



**DRAKENSTEIN**

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# Section 72 MFMA, Mid-Year Performance Assessment Report

**2023/2024**

**01 July – 31 December 2023**

*This report is compiled in terms Section 72 of the Local Government: Municipal Finance Management Act (MFMA), Act. 56 of 2003 and is unaudited.*

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**2023/2024 Mid-Year Performance Assessment, Section 72(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (1 July 2023 to 31 December 2023)**

**QUALITY CERTIFICATE**

I, Johan Leibbrandt, the City Manager of Drakenstein Municipality, hereby certify that the Mid-Year Performance Assessment Report for the period 1 July 2023 to 31 December 2023 has been prepared in accordance with Section 72(1)(a) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) and regulations made under the Act and accordingly submit the required progress made with the achievement of expenditure targets, key performance indicators, development priorities and targets as determined in the 2023/2024 Budget and 2023/2024 Top Layer Service Delivery and Budget Implementation Plan (SDBIP).

Dr. Johan Leibbrandt

City Manager of Drakenstein Municipality

Signature: \_\_\_\_\_



25 January 2024

**2023/2024 Mid-Year Performance Assessment, Section 72(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (1 July 2023 to 31 December 2023)**

To Council

In accordance with Section 72(1)(a) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) and regulations made under the Act, I hereby submit the Mid-Year Performance Report for the 1<sup>st</sup> six months of the municipal financial year (1 July 2023 to 31 December 2023) reflecting the progress made with the achievement of expenditure targets, key performance indicators, development priorities and targets as determined in the 2023/2024 Budget and 2023/2024 Top Layer Service Delivery and Budget Implementation Plan (SDBIP).



Ald. Conrad Poole  
Executive Mayor of Drakenstein Municipality

Signature: \_\_\_\_\_



25 January 2024

## **1. INTRODUCTION**

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003 the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

Drakenstein Municipality's Mid-Year Performance Assessment Report and supporting tables is prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

## **2. FINANCIAL PERFORMANCE**

A report assessing the Municipality's financial performance for the period 01 July - 31 December 2023 will be submitted to Council as a separate item.

## **3. SERVICE DELIVERY PERFORMANCE ANALYSIS**

To Create A Culture of Performance through a Performance Framework, Performance Management is prescribed by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players."* This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual and service provider performance.

The Drakenstein Municipality's Performance Management Policy was approved by Council on 31 May 2022.

#### 4. IMPLEMENTATION OF PERFORMANCE MANAGEMENT

The 2023/2024 IDP was approved by Council on 31 May 2023. Performance is evaluated by means of a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at an organisational level and through the Departmental SDBIP at a departmental level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality is implemented. It also allocates responsibilities to Departments to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 28 June 2023.

#### 5. MONITORING PERFORMANCE

The SDBIP is loaded on an electronic web-based system (after approval). The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's performance. The actual results against monthly targets set, are discussed at Strategic Management level to determine early warning indicators as well as to discuss corrective measures if needed.

**Table 1: Ratings**

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







The First Quarterly Performance Assessment Report (01 July - 30 September 2023) was submitted to the Mayoral Committee and Council for review on 27 October 2023 and thereafter to the Internal Audit Unit for auditing.

National Performance Indicators (NKPIs) are required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the Municipal Systems Act (MSA), Act 32 of 2000. These key performance indicators are linked to the National Key Performance Areas as listed below:

## 6. SUMMARY PERFORMANCE AGAINST THE MUNICIPAL KEY PERFORMANCE AREAS

The graph below illustrates the performance of the Drakenstein Municipality against the Municipality's Key Performance Areas (MKPAs), for the period 01 July- 31 December 2023, as derived from the Municipality's Integrated Development Plan (IDP).

**Table 2: Drakenstein Municipality KPAs (01 July- 31 December 2023)**

Drakenstein Municipality		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 for the period under review	13	-	4	2	5	1	1
 Unacceptable Performance	0	-	-	-	-	-	-
 Not fully Effective	1	-	-	-	1	-	-
 Fully Effective	12	3	3	1	5	-	-
 Above Expectation	1	-	-	-	1	-	-
 Outstanding Performance	1	-	1	-	-	-	-
<b>Total:</b>	<b>28</b>	<b>3</b>	<b>8</b>	<b>3</b>	<b>12</b>	<b>1</b>	<b>1</b>

## 7. ADJUSTMENT BUDGET

Regulation 23 of the Municipal Budget and Reporting Regulations provides, *inter alia*, for the following:

*“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”*

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to Council by 28 February 2024 with the necessary motivation where key performance indicators require adjustment/ amendment/s as a result of the Adjustments Budget.



## 8. SUMMARY AND CHALLENGES

Annexure A is the unaudited Top Layer SDBIP for the first half of the financial year 2023/2024 ending 31 December 2023, which measures the Drakenstein Municipality's overall performance per KPA. The report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

It was reported that the draft Annual Report was reviewed by management as well as an expert reviewer and it will be tabled to Council on 30 January 2024. All matters raised by the Internal Audit Unit and the Audit Committee with the review of the 2021/2022 Annual Report, has been addressed. For the period under review, there has been no underperformance. However, should any underperformance occur in the next six (6) months, it will be addressed at the end of the Financial Year.

  
DR JOHAN LEIBBRANDT  
CITY MANAGER

DATE: 25/01/2024

**ANNEXURE A — TOP LAYER SDBIP 2023/2024 PER MUNICIPAL KPA  
AND ASSESSMENT OF TARGETS ACHIEVED  
(1 JULY- 31 DECEMBER 2023)  
(S72, MFMA MID-YEAR ASSESSMENT)**

**9. ANNEXURE A — TOP LAYER SDBIP 2023/2024 PER MUNICIPAL KPA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR, MFMA S72 ASSESSMENT)**

**KPA 1: GOVERNANCE AND COMPLIANCE**

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
TL1	To ensure good governance and the active participation of all relevant stakeholders	Submission of Audit Committee reports to Council	Number of Audit Committee reports submitted to Council	4	4	2	2	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 cases 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 Mayor/Council	Number of IDP/Budget/SDF time schedules (process plans) submitted to Mayor/Council by 31 August	1	1	1	1	G		

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

No KPI Target For This Period	0
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	3
Above Expectation	0
Outstanding Performance	0
<b>Total KPIs</b>	<b>3</b>

## KPA 2: FINANCE

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
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 by 31 May	Number of MTREFs submitted to Council by 31 May	1	1	0	0	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)	45	45	45	41.90	B		
TL6	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the Annual Financial Statement (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	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	>1.0 (more than)	>1.0 (more than)	>1.0 (more than)	0	N/A		

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
TL8	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))	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	1	1	1	1	G		
TL9 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))	Debt coverage ratio ((Total operating revenue - operating grants received)/(Debt service payments due within the year))	1	N/A	N/A	N/A	N/A		
TL10 NKPI	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Updating of the Indigent Register (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of all qualifying indigent applications processed	100%	100%	100%	100%	G		
TL11	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 Adjustments Budget submitted for approval to Council by 28 February	1	1	N/A	N/A	N/A		

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

No KPI Target For This Period	4
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	3
Above Expectation	0
Outstanding Performance	1
<b>Total KPIs</b>	<b>8</b>

### KPA 3: ORGANISATION AND HUMAN CAPITAL

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall Performance Comment	Overall corrective measure
						Target	Actual	R		
TL12 NKPI	To transform the municipality into an effective and efficient organization	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 reports (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		
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 approved budget actually spent on implementing its Workplace Skills Plan	98%	98%	0	0	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	1118	1118	N/A	N/A	N/A		



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

No KPI Target For This Period	2
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	1
Above Expectation	0
Outstanding Performance	0
<b>Total KPIs</b>	<b>3</b>

## KPA 4: INFRASTRUCTURE AND SERVICES

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
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%	90%	97.25%	GZ	Good control and monitoring	
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 indicator – S10 (a))	Percentage of formal households with access to basic level of water	100%	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% water distribution losses	<19% water distribution losses	0	0	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	10	10	N/A	N/A	N/A		

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
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	Percentage wastewater quality compliance as per analysis	75%	75%	75%	73%		Loadshedding has caused lot of failures and problems are experienced with the pumps. Back wash cannot be done and this has an impact on the wastewater quality	Additional generators have been purchased to address this matter and is in the process of being installed.
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 indicator – 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% per annum (less than)	<10%	<10% electricity distribution losses	<10%	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 indicator – S10 (a))	Percentage of formal households with access to basic level of electricity	100%	100%	100%	100%	G		

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
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	0	0	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 – MFMA, Reg. S10(a))	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements	42	42	0	0	N/A		
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 – MFMA, Reg. S10(a))	Percentage of formal households with access to basic level solid waste removal	100%	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	43	G		

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

No KPI Target For This Period	5
Unacceptable Performance	0
Not Fully Effective	1
Fully Effective	5
Above Expectation	1
Outstanding Performance	0
<b>Total KPIs</b>	<b>12</b>

## KPA 5: PLANNING AND DEVELOPMENT

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
TL27	To plan, promote investment and facilitate economic growth.	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%	90%	90%	100%	G2		

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

No KPI Target For This Period	0
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	0
Above Expectation	1
Outstanding Performance	0
<b>Total KPIs</b>	<b>1</b>

## KPA 6: COMMUNITY DEVELOPMENT

Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2023			Overall Performance Comment	Overall Corrective Measure
						Target	Actual	R		
TL28	To ensure a safe community and a healthy and protected environment	Submit Disaster Management Plan to the Portfolio Committee (Public Safety)/ Mayco	Number of Disaster Management Plans submitted to the Portfolio Committee (Public Safety)/ Mayco	1	1	0	0	N/A		

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

No KPI Target For This Period	1
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	0
Above Expectation	0
Outstanding Performance	0
<b>Total KPIs</b>	<b>1</b>