Outstanding Performance	4
Total KPIs	10

7.3 Organisation and Human Capital

ORGANISATION AND HUMAN CAPITAL (KPA 3)										
Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 April – 30 June 2023			Departmental Corrective Measures
							4th Quarter Target	4 th Quarter Actual	R	
TL13 NKPI	KPI026	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	1	1	G	
TL14 NKPI	KPI116	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%	99.22%		G2	
TL15	KPI030	To transform the municipality into an effective and efficient organization	Submission of the Mid-year MFMA S72 Performance Report to the Mayor	Number of Mid-Year MFMA S72 Performance Reports submitted to the Mayor by 25 January	1	1	0		N/A	
TL21 NKPI	KPI057	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	1,118	1,118	G	

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

No KPI Target This Quarter	1
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	2
Above Expectation	1
Outstanding Performance	0
Total KPIs	4

7.4 Infrastructure and Services

INFRASTRUCTURE AND SERVICES (KPA 4)											
Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	4 th Quarter Target	4 th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
							01 April – 30 June 2023				
TL16	KPI118	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 water losses	<19% (Less than)	<19% (Less than)	<19% (Less than)	19%	G		
TL17	KPI119	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	90%	90%	90%	98.79%	G2	The department regularly monitors the system to prevent any failures pertaining to health and safety.	
TL18	KPI120	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Waste water quality managed and measured quarterly i.e. the SANS Accreditation physical and micro parameters	Percentage wastewater quality	75%	75%	75%	76.10%	G2		
TL19	KPI047	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Submission of a Report on Available Air Space (Landfill Site) to the Mayoral Committee	Number of reports on Available Air Space (Landfill site) submitted to the Mayoral Committee	1	1	1	1	G		
TL20	KPI037	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	Percentage electricity losses	<10% (Less than)	<10% (Less than)	<10% (Less than)	3.95%	B	The TID Program has been instrumental in managing electricity losses. Furthermore, meter audits are done continuously, and	

INFRASTRUCTURE AND SERVICES (KPA 4)

01 April – 30 June 2023

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	4 th Quarter Target	4 th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL23 NKPI	KPI107	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	energy purchased to date) X 100 = Average energy losses for reporting period							consumptions are metered as far as possible.	
TL24 NKPI	KPI108	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		
TL25 NKPI	KPI109	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		
TL26 NKPI	KPI110	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 of water	100%	100%	100%	100%	G		
TL27 NKPI	KPI111	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	35	35	35	4	R	Due to administration processes related to the identified housing and the challenges faced in locating the recipients, the electricity connections should not be installed. The funds were rightfully spent.	

INFRASTRUCTURE AND SERVICES (KPA 4)

01 April – 30 June 2023

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	4 th Quarter Target	4 th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL28 NKPI	KPI112	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 sanitation service points (toilets) provided to registered informal settlements	30	30	30	60	B	Additional funding on the project allowed for extra toilets to be installed.	
TL29 NKPI	KPI113	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 water service points (taps) provided to registered informal settlements	20	20	20	13	R	The lay-out of the site only necessitated the installation of the 13 taps as reported.	
TL30 NKPI	KPI114	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 registered informal settlements receiving a refuse collection service	41	41	41	41	G		

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

No KPI Target This Quarter	0
Unacceptable Performance	2
Not Fully Effective	0
Fully Effective	7
Above Expectation	2
Outstanding Performance	2
Total KPIs	13

7.5 Planning and Development

PLANNING AND DEVELOPMENT (KPA 5)										
Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 April – 30 June 2023			Departmental Corrective Measures
							4 th Quarter Target	4 th Quarter Actual	R	
TL31	KPI092	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of housing opportunities in terms of the Integrated Human Settlement Plan	Number of housing opportunities provided in terms of the Integrated Human Settlement Plan	216	216	216	221	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 Community Development

COMMUNITY DEVELOPMENT (KPA 6)											
01 April – 30 June 2023											
Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL32	KPI085	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	N/A		

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 2022/2023 comprises of 32 KPIs. The table below depicts the performance for the fourth quarter:

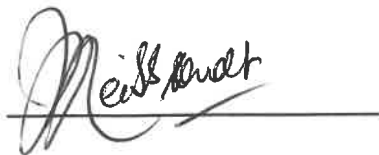
Table 9: Performance for the Fourth Quarter

	No KPI Target This Quarter	5
	Unacceptable Performance	2
	Not Fully Effective	1
	Fully Effective	13
	Above Expectation	5
	Outstanding Performance	6
	Total KPIs	32

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: 27 July 2023